

Item 1 – Cover Page

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Form ADV Part 2A — July 29, 2015

This brochure provides information about the qualifications and business practices of Autonomy Americas LLC, Autonomy Capital Jersey (L.P.), Autonomy Capital Research Two Limited and Autonomy Capital Research LLP which conduct business under the name Autonomy Capital. If you have any questions about the contents of this brochure, please contact us at (212) 796-1900 or by email at [info@autonomycapital.com](mailto:info@autonomycapital.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 Autonomy Americas LLC, Autonomy Capital Jersey (L.P.), Autonomy Capital Research Two Limited and Autonomy Capital Research LLP also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Autonomy Americas LLC, Autonomy Capital Jersey (L.P.), Autonomy Capital Research Two Limited and Autonomy Capital Research LLP are registered with the SEC as investment advisers; however, this registration does not imply a certain level of skill or training. Autonomy Capital (Jersey) LP and Autonomy Capital Research Two Limited are regulated by the Jersey Financial Services Commission for the conduct of Fund Services Business. Autonomy Capital Research LLP is authorized and regulated by the Financial Conduct Authority.

## Item 2 – Material Changes

We use this Item 2 to discuss material changes that are made to the brochure as part of our annual update, or where required in the intervening period.

Items 4 and 8 have been updated to reflect the addition of the Autonomy Dynamic Opportunities Fund.

You may request the most recent version of this brochure by contacting us at [info@autonomycapital.com](mailto:info@autonomycapital.com).

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#### Item 4 – Advisory Business

Autonomy Americas LLC (the “**Filing Adviser**”), a Delaware limited liability company, and its affiliates, Autonomy Capital (Jersey) L.P., a Jersey, Channel Islands, limited partnership regulated by the Jersey Financial Services Commission, acting through its general partner, Autonomy Capital (Jersey) Limited, Autonomy Capital Research Two Limited, a Jersey, Channel Islands, company regulated by the Jersey Financial Services Commission and Autonomy Capital Research LLP, a U.K. limited liability partnership, regulated by the U.K. Financial Conduct Authority (collectively, “**Autonomy Capital**, “**us**,” or “**we**”) provide investment advisory services. Autonomy Capital (Jersey) L.P., Autonomy Capital Research Two Limited and Autonomy Capital Research LLP are referred to herein collectively as the “**Relying Advisers**.” The Filing Adviser and the Relying Advisers are under common control, conduct a single advisory business and are registered with the SEC as part of a single registration. All investment advisory activities of the Filing Adviser and the Relying Advisers are subject to the Investment Advisers Act of 1940, as amended (the “**Advisers Act**”) and the rules thereunder, and any persons acting on behalf of the Filing Adviser or either of the Relying Advisers are subject to the supervision and control of the Filing Adviser with respect to any such investment advisory activities.

Autonomy Capital is an investment management firm for alternative asset funds specializing in multi-asset class investing across developed and emerging markets. The Filing Adviser was formed in 2008 and began providing investment advisory services in 2010. Autonomy Capital (Jersey) L.P. was formed in 2006 and began providing investment advisory services in 2007. Autonomy Capital Research LLP was formed in 2002 and began providing investment advisory services in 2003. Autonomy Capital Research Two Limited was formed in 2012 and subsequently began providing investment advisory services. The majority owner of the Filing Adviser and each of the Relying Advisers is Robert Gibbins. He is also, and has been since inception, the Chief Investment Officer and Founder of each entity.

The funds we manage are “**master feeder**” structures. In this brochure, we refer to the U.S. feeder funds, the offshore feeder funds and the master funds collectively as the “**Funds**.” We also manage an investment advisory account (which includes a separate vehicle we set up for a single investor for a variety of purposes) for an institutional client (“**Managed Account**”). In this brochure, we refer to the Managed Account with the Funds collectively as the “**Clients**.” All of the Funds are privately offered investment vehicles exempt from the definition of “Investment Company” under the Investment Company Act of 1940, as amended, (the “**1940 Act**”) and therefore are not required to register as an investment companies.

In managing the Funds’ portfolios, we generally employ a combination of top-down global macro analysis and fundamental bottom-up security selection to identify attractive investments. The cornerstone of our investment process is local, in-country research and due diligence. Mr. Gibbins, our other principals and many of our senior investment professionals individually have more than 20 years experience investing on a global basis and have developed strong relationships across the world. These relationships, in combination with frequent in-country research and due diligence trips, differentiate our analysis, edge, and investment capabilities. In our Global Macro Fund, investments are positioned in interest rates, currencies, credit (generally sovereign debt), equities and their related derivatives. The firm also opportunistically pursues funds and investments in special situations, private equity and real estate. The investment objective of our Funds is to achieve attractive absolute returns.

Autonomy Capital tailors its advisory services to the needs of each Fund consistent with the stated investment strategy of such Fund as described in such Fund’s offering documents and not individually to

each Fund's investors. Autonomy Capital has full discretion in all investment decisions made on behalf of the Funds. We provide advice to Clients regarding foreign exchange, interest rates, sovereign credit, fixed income, equities, commodities, corporate credit, options, futures, swaps, other derivatives, and other investments and instruments including private equity and real estate. There are generally no material limitations on the instruments, strategies, markets or countries in which Clients may invest. Additionally, the Funds' underlying investors may not impose restrictions on investing in certain securities or types of securities. However, we may separately permit Managed Account Clients to impose restrictions on their accounts with respect to:

- the specific types of investments or asset classes that we will or will not purchase for their account;
- the nature of the issuers of investments that we will or will not purchase for their account (*e.g.*, specific industries or sectors); or
- the risk profile of instruments we will or will not purchase for their account, or the risk profile of the account as a whole.

Although our Global Macro Fund generally employs what are commonly referred to as "global macro" investment strategies in both developed and emerging markets, we also opportunistically employ a range of different technical, fundamental, systematic and discretionary investment strategies based on fundamental research as well as quantitative analysis. Typically our Global Macro Fund's investments aggregate into 5 to 15 themes where we expect markets and/or securities prices to "re-rate" or "de-rate" thereby converging to underlying economic country, regional, sector, or policy fundamentals over a 3 – 24 month timeframe. Risk is managed in seeking to preserve capital. Our private equity and real estate funds pursue a substantially similar investment process to invest and seek to take advantage of longer term investment opportunities and trends.

The Autonomy Dynamic Opportunity Fund seeks high, risk-adjusted absolute returns by investing in, and dynamically allocating between, an investment in the Global Macro Fund and Special Situations Investments ("SSI").

SSI is a portfolio of opportunistic special situations investments involving longer-dated and generally less liquid and/or structured investments ("Designated Investments"), as well as liquid positions, including "supersized" positions from our Global Macro Fund. Designated Investments positions typically may target a 3-year investment horizon (range of 1-5 years). SSI's strategy may enable Autonomy Capital to take advantage of the firm's fundamental, thematic, macroeconomic approach to investing as it deploys capital in private and less liquid public markets. SSI will seek to invest opportunistically in deep value situations that are in part available as a result of unique considerations around illiquidity, geography, perceptions of market risk, and market capitalization. In many cases, the markets in which SSI invests may be those that display economic turmoil or political dynamics that drive distressed sellers of what we believe are mis-priced, high-quality assets. In these situations, Autonomy Capital may have a clear, variant perception of the macroeconomic framework going forward, allowing us to commit capital to misunderstood and overlooked investments with what we see as compelling potential as well as a potential margin of safety based on our understanding of recovery in the downside scenario.

