

Item 1: Cover Page

Dynamic Capital Management Limited Form ADV, Part 2A (the “Brochure”)

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March 31, 2015

This Brochure provides information about the qualifications and business practices of Dynamic Capital Management Limited (“Dynamic”). If you have any questions about the contents of this Brochure, please contact us at (212) 246-9000 or mail@dynamicfunds.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 Dynamic is also available on the SEC’s website at: www.adviserinfo.sec.gov.

Dynamic is registered with the SEC as an investment adviser. Registration as an investment adviser does not imply a certain level of skill or training.

Registered in Jersey No 100556

Regulated by the Jersey Financial Services Commission for the conduct of Fund Services Business

Item 2: Material Changes

The Brochure dated March 31, 2015 is Dynamic's annual filing. While we have made no material changes since we last filed our Part 2A of Form ADV in March 2014, this brochure reflects recent updates to certain of our policies, including some additional risk factors within Item 8 and some other updates.

Currently, our Brochure may be requested by contacting the chief compliance officer, at (212) 246-9000 or mail@dynamicfunds.com.

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Item 4: Advisory Business

Dynamic, a corporation formed pursuant to the laws of the Island of Jersey, is owned by Mr. Camille Hayek and has acted as an investment advisor under the direction of Mr. Hayek since August 1, 2008. Prior thereto, Dynamic Capital Management LLC, a Delaware limited liability company (“DCM”) and a 100%-owned subsidiary of Dynamic, acted as the investment advisor to Dynamic’s clients, also under the direction of Mr. Hayek, from June 1999 through July 2008 and DCM continues to provide certain support services to Dynamic. Dynamic is also the 100% owner of Dynamic Capital Partners LLC, a Delaware limited partnership (“DCP”), and the 100% owner of Dynamic Capital Management (UK) Limited, a private limited company incorporated under the laws of England and Wales (“DCM-UK” and together with Dynamic, DCM and DCP the “Dynamic Group”).

Dynamic currently provides investment management services on a discretionary basis to three clients: two offshore private funds and one onshore private fund. Dynamic’s clients are privately offered funds that are excluded from the definition of “investment company” pursuant to section 3(c)(7) of the Investment Company Act of 1940, as amended (the “1940 Act”). As noted above and more fully described in each Fund’s offering document, DCM and DCM-UK provides certain support services to Dynamic and its clients pursuant to a services agreements with Dynamic. Dynamic may provide investment advisory services to additional clients (including other private investment funds and managed accounts) in the future. Dynamic does not manage client assets on a non-discretionary basis and does not offer wrap fee accounts.

Dynamic is a short-term systematic manager that uses advanced quantitative and computational techniques to develop and execute trading strategies in long/short equities and futures. Dynamic’s investment approach is based on a rigorous mathematical framework, leverages extensive computing power and places a high degree of emphasis on research. All modeling and software development is conducted internally. The investment process consists of attempting to identify statistically robust patterns in financial instruments and a systematic execution intended to “monetize” a quantitative edge while enforcing a strict risk management framework. A high volume of small size trades across multiple strategies contributes to the overall performance. Please see Item 8: Methods of Analysis, Investment Strategy and Risk of Loss for additional information.

Dynamic’s strategy is designed to seek substantial return on capital through trading, on United States and non-United States exchanges and/or off-exchange, in (i) security interests including equity securities and contracts for differences (“CFDs”) with respect to equity securities and security indices and (ii) commodity interests including futures contracts, options and forward contracts. Dynamic is currently trading a portfolio of futures contracts on fixed income instruments, stock indices, currencies and physical commodities, and a portfolio of long/short equities and derivatives thereon on exchanges in the U.S., Europe, Asia and Canada, for its clients. Client accounts are generally managed on a parallel basis and in accordance with the terms of their respective governing documents.

Dynamic has the exclusive responsibility for selecting the security interests and commodity interests to be purchased or sold for client accounts. There are no limitations or restrictions other than what is disclosed in the clients’ offering documents (if applicable) or imposed in writing by a client. Dynamic’s investment advice is provided directly to its clients and not individually to the clients’

owners/investors. Dynamic does not tailor its advisory services to the individual needs of its clients' owners/investors.

As of December 31, 2014, Dynamic managed \$170,021,554 (net) on a discretionary basis on behalf of its clients.

This Brochure and the material contained herein are not meant to be, nor shall it be construed as, an offer or solicitation of an offer for the purchase or sale of securities of Dynamic's clients.

Item 5: Fees and Compensation

Dynamic's fees and other client expenses are described below and in greater detail in documents specific to each client (such as its offering document).

Management Fees

For providing investment advisory services, Dynamic currently receives from each client an asset-based monthly management fee that ranges from 1/8 to 1/12 of 2% (1.5% to 2% per year) of the month-end adjusted net asset value of each client. For purposes of calculating the management fee, net asset value is determined before any incentive fee (as described below) is made to Dynamic or its affiliates and is not reduced by the current month's management fee. The management fee is payable monthly in arrears.

The management fee is non-negotiable. Dynamic may, however, in its sole discretion, waive payment by clients of some or all of such management fees. Dynamic and certain of its affiliates and related parties are not subject to management fees.