The Autonomy Dynamic Opportunity Fund can allocate up to a maximum of 50% of the Autonomy Dynamic Opportunity Fund's NAV to SSI at any time. Capital not employed by SSI will generally be

returned to the Global Macro Fund unless there is a desirable SSI re-investment opportunity readily available.

For additional detail on the strategies and material risks of the Funds, see Item 8 below entitled *Methods of Analysis, Investment Strategies and Risk of Loss*.

As of June 30, 2015, we had approximately \$3.4 billion in assets under management, all of which are managed on a discretionary basis.

#### Item 5 – Fees and Compensation

##### *Funds*

Generally, Funds pay us a management fee that ranges from 1.0% to 2.0% annually, depending on the nature of the investment strategy for the relevant Fund, which is typically based on the net asset value of the Fund. We also receive incentive allocations, typically 20% of the net capital appreciation allocated to each investor in a Fund, subject to certain limitations. Certain of our private equity and real estate Funds are assessed fees on a different basis. These Funds are generally charged a management fee that ranges from 1.0%-2.0% annually generally based on capital commitments or contributed capital, and our incentive allocations is paid out upon divestment of portfolio holdings, subject to the distribution waterfall specified in the Fund's legal documents. Additionally, some of our private equity and real estate Funds are generally subject to our receipt of incentive allocations to achieving "Hurdles" or "Preferred Returns." Management fees and incentive allocations are calculated based on the terms set forth in each Fund's offering materials and other constituent documents.

In working with the Funds, we have the authority to waive all or a portion of the fees and allocations we receive from the Funds with respect to any particular investor and we do so for our principals and staff (and select former staff) and their respective family members, employee benefit plans and estate planning vehicles that are not subject to management fees and incentive allocations. Because we (or our partners, principals, or staff (and select former staff)) invest in certain of the Funds, we participate alongside other investors in the investments of those Funds *pro rata* in accordance with our capital accounts in the Fund although our partners, principals and staff (and select former staff) do not pay management fees or incentive allocations. As a matter of policy, we have not wholly waived any fees or allocations otherwise payable by any other investor in the Funds, although we reserve the right to do so in the future.

In accordance with the terms of the Funds, we are generally permitted to open new tranches for Funds that have different terms at the request of an incoming investor. When we open these new tranches, we sometimes grant requests from existing Fund investors to transfer their interest in the relevant Fund to the new tranche, subject to certain terms and conditions. We have also issued interests in tranches to persons and entities with whom we are affiliated.

##### *Managed Account*

We currently have one Managed Account Client that has fee arrangements that are similar to the Funds, but we reserve the right to negotiate different terms and conditions (including different fee and redemption arrangements) with respect to any new separately managed account Clients. A decision regarding whether to allow a prospective client to open a Managed Account is based upon a variety of factors and is at our complete discretion.

### *Method and Payment of Fees*

Fund Clients generally pay management fees monthly (or quarterly in the case of some of our private equity and real estate funds) in arrears. Generally, incentive allocations (subject to a high-water mark) are made annually in arrears as of each year-end, whereas certain of our private equity and real estate funds receive allocations upon divestment of portfolio holdings. All fees and allocations we receive are deducted directly from the Funds at the Feeder Fund level. Managed Account Clients are generally billed monthly in arrears for management fees and annually at year-end for incentive fees (subject to a high-water mark).

### *Additional Expenses*

In addition to our fees, unless, and to the extent, otherwise specified in the relevant Fund's private placement memorandum or the agreements of the Managed Account, Clients indirectly bear their allocable share of brokerage commissions, transaction costs, costs associated with the management of investor accounts and other expenses, as more fully set forth in the offering documents and governing agreements for such Client. Such fees and expenses vary, and may include (but are not limited to) the following:

- the Client's transactions and
- the administration of the Client including, but not limited to
  - the charges and expenses of legal advisers and auditors;
  - brokers' commissions (if any), borrowing charges on securities sold short and any issue or transfer taxes chargeable in connection with any securities transactions;
  - all taxes and corporate fees payable to governments or agencies;
  - Directors' fees (if any) and expenses;
  - interest on borrowings, including borrowings from the prime brokers and custodians;
  - custodian fees;
  - fees and expenses incurred by us in connection with providing our investment management services;
  - communication expenses with respect to investor services and all expenses of meetings of Shareholders and of preparing, printing and distributing financial and other reports, proxy forms, prospectuses and similar documents (including the costs of establishing and maintaining an "investor-only" website);
  - the cost of insurance (if any) for the benefit of the Directors and our personnel;
  - the cost of valuation agents engaged to value the applicable holdings;

- fees associated with third-parties engaged to conduct operational due diligence assessments of the Funds;
- litigation and indemnification expenses as well as other extraordinary expenses; and
- all other operating expenses, all of which are incurred by Clients.

To the extent that we initially bear any of these expenses, Clients reimburse us.

Certain, but not all, of our Clients also pay for our outsourced back-and middle-office services and expenses; risk management, legal and compliance services and expenses; and data, computer hardware and software licensing, development, purchasing, programming and operating costs.

When we incur expenses on behalf of multiple Clients, we allocate the expenses among the applicable Clients in a fair and equitable manner, although such expenses are not always allocated pro-rata across all Clients.

Due to the fact that certain expenses are paid for or reimbursed by Clients, Autonomy does not necessarily seek out the lowest-cost options when incurring (or causing a Client or its portfolio companies to incur) such expenses.

Please refer to Item 12 below entitled *Brokerage* for additional information regarding the factors we consider in selecting broker-dealers for Client transactions and in determining the reasonableness of their compensation.

Neither Autonomy Capital nor any of its principals or staff receives any transaction-based compensation for the sale of securities or other investment products. We, or our principals or staff, however, do receive directors' fees (collectively, "**Ancillary Fees**"), in connection with the purchase, monitoring or disposition of investments made or to be made by a Fund or otherwise in connection with our investment advisory services to Clients. Certain fees, such as directors' fees with respect to companies owned by our Clients present a conflict of interest to the extent that an investment professional's fiduciary duties to a portfolio company as a director may conflict with the interests of Clients, but, because the Clients will generally be significant shareholders of such companies, it is expected that such interests will generally be aligned. In addition, we place reasonable controls around Ancillary Fees to mitigate potential appearances of a conflict of interest.

Certain of our Funds make some investments via other Funds we advise, but no additional fees or allocations are assessed on any capital so invested. In other words, there is no double fee layering with respect to such investments.

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

As noted in Item 5 above entitled *Fees and Compensation*, all of our Clients pay us certain performance-based fees in the form of incentive income. Some of our Funds calculate incentive income solely with respect to realized gains (*i.e.*, for those funds, we do not receive incentive income with respect to unrealized gains). For certain other Funds, our incentive income is paid out upon divestment of portfolio holdings, subject to the distribution waterfall specified in the Fund's organizational documents. All performance-based income is calculated and paid in accordance with Section 205 and Rule 205-3 under the Advisers Act.



Because we do not manage any Client accounts that are not subject to performance-based fees, we do not face the same degree of conflicts of interest that may arise when an investment adviser accepts performance-based fees or compensation from some clients, but not from other clients. Although all Clients pay a performance-based fee, the performance-based fees paid by the Clients vary, which could create an incentive for us to favor one Client over another. We address this possible conflict through our trade allocation policy. Please see Item 12 below entitled *Allocation of Investment Opportunities*.