Incentive Fee

Dynamic and its affiliates are currently entitled to receive a performance-based incentive fee and/or profit share allocation from clients payable quarterly in arrears equal to 20% of the trading profits as of the end of each quarter, subject to a "high water mark" and adjusted for any intra-period redemptions by clients' owners. Trading profits include both realized and unrealized profits and losses and are defined more specifically in the management agreement with each client. The incentive fee is payable quarterly in arrears.

The incentive fee is non-negotiable. Dynamic or its affiliate may, however, in their sole discretion, waive payment by of some or all of the incentive fee. Dynamic and certain of its affiliates and related parties are not subject to incentive fees.

Other Fee Information

Dynamic's management and incentive fees are charged as set forth in each client's advisory agreement with Dynamic. For current clients, these fees are calculated independently by each client's administrator in accordance with the client's offering documents and the relevant calculation is sent to the Dynamic Group for review and approval. Once approved, clients are billed for fees owed (monthly in the case of management fees and quarterly in the case of the incentive fees) and such fees are deducted from clients' accounts.

None of the Dynamic Group's entities or employees accepts compensation for the sale of securities or other investment products.

Other Expenses

Clients are subject to additional expenses in addition to the management and incentive fee paid to Dynamic and/or its affiliates. These include, but are not limited to:

- Ongoing administrative and offering costs such as ordinary and extraordinary legal, accounting, administrative and auditing fees, operating expenses as incurred such as costs of printing and mailing monthly, annual, tax and other reports and notices, expenses of offering interests in certain clients, insurance costs, charges of the registered agent, governmental filing fees, regulatory expenses, directors fees (if applicable), listing expenses, and taxes; and
- Transaction costs associated with trading and investment activities such as brokerage commissions, prime brokerage fees, execution, give-up, brokerage, floor, exchange, clearing and regulatory fees, NFA fees, user fees, exchange data fees and related costs and expenses, option premiums and other transaction costs and expenses, delivery and custody expenses, bank, broker and dealer service fees, interest and borrowing charges on margin accounts, borrowed money and other indebtedness, and related expenses and costs. Additional information regarding Dynamic's brokerage practices is disclosed in Item 12: Brokerage Practices.

Item 6: Performance-Based Fees and Side-by-Side Management

For a description of performance-based fees charged by Dynamic, see Item 5: Fees and Compensation.

Mr. Hayek is the sole owner and a director of Dynamic, which will receive the asset-and-performance-based fees from its clients described in Item 5: Fees and Compensation. In addition, an affiliate of Dynamic currently receives a performance-based fee in the form of a profit share allocation from a private fund client. The Dynamic Group and/or Mr. Hayek may, therefore, have a conflict of interest in that they may have an incentive to favor the account of the client for which they will receive the highest performance-based fee. Because client accounts generally trade in parallel, however, Dynamic does not anticipate conflicts of interest in connection with the side-by-side management of its accounts. Please refer to the discussion of Aggregated Trades in Item 12: Brokerage Practices for additional information.

Item 7: Types of Clients

As disclosed in Item 4: Advisory Business, Dynamic's current clients are private funds.

The minimum account size for an investor in a Dynamic client is \$1,000,000, which, subject to certain limits, may be waived by the client's board of directors/general partner.

Please see the offering document of each client for additional information.

Item 8: Methods of Analysis, Investment Strategies and Risk of Loss

Mr. Hayek, Dynamic's portfolio manager, supervises a team of research analysts to develop Dynamic's trading and order execution models. As previously noted, all research and development is conducted internally. Please see Item 4: Advisory Business for additional information.

Dynamic focuses on managing capital primarily in security interests and commodity interests through the use of computerized quantitative programs. It has a multi-strategy investment process based on quantitative trading models. These models are supported by a strong theoretical framework implemented through a robust technology solution. Dynamic is currently trading a portfolio of equity securities and futures contracts, as well as, contracts for differences ("CFDs") on non-U.S. equity securities as defined later in this section. All equity securities and futures transactions are effected on U.S. and non-U.S. securities and futures exchanges. CFDs on equity securities and indices are principal transactions and will be entered into with counterparties, including the clients' prime broker(s) and other broker/dealers. Foreign currency trading is conducted in the interbank market or on the appropriate U.S. futures exchange. When appropriate, interbank positions may be exchanged for futures positions via the exchange-for-physicals mechanics of the various exchanges. Equities are traded on a margined basis and through enhanced leverage arrangements with the clients' prime brokers.

Although Dynamic normally follows a disciplined systematic approach to trading, on occasion it may override the signals generated by its models. Such modifications may not necessarily achieve beneficial results. Dynamic reserves the right to change trading methods and strategies and to modify models currently in use (including technical and fundamental trading factors or analyses, instruments or contracts traded and/or risk management principles utilized) at any time without prior notice to or approval by Dynamic's clients.

Risk is managed by using a combination of quantitative and operational measures. For example, the portfolio construction follows a strict framework encompassing instrument diversification, market neutrality by geography for the equities component as well as an overall target cap on Value at Risk and specific target caps on Value at Risk per instruments. Furthermore, Dynamic has developed an automated order execution and trade reconciliation platform to reduce human error and execution risk.

Dynamic intends to engage in short-term trading on behalf of its clients. As a result, client portfolios may incur significant turnover and, consequently, increased transaction costs such as brokerage commissions. In addition, it is likely that income derived by clients will be classified as ordinary income/loss and/or short-term capital gain/loss for U.S. federal income tax purposes. See Item 12: Brokerage Practices for a description of brokerage related costs.