Our receipt of incentive income could motivate us to make investments that are riskier or more speculative than we would make if we did not receive incentive income. This incentive is particularly acute when our incentive fee is payable only upon exceeding a hurdle rate or high water mark and performance of Client accounts is below any such hurdle or high water mark. Because net capital appreciation generally includes unrealized appreciation of Client assets, it results in us receiving more incentive income than if net capital appreciation were based solely on realized gains.

#### Item 7 – Types of Clients

As noted above in Item 4 entitled *Advisory Business*, we provide portfolio management services to the Funds (which may be organized as domestic or foreign partnerships, corporations, incorporated or unincorporated entities, or other similar entities), and we also advise a Managed Account.

The investors in the Funds consist of endowments, foundations, insurance companies, high net worth individuals, funds of funds, public and corporate pensions, and other sophisticated investors. Investors must be either:

- both “qualified purchasers” as defined in the 1940 Act and “accredited investors” as defined in the Securities Act of 1933 or
- non-United States persons.

Generally our Funds require a minimum initial investment of \$5-10 million, which may be waived at our discretion.

Although there is no specified minimum dollar value for establishing a Managed Account, the size of a Managed Account is subject to negotiation and typically is significantly in excess of the minimum investment required for the Funds. The beneficial owners of a Managed Account generally receive more information (including portfolio composition information) and may have more favorable liquidity rights than the investors in the Funds. Currently, our Managed Account has comparable fees and similar liquidity rights to its comparable Fund. Our decision on whether to allow a prospective client to open a Managed Account is made based on a variety of factors, and the decision to allow anyone to open a Managed Account is at our complete discretion.

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

##### *Summary of Methods of Analysis and Investment Strategies*

In certain of our Funds, our goal is to achieve attractive risk-adjusted absolute returns for our Clients. In certain of our private equity and real estate Funds our goal is to achieve attractive absolute returns for our Clients. We seek to do so by identifying attractive risk – reward investment opportunities and

adjusting our portfolio accordingly. While technical factors intrinsic to the markets such as price trends are used to identify anomalies and opportunities, our strategies are predominately fundamental.

We are an experienced investor in a wide range of securities, investments, and asset classes, including but not limited to, publicly and privately traded securities, real estate, and private equity holdings. There are no material limitations on the instruments, strategies, markets or countries in which Clients invest. We may have exposure to an asset or asset class directly or through derivative instruments. Our Clients rely on the general market skill, knowledge and expertise of Autonomy Capital and its personnel, rather than the robustness of any particular trading system or model.

In pursuing our investment strategies, we employ various methods of analysis including, but not limited to the following:

- We analyze macro-economic data and prevailing market trends to project future trends and their possible influences on markets and investment through both fundamental and technical methods to develop a framework for assessing the global economy and a given country or region, which can be utilized to highlight anomalies in global macro flows and markets.
- We analyze supply and demand, regulatory, political and financial market factors, current business cycle, central bank policy, as well as balances of trade, political and other “macro” factors, including natural disasters.
- We engage in top-down global macroeconomic analysis, including political and cultural risk assessment, to evaluate economic, political, and financial market conditions (such as capital flow information, market positioning, economic statistics, etc.) and identify trading and investment opportunities across a wide range of global developed and emerging markets and investment assets.
- The cornerstone of our investment process is our fundamental bottom-up research and our emphasis on local, in-country due diligence and research to understand a country’s political and cultural dynamics and its impact on fiscal and monetary policy.
- We analyze the underlying economic and political factors as described above in an attempt to identify mispricings between prevailing market and fundamental values and/or situations where countries, asset classes, or investment assets are relatively under or over-valued looking to take advantage of a “re-rating or de-rating” of securities, market or investment values over a 3 - 24 month time frame (whereby securities and investment values will move toward valuations which reflect true underlying fundamentals) for our Global Macro Fund, and a longer-term time frame for certain of our other Funds including private equity and real estate.
- In assessing whether to trade in a given sector, we also attempt to determine whether we believe we have an informational advantage as compared to general market participants.
- We actively manage Clients toward earning absolute returns rather than establishing performance objectives in terms of outperforming any given financial benchmark (including by incurring losses which are less than a decline in such benchmark).

On a country-by-country basis, we seek to identify the key economic and other issues, determine the stage of the country’s business and economic cycle, understand the specific political dynamic, relate this

analysis to global liquidity and credit cycles and capital flows of money into or out of the region, and give context to opportunities and stresses. We focus on probable market- or politically-based responses to these issues, concentrating on economic and political shortcomings resulting in unintended economic consequences. This analysis is expected to result in investment opportunities (both long and short) which are considered equally and assessed against the current market environment and liquidity.

Key market indicators are monitored to confirm or reject the analysis. These indicators provide guidance for trade timing and indications of future investor appetite or aversion for risk. This market analysis is performed across all asset classes. We observe global markets for signs of exogenous stress/shock/catalysts to each trade.

The countries and markets which we analyze will be at different stages of their respective economic cycles and, accordingly, investing in these countries and markets may be relatively cheap or expensive. Core positions are maintained when re-rating or de-rating is in process. We employ short positions for hedging and also where there is evidence of stresses making the market more vulnerable to a negative change in global sentiment for risk assets. We may from time to time stay out of the market entirely when we believe that no worthwhile opportunities present themselves.

We may engage in strategies involving quantitative investment analysis. Quantitative investment analysis is a method of analyzing large amounts of data through the use of models to generate investment decisions. Our models consider many factors that can include, but are not limited to, valuation measures, momentum and price signals. Any quantitative research is done internally—with the most important criteria for a trading strategy being a strong economic rationale for why an investment opportunity exists. Our model building, on the simplest level, consists of generating trading strategies seeking attractive risk-adjusted opportunities and producing testable results. We perform ongoing research to maintain the effectiveness of any models. Our models are dependent upon external data, *e.g.*, Bloomberg. There are certain risks specific to quantitative investment analysis—please see the summary at the end of Item 8 describing risks specific to quantitative models.

We sometimes employ leverage when we believe that the use of leverage will enable Clients to achieve a higher rate of return, both through borrowings and through the significant degree of leverage typically embedded in the derivative instruments we trade. When applicable, we cause Clients to pledge securities or provide other forms of security or assurance in order to borrow additional funds for investment purposes. We also cause Clients to leverage investment return with options, commodity futures contracts, short sales, swaps, credit default swaps, forwards and other derivative instruments. The amount of borrowings which Clients have outstanding at any time can be large in relation to the capital contributed to their account. Certain Funds have limitations on their ability to utilize leverage, which are described in their respective offering materials. The amount of leverage employed is a function of prevailing market conditions and the strength of our conviction in a particular investment idea and a Fund's overall portfolio. We may maintain a varying amount of a Fund's capital in reserve based on our current perception of the risk profile and investment opportunities of the markets we trade.

Certain Funds acquire assets through private placements or in privately negotiated transactions and certain Funds are focused primarily on acquiring assets through privately negotiated transactions within a particular industry or investment strategy. Funds whose investment programs are focused on a particular sector may be subject to greater concentration risk with respect both to the sector and the

number of investments than funds focused on a broader range of strategies, countries, markets or industries.