All investing involves risks, including loss of principal, and clients should be prepared to bear such risks. Advisory clients should be aware that many factors affect the value of their accounts and investment performance and should consider the risks, including the risks set forth below although the following does not purport to be a complete explanation of all of the risks involved in investing.

- **You May Incur Losses On Your Investment.** Futures markets are highly volatile. Market prices can be influenced by, among other things, changing supply and demand relationships, governmental, agricultural, commercial and trade programs and policies, national and international political and economic events, weather and climate conditions, insects and plant disease, purchases and sales by foreign countries and changing interest rates. Participation in a market that is highly volatile could produce substantial losses for client accounts and could result in the loss of some or all of their investment.
- **Futures Trading Is Speculative and Highly Leveraged.** A high degree of leverage is typical of a futures trading account because of the low margin deposits normally required in futures trading. As a result, a relatively small price movement in a futures contract may result in substantial losses to a client's account. Moreover, exchange-traded futures positions are marked to the market each day and variation margin payments must be paid to or by the account.
- **Commodity Trading May Be Illiquid.** Most commodity exchanges limit fluctuations in commodity futures contract prices during a single day by regulations referred to as "daily price fluctuation limits" or "daily limits." During a single trading day, no trades may be executed at prices beyond the daily limit. Once the price of a futures contract has increased or decreased by an amount equal to the daily limit, positions in such contract can be neither taken nor liquidated unless traders are willing to effect trades at or within the limit. Commodity futures prices have moved the daily limit for several consecutive days with little or no trading in the past. Similar occurrences could prevent Dynamic from promptly liquidating unfavorable positions on behalf of a client and thus subject the client to substantial losses.
- **Equity Trading.** Dynamic will invest client accounts in equity securities. The value of these securities generally will vary with the performance of the issuer and movements in the equity markets. As a result a client may suffer losses if it invests in equity securities and equity-like securities of issuers whose performance diverges from Dynamic's expectations or if equity markets generally move in a single direction against the client's positions and the client account has not been hedged against such a general move.

Since Dynamic's client accounts currently have limited restrictions relating to the diversification or concentration of their investments, they may be more vulnerable to particular economic, political, regulatory or other developments than would be a more diversified portfolio. Dynamic may conduct its investment activities on behalf of its clients on a purely speculative basis. Any portion of a client's assets may be invested in high-risk securities, which are especially subject to changes in general economic conditions, in the financial condition of their issuers and in interest rates. In addition, although the securities which the client acquires are traded on public exchanges, each exchange typically has the right to suspend or limit trading in all securities that it lists. Such a suspension could render it difficult or impossible for Dynamic to liquidate a client's positions and would thereby expose the client to losses. Clients therefore may be locked into an adverse price movement for several days or more which may result in immediate and substantial loss.

- **Derivatives.** Derivative financial instruments ("derivatives") include, without limitation, futures, non-equity options such as options on futures contracts and on commodities, interest

rate swaps, forward currency contracts, CFDs, and credit derivatives such as credit default swaps (“CDS”). Many derivatives are currently traded over-the-counter (“OTC derivatives”). The trading of derivatives subjects clients to a variety of risks including: 1) counterparty risk; 2) basis risk; 3) interest rate risk; 4) settlement risk; 5) legal risk; and 6) operational risk. Counterparty risk is the risk that one of a client’s counterparties might default on its obligation to pay or perform generally on its obligations. Such “counterparty risk” is accentuated for contracts with longer maturities where events may intervene to prevent settlement, or where Dynamic has concentrated a client’s transactions with a single or small group of counterparties. Basis risk is the risk attributable to the movements in the spread between the derivative contract price and the future price of the underlying instrument. Interest rate risk is the general risk associated with movements in interest rates. Settlement risk is the risk that a settlement in a transfer system does not take place as expected. Legal risk is the risk that a transaction proves unenforceable in law because it has been inadequately documented. Operational risk is the risk of unexpected losses arising from deficiencies in a firm’s management information, support and control systems and procedures. Swaps and other transactions in certain derivatives may involve other risks as discussed under “Regulation and Recent Market Events” and “Regulatory Changes Could Restrict the Dynamic’s Operations and Increase the Costs of Operation.”

It is most common for swap transactions to be documented using definitions, master agreements and protocols published by the International Swaps and Derivatives Association, Inc. (“ISDA”), although other sources of documentation may be used for certain transactions, products and markets. Regardless of their source, all swap documentation may contain ambiguous provisions that are subject to interpretation and may result in consequences that are adverse to Dynamic’s client accounts.

Furthermore, the Equity Derivatives Definitions published by ISDA and used for market standard equity derivative transactions may contain ambiguous provisions that are subject to interpretation and may result in consequences that are adverse to Dynamic’s client accounts. In addition to the credit risk of the related equity derivative swap counterparty, client accounts are also subject to the risk that the Equity Derivatives Definitions could be interpreted in a manner that would be adverse to Dynamic’s client account or that the equity derivatives market generally may evolve in a manner that would be adverse to Dynamic’s client accounts.

Furthermore, the Credit Derivatives Definitions published by ISDA and used for market standard CDS transactions may contain ambiguous provisions that are subject to interpretation and may result in consequences that are adverse to Dynamic’s client accounts. In addition to the credit risk of the reference obligations and/or reference entities and the credit risk of the related credit derivative swap counterparty, Dynamic’s client accounts are also subject to the risk that the Credit Derivatives Definitions could be interpreted in a manner that would be adverse to Dynamic’s client accounts or that the credit derivatives market generally may evolve in a manner that would be adverse to Dynamic’s client accounts.

- **Use of Leverage and Securities on Margin.** Dynamic employs leverage to enable clients to make investments substantially in excess of their equity. Dynamic reserves the right to use as much borrowing and leverage as permitted under applicable law and under limits imposed by a client’s brokers. Although such techniques increase the opportunity for a higher return on

investment, they also increase the risk of loss. Good faith or margin deposits normally required in commodity futures trading may range from 1% to 25% of the face value of the contract. Dynamic estimates that between approximately 1% and 30% of its clients' assets may generally be committed to margin. As a result of this leverage, a small change in the market price of a contract can produce major losses for its clients. For example, \$3,000 in margin may be required to hold one U.S. Treasury Bond contract with a face value of approximately \$100,000. Thus, a \$3,000 or three percent (3%) decrease in the value of that contract would cause a total loss of the margin deposit (assuming the position is long).

- **Short Sales.** Dynamic's clients engage in "short sales" (i.e., the sale of a security that the client does not own in the hope of purchasing the same security at a later date at a lower price) in which there is no limit to the amount of potential loss. Clients will incur a loss as a result of a short sale if the price of the security increases or does not decline sufficiently to cover transaction costs between the date of the short sale and the date on which the client covers its short position (i.e., purchases the security in the open market). Clients will realize a gain if the security declines in price between these dates by an amount sufficient to offset net expenses of the short sale. A short sale involves a risk of a theoretically unlimited loss occasioned by an increase in the market price of the security that is the subject of the short sale. Short selling activities are also subject to restrictions imposed by the U.S. federal securities laws and the various international, national and regional securities exchanges, which restrictions could limit the investment activities of the Dynamic on behalf of its clients.

In addition, many jurisdictions have imposed restrictions and reporting requirements on short selling. In September 2008, the SEC temporarily suspended short selling on stocks of over 950 publicly traded companies. In July 2009, the SEC adopted a rule that requires broker-dealers to promptly purchase or borrow securities to deliver on a short sale. In February 2010, the SEC adopted a rule restricting the price at which securities may be sold short when the price of the security decreases by a certain percentage. In August 2011, several European countries imposed temporary short-selling bans. The restrictions and reporting requirements that are currently in place and any regulation that may be enacted with respect to short selling may prevent Dynamic's clients from successfully implementing their investment strategies and provide transparency to Dynamic's competitors as to its clients' positions, thereby having a detrimental impact on Dynamic's clients' returns.

- **Regulation and Recent Market Events.** Exchanges in the U.S. and the intermediaries trading thereon are generally subject to regulation under the Commodity Exchange Act (as may be amended from time to time, the "CEA") by the Commodity Futures Trading Commission ("CFTC"). Since 1974, the CFTC has been the governmental agency responsible for the regulation of U.S. commodity futures trading. The CEA was significantly amended by the Commodity Futures Modernization Act of 2000 (the "CFMA"). On July 21, 2010, the President signed into law major financial services reform legislation in the form of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Reform Act"). The Reform Act, among other things, grants the CFTC and SEC broad rulemaking authority to implement various provisions of the Reform Act, including comprehensive regulation of the derivatives market.

The Reform Act reverses many of the amendments to the CEA provided under the CFMA by bringing a wide range of OTC derivative instruments under the jurisdiction of the CFTC and SEC. The Reform Act (i) grants the CFTC jurisdiction over “swaps;” (ii) repeals certain safe harbors of the CEA that previously excluded or exempted OTC derivative transactions, including swap transactions, from most or all provisions of the CEA; (iii) gives the SEC jurisdiction over SBS; (iv) creates new registration categories for certain swap market participants (i.e., major swap participants (“MSPs”), major SBS participants (“MSBSPs”), swap dealers and SBS dealers); and (v) authorizes the CFTC to impose capital and margin requirements and business conduct rules on such swap market participants. Depending on the outcome of the CFTC rulemaking process, a commodity pool, such as Dynamic’s clients, may be required to register with the CFTC, although it is not currently anticipated that such registration will be necessary for Dynamic’s client accounts.

The Reform Act introduces an extremely broad definition of the term “swap” into the CEA that captures many of the derivatives in which Dynamic’s client accounts transact. The definition of swap includes: (i) options, such as puts, calls, caps and floors on most reference assets; (ii) swaps, such as those on interest rates, broad-based securities indices and most other reference assets; (iii) credit default swaps; (iv) any other instrument “that is or becomes commonly known as a swap;” (v) foreign exchange swaps and foreign exchange forward contracts (with limited exceptions); and (vi) an instrument that combines any of the above.

The Reform Act contemplates that a substantial portion of swaps must be executed in regulated markets and submitted for clearing to regulated clearinghouses. The CFTC has issued rules requiring the clearing of certain OTC derivatives transactions that fall within its jurisdiction and it is expected that the CFTC and the SEC will require the clearing of more transactions in the future. Swaps submitted for clearing will be subject to minimum initial and variation margin requirements set by the relevant clearinghouse, as well as possible SEC- or CFTC-mandated margin requirements.