As an integral part of their trading strategies, certain Clients will routinely sell assets “short.” Short selling involves selling securities which may or may not be owned and borrowing the same class of securities for delivery to the purchaser, with an obligation to replace the borrowed securities at a later date. Short selling allows the investor to profit from declines in market prices to the extent such decline exceeds the transaction costs and the costs of borrowing the securities. The extent to which we engage in short sales in a Client’s account varies by investment strategy, and also depends on our perception of market direction.

In certain of our Funds, in our sole discretion, we may designate assets or securities acquired which we believe either lack a readily ascertainable market value, are illiquid, or should be held until the resolution of a special event or circumstance as Special Investments and/or Designated Investments “Designated Investments” for some or all of our Clients. Investments in Designated Investments may be limited in certain Funds and, in respect of any such Fund, are reserved for appropriate situations. In the case of our private equity and real estate funds, investments are and will be longer-term.

For the Autonomy Dynamic Opportunity Fund, our classification of investments as Designated Investments may, over time, have a material effect on the performance of each investor’s interest in Funds with Designated Investments (“LP Interests”). Not only can no Withdrawals be made from Designated Investments, but also Designated Investments are not marked-to-market for purposes of calculating management fees and incentive allocation, and if held as remaining Designated Investment interests, incentive allocations will be calculated separately with respect to the remaining Designated Investment interests liquidated during each Fiscal Year, irrespective of the prior performance.

Further, for the Autonomy Dynamic Opportunity Fund, we are subject to material and inherent conflicts of interest in terms of determining when to classify an investment as a Designated Investment as well as in determining when to liquidate Designated Investments which are held by certain LP Interests. We seek to mitigate this risk with our Designated Investment guidelines and the Designated Investment Committee; however, these will not eliminate such conflicts of interest.

*No Limitations on Strategies for Certain Funds.* There are no material limitations on the investment strategies which we use when investing assets on behalf of Clients whose investment objectives incorporate our wide-ranging “global macro” approach. We opportunistically implement whatever strategies we believe may be best suited to prevailing market conditions. Over time, the strategies implemented on behalf of Clients can be expected to expand, evolve and change, perhaps materially. Further, we continually develop and refine new strategies. Clients allocate a portion of their capital to developing strategies, and, in fact, we are not restricted from using Clients’ capital in developing and incubating new strategies, even if we have limited or no experience in such strategies. There can be no assurance that the various investment strategies which we expect from time to time to develop and implement for Clients will be successful or that strategies that have been successful will continue to be profitable.

#### *Material Risks of Autonomy Capital’s Strategies*

Investing in securities and derivatives involves a risk of loss that investors in the Funds should be prepared to bear. Risk management policies and procedures do not imply low risk, and there can be no

assurance that even robust risk management will mitigate or prevent Clients from experiencing significant losses.

The emphasis in Autonomy Capital's investing is on identifying investment opportunities with superior risk-adjusted absolute returns. The Funds' overall portfolios are reviewed on an ongoing basis in an effort to maximize the Funds' returns relative to their risks. Generally, we attempt to prevent overconcentration of the portfolios in any particular investment asset, strategy or market, except for the portfolios of Funds that offer concentrated strategies such as the Autonomy Rochevera Fund and the Autonomy Real Estate Fund III: Spain Opportunities Master Fund.

We do not attempt to hedge all market or other risks inherent in the Funds' portfolios. Not only are a number of market risks fundamentally unhedgeable (*e.g.*, political events and natural catastrophes), but the cost of hedging is often, in our view, not justified when compared to other means of controlling risk, such as diversification or establishing positions incrementally. Although we will from time to time take relative value positions for the Funds, our strategy is focused primarily on capturing absolute mispricing in the market and taking corresponding directional positions and relative value positions. There will be substantial directional price risk in the Funds' portfolios.

By investing in the Funds, investors are relying on the discretionary market judgment of Autonomy Capital trading in a wide range of strategies and markets, as well as in investing in positions with a wide range of durations.

The following is a summary of some of the material risks associated with the strategies expected to account for a significant portion of Clients' trading. This summary does not attempt to describe all of the risks associated with an investment in the Funds or the Managed Account. **Any investor could be subject to material risks that are not so described, and additional risks regarding Funds are disclosed in the offering materials of each Fund. We encourage investors to carefully review the full description of risk factors presented in their Fund's offering materials.**

*Reliance on Autonomy Capital and Mr. Gibbins.* The operations of Clients are dependent upon Autonomy Capital, and the operation of Autonomy Capital is dependent on the services of Mr. Gibbins, who is the Founder and Chief Investment Officer. Were Mr. Gibbins' services to become unavailable to Autonomy Capital, we would be severely adversely impacted, and Clients would likely dissolve, possibly under unfavorable market conditions.

*Fundamental Strategies.* Fundamental analysis, which posits that markets are imperfect and that mispricings can be identified between prevailing market prices and those indicated by underlying fundamental data, is subject to the risk of inaccurate or incomplete market information, as well as the difficulty of predicting prices based on such information.

Furthermore, even if we can successfully identify mispricings, there is the additional uncertainty of predicting the duration of such mispricings and, accordingly, when or whether it will be profitable to invest so as to profit from them. Fundamental analysis is subject to significant losses when market sentiment leads to a material discounting of market prices from the level indicated by fundamental analysis or when technical factors, such as price momentum or option expirations, dominate the market.

*Technical Strategies.* While the trading strategies we utilize on behalf of the Funds are primarily fundamental, the Funds also employ technical factors in their strategies and analysis such as the analysis of historical and current market data. Technical strategies are subject to the risk that unexpected

fundamental or other factors may dominate the market during certain periods. Furthermore, the influx of different market participants, structural changes in the markets, the introduction of new financial products and other developments could materially adversely affect the profitability of technical strategies.

*Difficulty in Translating Macro Economic Conclusions into Trading Positions.* We may find it difficult to identify an efficient means of acquiring market exposure to profit from a macroeconomic conclusion we have reached regarding the future price level of a given asset. Not only can it be difficult to find a workable medium through which to express a macro conclusion, but factors extraneous to that conclusion may influence the pricing of the chosen medium. We may correctly identify a macro opportunity, but not capitalize on the opportunity and, in fact, incur material losses due to the investment assets chosen in an attempt to exploit the opportunity.

*Directional Bias.* Our overall trading approach is based primarily on identifying absolute mispricing and taking corresponding directional positions. Directional investing is subject to all the risks inherent in incorrectly predicting future price movements. Often these price movements will be determined by unanticipated factors, and, even if the determining factors are correctly identified, our analysis of those factors may prove inaccurate, in each case, potentially leading to substantial losses. Predicting future prices is inherently uncertain and the losses incurred, if the market moves against a position, will often not be hedged. The speculative aspect of attempting to predict absolute price movements is generally perceived to exceed that involved in attempting to predict relative price fluctuations.