With respect to cleared OTC derivatives, the Dynamic’s client accounts will not face a clearinghouse directly but rather through an OTC derivatives dealer that is registered with the CFTC or SEC to act as a clearing member. Dynamic’s client accounts may face the indirect risk of the failure of another clearing member customer to meet its obligations to its clearing member. Such scenario could arise due to a default by the clearing member on its obligations to the clearinghouse, triggered by a customer’s failure to meet its obligations to the clearing member.

The CFTC has also issued rules requiring certain OTC derivatives transactions that fall within its jurisdiction and that are currently executed on a bilateral basis in the OTC markets to be executed through a regulated securities, futures or swap exchange or execution facility. It is expected that the CFTC and the SEC will require the execution on a regulated market of additional OTC derivatives transactions in the future. Such requirements may make it more difficult and costly for Dynamic’s client accounts to enter into highly tailored or customized transactions. They may also render certain strategies in which Dynamic’s client accounts might otherwise engage impossible or so costly that they will no longer be economical to implement. If Dynamic’s client accounts decides to become a direct member of one or more of these exchanges or execution facilities, Dynamic’s client accounts would be subject to all of the rules

of the exchange or execution facility, which would bring additional risks and liabilities, and potential additional regulatory requirements.

The regulators also have broad discretion to impose margin requirements on non-cleared OTC derivatives. OTC derivative dealers will be required to post the collateral received from customers as margin to the clearinghouses through which they clear their customers' trades instead of using such collateral in their operations, as they currently are allowed to do. This will further increase the dealers' costs, which costs are expected to be passed through to other market participants in the form of higher fees and less favorable dealer marks. In addition, client accounts may also be required to post higher margin amounts to certain of the dealers with which it trades and that will increase the costs of Dynamic's client accounts and reduce the amount of available capital with which to implement its investment strategy.

Swap dealers, MSPs, SBS dealers and MSBSPs will be required to register with the CFTC and/or SEC, as applicable, and will be subject to minimum capital and margin requirements. These requirements may apply irrespective of whether the swaps or SBS in question are exchange-traded or cleared. Swap dealers, MSPs, SBS dealers and MSBSPs will also be subject to new business conduct standards, disclosure requirements, reporting and recordkeeping requirements, transparency requirements, position limits, limitations on conflicts of interest, and other regulatory requirements (many of which are already in effect). These requirements may increase the overall costs for OTC derivatives dealers, which are likely to be passed along, at least partially, to market participants in the form of higher fees or less advantageous dealer marks. The overall impact of the Reform Act on client accounts is highly uncertain and it is unclear how the OTC derivatives markets will adapt to this new regulatory regime.

The function of the CFTC is to implement the objectives of the CEA of preventing price manipulation and other disruptions to market integrity, avoiding systemic risk, preventing fraud and promoting innovation, competition and financial integrity of transactions. Such regulation, among other things, provides that futures trading in commodities generally must be upon exchanges designated as "contract markets" and that all trading on such exchanges must be done by or through exchange members. As with forward foreign currency and spot contracts, currently most swap contracts are not traded on an exchange or cleared by an exchange or clearinghouse. Until such time as these transactions are cleared or guaranteed by an exchange, the client accounts will be subject to the risk of counterparty default on its swaps.

The CFTC also has exclusive jurisdiction to regulate the activities of CPOs and CTAs. Dynamic is registered as a CPO and a CTA. Registration as a CPO or as a CTA requires annual filings setting forth the organization and identity of the management and controlling persons of the CPO or CTA. In addition, the CFTC has authority under the CEA to require and review books and records of, and review documents prepared by, a CPO or a CTA. The CFTC imposes certain disclosure and record-keeping requirements on CPOs and CTAs. The CFTC also imposes certain reporting requirements on CPOs. The CFTC is authorized to suspend a person's registration as a CPO or CTA if the CFTC finds that such person's trading practices tend to disrupt orderly market conditions, that any controlling person thereof is

subject to an order of the CFTC denying such person trading privileges on any exchange, and in certain other circumstances.

Each of the Dynamic's clients' commodity brokers is also subject to regulation by and registration with the CFTC as a futures commission merchant (an "FCM"). With respect to domestic futures and options trading, the CEA requires all FCMs to meet and maintain specified fitness and financial requirements, account separately for all customers' funds, property and positions and maintain specified books and records on customer transactions open to inspection by the staff of the CFTC. The CEA authorizes the CFTC to regulate trading by commodity brokerage firms and their employees, permits the CFTC to require exchange action in the event of market emergencies and establishes an administrative procedure under which commodity traders may institute complaints for damages arising from alleged violations of the CEA. Under such procedures, members may be afforded certain rights for reparations under the CEA.

As noted above under "Commodity Trading May Be Illiquid," many exchanges (but currently not the foreign currency futures markets) limit the amount of fluctuation in commodity futures contract prices during a single trading day (other than in the spot month). These regulations specify what are referred to as "daily price fluctuation limits" or, more commonly, "daily limits." The daily limits establish the maximum amount the price of a futures contract may vary from the previous day's settlement price. Once the daily limit has been reached in a particular commodity, no trades may be made at a price beyond the limit. Positions in the commodity could then be taken or liquidated only if traders are willing to effect trades at or within the limit during the period for trading on such day. The "daily limit" rule does not limit losses that might be suffered by a trader because it may prevent the liquidation of unfavorable positions. Also, commodity futures prices have moved the daily limit for several consecutive trading days in the past, thus preventing prompt liquidation of futures positions and subjecting the commodity futures trader to substantial losses.