*Non-U.S. Securities and Emerging Markets Securities.* Investments in securities of non-U.S. issuers (including non-U.S. governments) and investments denominated or whose prices are quoted in non-U.S. currencies pose, to the extent not hedged, currency exchange risks (including blockage, devaluation, extreme and prolonged high rates, and volatile rates, of inflation, and non-exchangeability) as well as a range of other potential risks which could include expropriation, confiscatory taxation, imposition of withholding or other taxes on dividends, interest, capital gains or other income, limitations on the removal of funds or other assets of Clients, political or social instability or diplomatic developments that could affect investments in those countries. An issuer of a financial instrument may be domiciled in a country other than the country in whose currency the instrument is denominated. The values and relative yields of investments in the securities markets of different countries, and their associated risks, are expected to change independently of each other. There may be less information publicly available about a non-U.S. issuer than about a U.S. company, and non-U.S. issuers are not generally subject to accounting, auditing and financial reporting standards and practices comparable to those in the United States. Transaction costs of investing in non-U.S. securities markets are generally higher than in the United States. There is generally less government supervision and regulation of exchanges, brokers and issuers outside the United States than there is in the United States. Clients might have greater difficulty taking appropriate legal action in non-U.S. courts. Non-U.S. markets also have different clearance and settlement procedures which in some markets have at times failed to keep pace with the volume of transactions, thereby creating substantial delays and settlement failures that could adversely affect the performance of Client accounts.

The income Clients receive from sources within some non-U.S. countries may be reduced by withholding and other taxes imposed by such countries. Any taxes that Clients pay will reduce the net income or return from investments in such countries.

Investments in securities of issuers located in countries with emerging economies or securities markets are speculative and subject to certain special risks. Political and economic structures in many of these countries may be in their infancy and developing rapidly, and such countries may lack the social, political and economic stability characteristic of more developed countries. Certain of these countries have in the past failed to recognize private property rights and have at times nationalized or expropriated the assets of private companies. In many of these countries it is necessary for Clients to appoint a local agent for the purpose of effecting the registration or sale of securities. There can be no assurance that the attorneys-in-fact that Clients may from time to time appoint to serve as agents will properly effect such transactions or that they will not attempt to exceed their authority.

Emerging markets are also subject to unanticipated political or social developments that may affect the values of Clients' investments in these countries and the availability to Clients of additional investments in these countries. The small size, limited trading volume and relative inexperience of the securities markets in these countries may make Clients' investments in such countries illiquid and more volatile than investments in more developed countries.

*Exchange Rates.* Because Clients will invest in securities and instruments denominated in non-U.S. currencies they are subject to the risk that the value of a particular currency will change in relation to the dollar. Among the factors that may affect currency values are trade balances, the level of short-term interest rates, differences in the relative values of similar assets in different currencies, long-term opportunities for investment and capital appreciation and political developments. We may seek to hedge these risks by investing directly in non-U.S. currencies and buying and selling options, futures or forward contracts thereon. We are not obligated, however, to attempt to hedge all, or even most, of Clients' exchange-rate risk, and even if we do implement certain hedging strategies, there can be no assurance that such strategies will be effective.

*Risks of Investing in Sovereign Debt.* Investments in sovereign debt can involve a high degree of risk with respect to repayment of principal and/or interest when due in accordance with the terms of the debt. A governmental entity's willingness or ability to make such repayments may be affected by, among other factors, its cash flow situation, the extent of its foreign reserves, the availability of sufficient foreign exchange on the date a payment is due, the relative size of the debt service burden to the economy as a whole, the governmental entity's policy toward the International Monetary Fund, expected and realized disbursements from non-U.S. governments, multilateral agencies and others to reduce principal and interest arrearages on their debt and current and future reforms and requirements placed upon recipient to receive such disbursements, the political constraints to which a governmental entity may be subject, and changes in governments and political systems. Consequently, governmental entities may default on, or declare a moratoria on the payment of, their sovereign or external debt which may result in holders being subject to a request to participate in the rescheduling of such debt and to extend further loans to governmental entities which may result in material losses.

*Short Sales.* A short sale creates the risk of a theoretically unlimited loss, because there is no limit on how much the price of a security may appreciate before the short position is closed out. There can be no assurance that the securities necessary to cover a short position will be available for purchase in the future. Purchasing securities to close out the short position can itself cause the price of the securities to rise further, thereby exacerbating the loss. Recent rulemaking by the SEC and other regulatory authorities outside the United States has imposed trading and reporting requirements on short selling, which could adversely affect trading opportunities, including hedging opportunities, for Client accounts.

Any future regulatory limitations on short-selling could materially adversely affect our ability to implement our strategies.

**Leverage.** While leverage presents opportunities for increasing Clients' total return, it has the effect of potentially increasing losses as well. Accordingly, any event which adversely affects the value of a Client's investment would be magnified should the Client's account is leveraged. This may result in a substantial loss to Client accounts, which would be greater than if we had not employed leverage in managing the account.

Clients will also incur interest expense on the borrowings used to leverage its positions. To the extent that the assets of Clients have been leveraged, the interest expense and other costs and premiums incurred in relation thereto may not be recovered. If gains earned by Clients' portfolios fail to cover such costs, the net asset value of Clients may decrease faster than if it had not engaged in such borrowing transactions.

**Derivatives Risks.** The use of derivative instruments may involve risks different from, or greater than, the risks associated with investing directly in the underlying securities and require sophisticated management. Derivatives are financial instruments where their value depends upon, or is derived from, the value of something else, such as one or more underlying investments, indexes, interest rates or currencies. Derivatives may be traded on organized exchanges, in over the counter markets, or in individually negotiated transactions with other parties. Derivatives involve special risks and costs and may result in losses to Clients. The prices of derivatives may move in unexpected ways, especially in abnormal market conditions. Clients may use derivatives both for hedging and investing purposes. If a derivative is used for hedging purposes, some risk may be caused by an imperfect or variable degree of correlation between movements in the price of the derivative and the price of the underlying security or instrument being hedged. Derivative instruments used for hedging purposes, or other purposes, may not achieve such intended protection or other intend exposure and may subject a portfolio and a Client to additional unintended losses.

Other risks arise from the potential inability to terminate or sell derivatives positions, and in fact, many OTC instruments will not be liquid generally.

Clients may also sustain a loss as a result of the failure of the counterparty to a derivatives contract to comply with the terms of such contract. If there is a default by a counterparty, Clients will be limited to contractual remedies pursuant to the agreements related to the transaction. There is no assurance that counterparties will be able to meet their obligations pursuant to the contracts or that, in the event of default, Clients will succeed in pursuing contractual remedies. If a counterparty's creditworthiness declines, the value of a derivative with such counterparty may also decline.

Derivatives transactions are also subject to documentation risk, including the risk that the parties may disagree as to the proper interpretation of the terms of a contract. If such a dispute occurs, the cost and unpredictability of the legal proceedings required for Clients to enforce their contractual rights may lead Clients to decide not to pursue claims against the other counterparty. Clients thus assume the risk that they may be unable to obtain payments owed to them under contracts relating to OTC transactions or that those payments may be delayed or made only after Clients have incurred the costs of litigation. Furthermore, with respect to some derivatives contracts, the counterparty is given sole discretion over determinations that affect the value of the contract or the parties' rights and obligations under the contract.



*Financing Arrangements; Availability of Credit.* The use of leverage is integral to many Clients' strategies, and Clients will depend on the availability of credit in order to finance their portfolios. There can be no assurance that Clients will be able to maintain adequate financing arrangements under all market circumstances. As a general matter, the banks and dealers that provide financing to Clients can apply essentially discretionary margin, haircut, financing, security and collateral valuation policies. Changes by banks and dealers in such policies, or the imposition of other credit limitations or restrictions, whether due to market circumstances or governmental, regulatory or judicial action, may result in margin calls, loss of financing, forced liquidation of positions at disadvantageous prices, termination of swap and repurchase agreements and cross-defaults to agreements with other dealers. Any such adverse effects may be exacerbated in the event that such limitations or restrictions are imposed suddenly and/or by multiple market participants at or about the same time. The imposition of such limitations or restrictions could compel Clients to liquidate all or a portion of its portfolio at disadvantageous prices.

*No Formal Diversification Policies.* Although diversification is an integral part of the management of several of the Funds and their overall portfolio risk management process, we generally are not formally restricted as to the percentage of Clients' assets that may be invested in any particular issuer, industry, instrument, market, sector or strategy. From time to time the Funds' portfolios may be highly concentrated in a limited number of positions, assets, strategies or markets.

*Model Risk.* Our strategies may require the use of our own quantitative valuation or other types of models, as well as valuation models developed by third parties and made available to us. As market dynamics shift over time, a previously highly successful model often becomes outdated or inaccurate, perhaps without us recognizing that fact before substantial losses are incurred. Models may be incorrect, misleading, incomplete and expose our clients to risk. Moreover, all models rely on correct data inputs and there is no guarantee that data inputs are correct. Models can be extremely complex involving financial, economic, theories, research and modeling—the results which must be translated into computer code. Although we seek to hire qualified individuals and provide appropriate oversight, the complexity of these tasks presents a possibility that a model may contain errors affective client portfolios that likely would not constitute trade errors under our policies. There can be no assurance that we will be successful in developing and maintaining effective quantitative or other types of models, and the necessity of continuously updating these models demonstrates that the past performance of the Funds may not be representative of the Funds' future performance. In addition, our models may rely upon straight through processing ("STP") for trade execution which can pose its own risks including but not limited to dependencies on execution platforms and reliability of data feeds and execution feeds. Finally, all models whether relying on STP or human traders can experience slippage due to time requirements to execute trades and market movements.

*Material, Non-Public Information.* To the extent Autonomy becomes privy to material non-public information, it may be restricted in its ability to make an investment in or withdraw on behalf of our Clients. Additionally, in certain instances, Autonomy might become restricted in its ability to make an investment in or withdraw from an investment even though it may not be privy to any material non-public information; such restrictions could be derived from contractual obligations and/or confidentiality obligations, applicable law and/or internal policies and procedures. In such instances, our Clients' ability to make an investment in or withdraw from a particular investment may be significantly restricted, which may adversely impact such Client, including by preventing the execution of an otherwise advisable transaction (including, a withdrawal, closing or winding-down of a position).

In connection with board memberships by certain principals or staff of Autonomy Capital or transacting in select transactions, certain principals or staff of Autonomy Capital may acquire confidential or material, non-public information or be restricted from transactions in certain securities. We will not be free to act upon any such information. Due to these restrictions we may not be able to engage in a transaction that we otherwise might have engaged in and we may not be able to close an investment that we otherwise might have closed. Further, such positions may also be illiquid because an investment professional of Autonomy is an “insider” of the relevant issuer, including, for example, by holding a board seat or material shareholdings in an issuer of publicly traded securities, and subject to related blackout periods in which the Autonomy investment professional may not effect trades in the relevant securities or because the Autonomy staff member has entered into “lock-up” periods with respect to such positions.

*Liquidity of Investments.* Our strategies may involve investments in securities which are subject to legal or other restrictions on transfer or for which no liquid market exists. The market prices, if any, for such securities tend to be volatile and Clients may be unable to sell them when desired, or to realize our perceived fair value of the investments in the event of a sale. The sale of restricted and illiquid securities often requires more time and results in higher brokerage charges or dealer discounts and other selling expenses than does the sale of securities eligible for trading on national securities exchanges or in the OTC markets. Restricted securities may sell at a price lower than similar securities that are not subject to restrictions on resale.

*“Cross Collateralization” Risk.* When we have Funds holding Designated Investments in which Limited Partners have materially different levels of participation there is an inherent creation of risk — as the assets attributable to one Limited Partner’s investment may be used to collateralize obligations relating to Designated Investments in which such Limited Partner does not participate.

*Co-Investments.* We may allow investors to participate in co-Investment opportunities from time to time. Such co-investment investors may engage us or our affiliates to advise it with respect to such co-investment and agree to compensate us or our affiliates for such services. Our other clients will not participate in the profits or losses from these co-investments, nor will they participate in the fees received by us in respect to such co-investments. The co-Investment investors may also have greater transparency or otherwise receive additional information with respect to such co-investments than investors in our Funds may have invested in the same asset. It is also possible that a co-Investment investor may sell some or all of its interest in a co-Investment while our fund retains (or is required to retain) its interest, implying that our fund may risk future losses while the co-Investment investor may have already liquidated its position.

*Non-Performing Nature of Debt.* It is anticipated that certain debt instruments purchased by us for our Funds will be non-performing and possibly in default. In addition, these positions are expected to be non-control positions in such debt and our Funds will be dependent on actions of unrelated third parties. Furthermore, the obligor or relevant guarantor may also be in bankruptcy or liquidation. There can be no assurance as to the amount and timing of payments, if any, with respect to these loans.

*Risks Particular to the Funds Investing in Real Estate Development.* The Funds investing in the development of real property face particular risks of illiquidity, construction costs that may exceed budget, unexpected variations in occupancy and rental rates and scheduling delays. Real estate development projects in Brazil entail risks particular to that market including the availability of excess

supply of property relative to demand and other risks detailed above under *Non-U.S. Securities and Emerging Markets Securities*.

*Risks Particular to the Funds Investing in Real Estate in Spain.* The Funds investing in real property in Spain face particular risks relating to the Spanish (and possibly by extension, the Eurozone) economy, and other risks related to foreign currency, limited liquidity, limited or excessive government regulation, and the possibility of volatility due to adverse political, economic or other developments.

#### Item 9 – Disciplinary Information

Neither Autonomy Capital nor, to the best of our knowledge, our partners, officers or principals have been the subject of any legal or disciplinary events that are material to your evaluation of our advisory business or the integrity of our management.

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

As described in Item 4 above entitled *Advisory Business*, Autonomy Americas LLC (previously defined as the “**Filing Adviser**”) has three affiliated investment advisers, Autonomy Capital (Jersey) L.P., Autonomy Capital Research Two Limited and Autonomy Capital Research LLP (previously defined as the “**Relying Advisers**” and together with the Filing Adviser “**Autonomy Capital**”). Autonomy Capital (Jersey) L.P. and Autonomy Capital Research Two Limited are regulated by the Jersey Financial Services Commission and Autonomy Capital Research LLP is regulated by the U.K. Financial Conduct Authority. Each of the Filing Adviser and the Relying Advisers provides advisory services to the Clients. All investment advisory activities of the Relying Advisers are subject to the supervision and control of the Filing Adviser.

The Filing Adviser is registered as a commodity pool operator (“CPO”) with the CFTC, and certain of their management persons are registering as Associated Persons and/or Principals. Certain third party service providers and counterparties that provide services to, or engage in transactions with, Autonomy Capital also provide services to, or engage in transactions with, Clients. These service providers and counterparties also provide services to, or engage in transactions with, our partners and principals. We have a conflict of interest in selecting these service providers and counterparties on behalf of Clients because we may favor service providers and counterparties that provide service to Autonomy Capital or its principals or subsidiaries for attractive fees or other terms of service.

Autonomy Capital International Limited and Autonomy AGO General Partner LP, affiliates of the Filing Adviser and the Relying Advisers, serve as general partner to certain of the Funds.