As described in greater detail below under "Possible Effects of Speculative Position Limits," the CFTC and U.S. exchanges have established limits, referred to as "speculative position limits," on the maximum net long or net short position that any person, or group of persons acting together, may hold or control in particular commodities. The position limits established by the CFTC currently apply to grains, soybeans and cotton. U.S. exchanges have established speculative position limits or accountability levels for all commodity contracts for which no such limits have been established. The Reform Act also authorizes the CFTC to establish speculative position limits in all futures and swaps markets. In November 2013, the CFTC proposed new rules that, if adopted in substantially the same form, will impose position limits on certain futures and option contracts and physical commodity swaps that are "economically equivalent" to such contracts. If enacted, these rules could have an adverse effect on Dynamic's trading for its clients, which could negatively impact the operations and profitability of the client accounts.

The CFTC has also adopted rules with respect to the treatment of positions held by a commodity pool, such as the client accounts, for purposes of determining compliance with speculative position limits. Futures positions of the client accounts are allocated to the person or entity controlling trading decisions for the client. Currently, all of the positions held by all accounts owned or controlled directly or indirectly by Dynamic and its principals will be aggregated with

the client accounts' positions controlled by Dynamic. Depending upon the total amount of assets being managed in the accounts controlled directly or indirectly by Dynamic, such position limits may affect the ability of Dynamic to establish particular positions in certain commodities for the client account or may require the liquidation of positions.

In addition, pursuant to authority in the CEA, the NFA was formed and registered with the CFTC as a self-regulatory organization ("SRO") in order to relieve the CFTC of the burden of direct regulation of commodity professionals. The NFA is required to establish and enforce for its members training standards and proficiency tests, minimum financial requirements and standards of fair practice. Pursuant to permission granted in the CEA, the CFTC has delegated some of its registration functions to the NFA. Dynamic is a member of the NFA.

The above-described regulatory structure may be modified by additional rules and regulations promulgated by the CFTC or by legislative changes enacted by Congress. Furthermore, the fact of CFTC registration of Dynamic does not imply that the CFTC has passed upon its qualifications.

- **Regulatory Changes Could Restrict Dynamic's Operations and Increase the Costs of Operation.** Regulatory changes could adversely affect clients by restricting their trading activities and/or increasing the costs or taxes to which clients and/or their owners are subject. Among other things, the Reform Act includes additional regulation of investment funds and their managers, including registration requirements as well as additional compliance, reporting and disclosure requirements. In addition, the Reform Act grants the CFTC and SEC broad rulemaking authority to implement various provisions of the Reform Act including comprehensive regulation of the over-the-counter derivatives market. The implementation of the Reform Act could adversely affect clients by increasing transaction and/or regulatory compliance costs. In addition, greater regulatory scrutiny may increase Dynamic Group's exposure to potential liabilities. Increased regulatory oversight can also impose administrative burdens on Dynamic, including, without limitation, responding to investigations and implementing new policies and procedures. As a result, Dynamic's time, attention and resources may be diverted from portfolio management activities.

Other potentially adverse regulatory initiatives could develop suddenly and without notice.

- **EU Directive on Alternative Investment Fund Managers.** The EU Directive 2011/61/EU on Alternative Investment Fund Managers Directive ("AIFMD") has been transposed into the local law of a majority of member states of the European Economic Area ("EEA"). Under the AIFMD, certain conditions must be met to permit the marketing of the shares to any potential and existing investors in the EEA, including compliance with the national private placement regime in each relevant EEA member state (where such national private placement regime is available). In the event that Dynamic are unable to comply with the requirements of the national private placement regime of the relevant EEA member state or no national private placement regime is available, it may not be possible to market the shares of client accounts to investors in that EEA member state.

Item 9: Disciplinary Information

Neither the Dynamic Group nor any of its employees have been involved in any legal or disciplinary events in the past ten years that Dynamic believes would be material to a client's evaluation of the Dynamic Group or its personnel.

Item 10: Other Financial Industry Activities and Affiliations

Dynamic is registered with the CFTC as a commodity trading advisor (“CTA”) and a commodity pool operator (“CPO”) and is a member of the National Futures Association (“NFA”). It serves as the CTA and/or CPO to certain of its clients. Dynamic is registered with the Jersey Financial Services Commission pursuant to Article 9 of the Financial Services (Jersey) Law 1998 to carry out “fund services business”. DCM is registered with the CFTC as a CPO and a CTA and is a member of the NFA. DCP is registered with the CFTC as a CPO and is a member of the NFA; it serves as the general partner and CPO to one of Dynamic’s clients. DCM-UK is registered with the CFTC as a commodity trading advisor (“CTA”), is a NFA member and is an appointed representative of Hutchinson Lilley Investments LLP which is authorized and regulated by the Financial Conduct Authority

Mr. Hayek, the sole owner of Dynamic, is an Associated Person of Dynamic. Mr. Hayek, the sole indirect owner of DCM and DCP, Didier Javice and David Prevot are Associated Persons of DCM and DCP. Nicolas Lamongie is an Associated Person of DCM and Julian Knight is an Associated Person of DCM-UK.

Mr. Hayek is a director and sole owner of Dynamic and is the sole indirect owner of DCM and DCP. Mr. Hayek has various responsibilities with respect to the clients sponsored by Dynamic or its affiliates, including as a member of the board of director of two fund clients and as the indirect owner of the general partner of another fund client. Mr. Hayek, Dynamic and its affiliates and family members of Mr. Hayek own direct and indirect interests in Dynamic’s private fund clients as well. Thus, the receipt of the amounts described in Item 5: Fees and Compensation creates a potential conflict of interest for Dynamic, Mr. Hayek and their related parties, as discussed above in Item 6: Performance-Based Fees and Side-By-Side Management.

Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Dynamic has adopted a written Code of Ethics (the “Code”) pursuant to SEC rule 204A-1 which requires, among other things, that certain employees of the Dynamic Group (“Access Persons”):

- Act with integrity, competence, diligence, respect, and in an ethical manner with the public, clients, prospective clients, employers, employees, and colleagues in the investment profession;
- Place the integrity of the investment profession, the interests of clients, and the interests of Dynamic above one’s own personal interests;
- Adhere to the fundamental standard that one should not take inappropriate advantage of one’s position;
- Attempt to avoid any actual or potential conflict of interest;
- Conduct all personal transactions in a manner consistent with Dynamic’s Code;
- Promote the integrity of, and uphold the rules governing, capital markets;
- Maintain and improve professional competence and strive to maintain and improve the competence of other investment professionals; and
- Comply with applicable provisions of the federal securities laws.

Dynamic and its affiliates, employees and related persons may buy and sell the same trading instruments as recommended to clients, possibly at or about the same time as Dynamic’s clients. To avoid any potential conflicts of interest involving personal trades, Dynamic’s Code also requires Access Persons and certain persons living in the same household to: 1) pre-clear certain personal transactions, 2) report certain personal transactions on at least a quarterly basis, and 3) provide Dynamic with a detailed summary of certain holdings (both initially upon commencement of employment and annually thereafter) over which such Access Persons have a direct or indirect beneficial interest.

A copy of the Code shall be provided to any client or prospective client upon request.

Item 12: Brokerage Practices

Selection of Trading Counterparties

Dynamic will use its best efforts to obtain brokerage services for its clients at competitive rates, also taking into consideration, among other factors, the reliability and quality of the execution and the reputation, dependability, experience and financial stability of the broker. Dynamic may periodically evaluate the arrangements with such parties and re-negotiate on behalf of such clients in its sole discretion and as it deems appropriate. The allocation of assets among brokers is determined by Dynamic in its sole discretion. Currently, none of the brokers engaged by Dynamic on behalf of its clients is a sponsor of a client nor does any broker currently supervise Dynamic or take part in the management or investment decisions of any client.

Dynamic's clients pay commissions, prime brokerage fees, give-up fees, financing costs and certain other expenses on their transactions. Brokerage commissions may vary by the market traded and may be affected by fluctuations in foreign exchange rates for trades executed on non-U.S. exchange markets. In addition, Dynamic's clients pay all expenses incurred in connection with their trading and investment activities, including, but not limited to, all execution, brokerage, floor, exchange, clearing and regulatory fees, NFA fees, user fees, exchange data fees and related costs and expenses, option premiums, other transaction costs and expenses, delivery and custody expenses, bank, broker and dealer service fees, interest and borrowing charges on margin accounts, borrowed money and other indebtedness and related expenses and costs. Clients that are members of certain exchanges may be eligible for certain reduced costs. Transaction costs on non-U.S. markets may be higher than such costs on U.S. markets. Absent gross negligence or intentional misconduct by Dynamic, clients will also absorb the cost of all trade errors that may occur.

Dynamic intends to engage in short-term trading on behalf of its clients. As a result, client portfolios may incur significant turnover and, consequently, increased transaction costs as described above.

None of Dynamic's current clients or their owner/investors have the ability to direct trades or select brokers or other counterparties for execution.

Aggregated Trades

Client accounts managed by Dynamic will generally be traded on a parallel basis (in the absence of client-imposed restrictions), with lots and prices distributed proportionally according to account size. Using this method of allocation of executions, no account or accounts traded pursuant to the same methodology can be traded "in front" or have positions opposite of the other accounts under management. Nonetheless, the accounts will not have identical performance as a result of timing of additions and withdrawals to the accounts and the allocation of split or partial fills. A client's orders for futures and equity securities may be bunched with Dynamic's other client accounts and, for purposes of post-execution allocation, Dynamic may allocate such futures and securities among client accounts on a basis which it considers fair and equitable. Accounts in which Dynamic or any of its principals or affiliates have an interest may be included with clients' accounts in bunched orders eligible for post-execution allocation.

Client Referrals

Although Dynamic does not compensate brokers or any other custodian or broker-dealer for referring client accounts or potential investors in Dynamic's clients, such parties may introduce potential clients and/or investors in Dynamic's clients as part of their overall services. Therefore, a trading counterparty may have a conflict of interest between acting in the best interest of an introduced investor and their interest in continuing to receive commissions from clients or potential clients of Dynamic.