Autonomy Investimentos Ltda., a real estate management company organized in Brazil, is controlled by Autonomy Capital and its affiliates. Autonomy Investimentos Ltda. and certain related entities (together, “**AI**”) hold real estate and real estate-related investments in Brazil made by Mr. Gibbins and by certain Autonomy Funds. AI also provides certain real estate management services to Mr. Gibbins and to the Funds in connection with their respective real estate holdings (e.g., lease negotiation, property management, rent collection, tenant servicing). Subsequent to the sale of some of the Brazilian real estate holdings of the Funds in 2012, AI has been engaged by the purchaser to continue to provide management services to those properties. AI is operated separately from Autonomy Capital by a team located in São Paulo.

Because Autonomy Capital and AI are under common control, the retention of AI to provide real estate management services to the Funds creates a conflict of interest. Autonomy Capital believes that the

nature and quality of the services provided by AI to the Funds are at least as good as, if not better than, and fairly priced against, comparable services provided by unrelated third party real estate managers. Autonomy Capital reviews the market for real estate management services to ensure, in Autonomy Capital's judgment that Autonomy Capital's clients continue to receive comparable services at appropriate prices.

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

*Code of Ethics and Personal Trading.* As a fiduciary and an SEC-registered adviser, we strive to adhere to the highest industry standards of conduct based on principles of professionalism, integrity, honesty and trust, and we have adopted a Code of Ethics (the “**Code**”) to help us meet these standards. The Code incorporates the following principles, among others:

Employees must:

- Place the interests of Clients first at all times;
- Act with integrity, competence, diligence and in an ethical manner with the public, clients, prospective investors, employers, employees, colleagues in the investment profession and other participants in the global capital markets;
- Ensure that all personal securities transactions are conducted in a manner consistent with the Code and any actual or potential conflicts of interest or any abuse of an employee's position of trust and responsibility must be avoided;
- Not take any inappropriate advantage of their positions; and
- Ensure that information concerning the identity of securities and financial circumstances of Clients (and Fund investors, as applicable) is kept confidential (except in furtherance of Client investment objectives and goals).

Specifically, the Code sets forth standards of ethical and business conduct expected of our personnel and addresses conflicts that may arise from personal trading by our personnel. The Code, among other things, requires compliance with the federal securities laws, reflects our fiduciary responsibilities and those of our personnel, prohibits certain personal securities transactions and requires pre-clearance of other securities transactions. Additionally, the Code defines material and nonpublic information and the restrictions on trading on any material and nonpublic knowledge and sets forth the responsibilities of all personnel relative to insider trading. The Code also includes policies and procedures on serving as officers, trustees and/or directors of outside organizations and participating in outside business activities.

Each of our principals and employees must acknowledge their understanding of, and agree to comply with, the Code initially upon employment and affirm on an annual basis that they have read and understand the Code and have complied with it. All principals and employees are required to disclose their personal securities holdings and transactions to us on a periodic basis.

Subject to the Code, as described above, our personnel are permitted to engage in personal securities transactions (including transactions in securities currently held in Client accounts or that may be appropriate for investment in such accounts). In addition, we and our partners, principals and

employees may engage in investment activities for our own account or for family members and friends. These activities involve the purchase and sale of securities that are similar to or the same as, but in different concentrations or effected at different times and prices than, those purchased or sold for Client accounts. These activities also involve the purchase and sale of securities that are different from those purchased for Client accounts.

The Code also provides that employees are prohibited from effecting transactions on behalf of any Client in publicly traded securities issued by companies for which we possess material non-public information. All employees, whether investment professionals or non-investment professionals, will be regarded as having access to any non-public information about a public company that has been received by any other employee.

We will provide, at no cost, a copy of our Code to Clients and prospective clients, as well as investors in our Clients upon request.

As noted above, we and our partners, principals and staff invest in the Funds. In fact, many investors insist upon such personal investments in a Fund before committing their own capital. The amount of proprietary investment by our partners, principals and staff differs from Fund to Fund, with the highest percentage of aggregate proprietary versus non-proprietary investments tending to occur in the early, start-up phase of a Fund. To the extent that third party investments in such Funds are limited, a substantial level of proprietary ownership may continue for an indefinite period. Because our allocation policies are designed to facilitate getting new Client accounts to a fully invested posture, we have made greater allocations of investment opportunities (including limited investment opportunities) to new Funds, even if such Funds are predominantly comprised of affiliated capital. In making these allocations, we face a potential conflict of interest with other Clients if the same investments would be appropriate for them, because the over-allocation to the new Fund could be seen as allocating investment opportunities to the proprietary accounts of us, our partners, principals and employees, to the extent they comprise a substantial portion of the investor base of the new Fund. In addition, certain Funds in which we and our partners, principals and employees invest are sector or geographic specific Funds; under our allocation policies, these types of Funds receive increased allocations based on their more focused investment strategy, which generally continues for the life of the Fund. Please also see Item 12 below entitled *Brokerage* for additional information regarding our allocation policies.

Our employees and related persons have the ability to purchase interests in our Funds on the secondary market. These transactions would generally be negotiated between the seller and buyer directly, or executed through a platform that provides an avenue to trade interests in private funds. All such transactions must be approved by us as they are transfers of interest. In addition, all investments in limited offerings must be pre-cleared by Compliance to mitigate potential conflicts of interest and appearances of a conflict of interest. These transactions are executed at the net asset value of the Fund (as determined by the Fund administrator with independent oversight by the Fund board of directors), eliminating the ability of our employees to obtain pricing that is any more favorable than any unaffiliated limited partner.

*Principal and Cross Trades.* As described in this brochure, we have complete investment discretion with respect to securities held by the Funds and generally have complete investment discretion with respect to securities held by the Managed Account. Accordingly, we may enter into transactions constituting principal transactions, within the meaning of Section 206(3) of the Advisers Act, with Clients. In such transactions, we would act as principal for our own account with respect to the sale of a security to or

purchase of a security from the Client. Additionally, Autonomy will enter into principal transactions on behalf of its Clients only upon determination that the transaction is in the best interests of its Clients and is done in compliance with section 206(3) of the Advisers Act.

In addition, we may effect “cross” transactions between Client accounts, if permitted by applicable law. In a “cross” transaction, one Client account will purchase securities held by another Client account. We will only effect these transactions when we deem the transaction to be in the best interests of both Client accounts and at a price and under circumstances that we have determined by reference to independent market indicators, which we believe to constitute “best execution” for both accounts.

We do not receive any compensation in connection with cross transactions. “Inadvertent” cross transactions may also occur when trades cross in the market. For example, certain accounts may sell securities into the market at the same time that other accounts are purchasing the same securities in the market, resulting in an inadvertent or “deemed” market cross. In other cases, when we periodically rebalance Client accounts we ensure that, where possible, an independent third-party price is used for any transaction. In these situations, we either instruct the broker to execute in the market or directly move positions between Clients’ accounts. We also engage our Fund auditors to report on the rebalancing process undertaken to ensure that it has been fair and equitable to all Clients.

We have adopted policies and procedures governing the purchase or sale of securities by Clients from or to, respectively, another Client (“cross trades”) or Autonomy Capital (“principal trades”). On account of the potential conflicts of interest involved, Autonomy Capital as a matter of policy disfavors such trades and would only seek to enter into such a trade if we believed that such a trade was in the best interest of affected clients.