Although brokers may provide services to Dynamic that may influence Dynamic in deciding whether to use such broker in connection with brokerage, financing and other activities on behalf of clients, Dynamic will not commit to allocate a particular amount of brokerage to a broker in any such situation.

Soft Dollar Arrangements

Dynamic does not currently have any soft dollar arrangements.

Item 13: Review of Accounts

Dynamic has developed internal systems that monitor positions held, risk exposure and proper settlement on a daily basis. In addition, Dynamic regularly performs quantitative analysis of client account performance which includes, but is not limited to, benchmarking the quality of execution by its brokers. The results are reviewed by the appropriate Dynamic personnel, supervised by the portfolio manager. A review of a client account may also be triggered by any unusual activity or special circumstances. In addition, as previously disclosed in Item 8: Methods of Analysis, Investment Strategies and Risk of Loss, Dynamic may change trading methods and strategies and modify models currently in use (including technical and fundamental trading factors or analyses, instruments or contracts traded and/or risk management principles utilized) in its sole discretion.

Independent third-party administrators to Dynamic's private fund clients may provide some or all of the following services to clients and/or their owners: computing the client's net asset value and performance, keeping the accounts of the client and such financial books and records as are required by law or otherwise for the proper conduct of the financial affairs of the client, preparing or procuring the preparation of annual financial statements of the client and furnishing such statements to the client's investors, and preparing and disseminating a monthly written statement of investment for the client's investors, which monthly statement may include confirmation of contributions and withdrawal, performance and net asset value/price per unit.

Annual audited financial statements are provided to each client and their owners/investors and filed with the appropriate regulatory authorities, in each case as required by law. Investors in certain clients receive required U.S. federal, state and local tax documents as required by law.

In connection with an investment or potential investment in a client, certain parties may request, and Dynamic and/or the client may agree to provide, more frequent or detailed information with respect to one or more of Dynamic's advisory clients that is not ordinarily provided to all owners/investors. Finally, Dynamic may provide investors and potential investors in its clients with information through telephone calls, correspondence and meetings, as requested; such information may not be provided to all investors or potential investors.

In addition to the foregoing, Dynamic may provide additional information to its client's investors and potential investors on a regular basis, including, but not limited to, periodic performance updates, a monthly letter disclosing estimated performance for the previous month and certain investment statistics and access to Dynamic's password-protected website which provides information with respect to real-time performance, daily and historical performance as well as daily risk metrics.

Item 14: Client Referrals and Other Compensation

Dynamic does not receive any economic benefits from non-clients in connection with the provision of investment advice to clients, other than as previously disclosed in “Item 12: Brokerage Practices.”

Dynamic has engaged the services of an external third party (“solicitor”) to solicit prospective investors for its clients. The solicitor receives compensation from Dynamic as agreed from time to time; compensation is not specifically based in whole or in part upon the assets invested in Dynamic’s advisory clients through the efforts of the solicitor.

Item 15: Custody

Client accounts are held in custody by unaffiliated broker/dealers or banks in each client's name. However, Dynamic may be deemed to have custody of client assets under Rule 206(4)-2 of the Advisers Act because (i) Dynamic has authority to deduct asset- and performance-based fees from client accounts and (ii) Dynamic or its affiliates may serve as general partner, investment manager or managing member of its clients. Dynamic complies with the requirements of Rule 206(4)-2 by ensuring that each client is audited at least annually by an authorized independent accountant and that audited financial statements prepared in accordance with generally accepted accounting principles are distributed to clients and their owners within 120 days of the end of each client's fiscal year.

Qualified custodians for each client provide daily and/or monthly account statements which should be carefully reviewed by the client.

Item 16: Investment Discretion

Dynamic has the exclusive responsibility for selecting the security interests and commodity interests to be purchased or sold for client accounts. This discretionary authority was obtained pursuant to a management agreement between Dynamic and each of its clients. There are no limitations or restrictions other than what is disclosed in each client's offering document or imposed in writing by the client.

Item 17: Voting Client Securities

In accordance with Rule 206(4)-6 of the Advisers Act, Dynamic has adopted and implemented written policies and procedures governing the voting of client securities. All proxies that Dynamic receives will be treated in accordance with these policies and procedures.

Due to the nature of Dynamic's advisory services, and more specifically because Dynamic normally follows a disciplined, systematic approach to trading, rather than a long-term investment approach, its strategy is not dependent upon the outcome of proxy contests. Therefore, neither Dynamic nor its clients currently vote any proxies with respect to the securities held by clients, although Dynamic has the authority, and reserves the right, to do so in the future.

Similarly, based on the nature of the advisory services provided Dynamic, Dynamic has determined that the costs of participation in class actions on behalf of its clients outweigh the potential benefits to the clients. Therefore, Dynamic does not currently intend to participate in any class actions with respect to the securities held in the clients' accounts, although Dynamic reserves the right to do so in the future.

None of Dynamic's clients nor their owners have the right to instruct Dynamic with respect to these matters.

A copy of Dynamic's proxy voting policies and procedures will be provided to any client upon request.

Item 18: Financial Information

Dynamic does not require or solicit prepayment of fees in advance.

Dynamic is not aware of any financial condition that is expected to affect its ability to manage client accounts.

Dynamic has never been the subject of a bankruptcy petition.

Item 19: Requirement for State Registered Advisers

Dynamic is not registered with a state securities authority.