*Other Related Conflicts and Practices—Side Letters.* We have entered into agreements with investors that allow for different terms of investment in a Fund than the terms applicable to other Fund investors. As a result of such side letters, certain Fund investors receive additional benefits that other investors in the same Fund will not receive. In general, we will not notify Fund investors when we enter into these agreements. However, except with respect to our owner, principals, and staff, as a matter of policy, we do not provide any investor in the Funds with fee or redemption terms that are more preferable than the fee and redemption terms generally available to any other investor in the same class of interests in the Funds. Requests by investors in the Funds for additional information beyond what is generally provided to all investors are considered by us on a case-by-case basis taking into consideration, among other things, the confidentiality of our proprietary information, the operational and administrative burden in complying with the information request and our fiduciary duties to the Funds and its investors. These requests for additional information generally stem from an investor’s need to verify that it is meeting its own regulatory requirements. We provide such additional information to all investors or only to the requesting investor; on the condition that we determine that doing so will not give the recipient an unfair informational advantage over other investors in the Funds.

*Allocation of Our Time and Resources.* Generally, we are not subject to specific obligations or requirements concerning the allocation of our time, efforts, resources, or investment opportunities to any particular Client. Our personnel devote time to the affairs of our Clients as they, in their discretion, determine to be necessary for the conduct of our business.

## Item 12 – Brokerage Practices

General Brokerage Practices. We allocate portfolio transactions for Client accounts to broker-dealers on the basis of best execution available—*i.e.*, execution in a manner that the Client’s total cost or proceeds in each transaction is most favorable under the circumstances. In selecting broker-dealers to execute transactions, we do not solicit competitive bids. While we generally seek reasonably competitive trade execution cost, we do not necessarily pay the lowest commission or spread available. In determining best execution, we consider a variety of factors regarding broker-dealers, including, but not limited to:

- overall reputation, experience and financial stability of the broker-dealer;
- price quotes, including the applicable spread or commission;
- expertise in the specific securities or sectors in which we seek to trade;
- the extent to which the broker-dealer makes a market in the securities involved or has access to such markets;
- quality and timeliness of market information provided for the security;
- the size, type and difficulty of the transaction;
- liquidity of the market for the security;
- the likely market impact of the order and the broker-dealer’s skill in handling the order with minimum adverse market impact;
- promptness of execution;
- adequacy of the broker-dealer’s trading infrastructure, technology and capital;
- past history and quality of executions;
- our belief that the broker-dealer charges a fair and reasonable fee for each trade, and that we have been treated fairly and honestly in prior trades;
- confidentiality considerations;
- the quality and usefulness of proprietary research and investment ideas presented by the broker-dealer;
- sourcing of investment opportunities by the broker-dealer and its affiliates;
- market intelligence;
- provision of research or brokerage services;
- ability and willingness to correct errors; and

- ability to accommodate any special execution or order handling requirements that may surround the particular transaction.

In addition, when the trade size is substantial, the requirements unusual or the issue illiquid, any of which may necessitate additional time for the trade to be executed, we generally will rely on the expertise and ability of individuals to assess and react to market conditions as they develop. Furthermore, when purchasing or selling OTC securities with market makers, we generally seek market makers we believe to be actively and effectively trading the security being purchased or sold.

Clients should expect that their securities transactions will generate a substantial amount of brokerage commissions and other costs, all of which is borne by the Client, and not us. Unless we receive instructions from a Managed Account to use a specific broker-dealer, we generally have complete discretion to decide what broker-dealers or other counterparties will be used in executing transactions for Clients, and we negotiate the rates of compensation that Clients will pay. We do not currently have any such instructions.

In addition to using brokers as “agents” and paying resulting commissions, we sometimes cause Client accounts to buy or sell securities directly from or to dealers acting as principals at prices that include mark-ups or mark-downs, and also cause Client accounts to buy securities from underwriters or dealers in public offerings at prices that include compensation to the underwriters and dealers.

*Research and other Soft Dollar Benefits.* We currently have no soft dollar arrangements whereby executing brokers pay third parties, independent to them, with soft dollars. However, we use full-service broker-dealers that provide (without being requested to do so) research or other products or services to most or all of their customers, and on occasion receive and use research provided by these full service broker-dealers. This research is provided in a number of ways including, but not limited to, formal research reports, bulk data downloads, emails, research trips and various presentations. In this situation, we receive a benefit because we do not have to produce or pay for the research. We may have an incentive to select broker-dealers based on our interest in receiving the research or other products or services, even though no soft dollar arrangements are in place, rather than on Clients’ interest in receiving the most favorable execution. However, since the research provided is not material in nature and quantity and is provided by most broker-dealers with whom we deal, our receipt of such research does not have a material effect on our selection of broker-dealers. We do not separately compensate such broker-dealers for the provision of such services and do not believe that we “pay up” for such services. The research received is used for the benefit of all Clients. We do not direct investor transactions to a particular broker-dealer in return for any soft dollar benefits. Section 28(e) of the federal Securities Exchange Act of 1934 provides a “safe harbor” to investment advisers who use commission dollars of their advised accounts to obtain certain research and brokerage services. When we engage in “soft dollar” arrangements, we will use reasonable best efforts to ensure that the soft dollar arrangements comply with the safe harbor of Section 28(e).

*Brokerage for Client Referrals.* We execute Client transactions with brokers (including prime brokers) that sponsor events, meetings or other communications between potential investors or sponsor investment research events (collectively “Events”). These Events are provided incidental to other brokerage services. We are not compelled to engage brokers that sponsor these Events in order to be included at these Events. However, these Events are typically sponsored by brokers that provide necessary services to the Funds, and they may create the appearance of using the execution services of these brokers in order to be invited to their Events.



We do not pay to participate in these Events and do not select brokers based on attending these Events or on the receipt or potential receipt of any client or investor referrals from these programs or services (although Clients will not necessarily pay the lowest possible commission when executing transactions through these broker-dealers as noted above in this Item 12). However, we may pay to attend certain conferences, seminars, and other events that are attended by prospective investors, but are not specifically designed as capital introduction events. Furthermore, brokers or their affiliates occasionally introduce us to prospective investors and will continue to have business relationships with, and execute brokerage transactions on behalf of, our Clients.

*Trade Aggregation.* When buying and selling securities for Clients, each portfolio manager generally attempts to aggregate multiple transactions into one order so that as many eligible Clients may participate equally over time on a fair and equitable basis, in terms of best available cost, efficiency and terms under the circumstances.

Although certain Clients are excluded from a given aggregated order, no Client is favored over any other on an overall, long-term basis. Typically, transaction costs are shared pro rata based on each Client's participation in the transaction. In certain transactions, prices (and therefore a Client's returns) will differ as a result of differences in fees, taxes and transaction charges that are assessed on each participating Client and vary depending upon a number of factors including, but not limited to, the domicile of the Client, the size of participating Client accounts or amounts allocated. We do not earn any additional compensation as a result of aggregating orders and allocating them consistently with our procedures.

In assembling an aggregated order in specific securities (including privately offered investments and securities and other assets for which market quotations are not readily available) we consider the appropriateness of the investment for each Client as described below under *Allocation of Investment Opportunities*.

*Allocation of Investment Opportunities.* We seek to allocate and will in the future continue to allocate investment opportunities and treat all similarly situated Clients fairly and equitably over time to the extent such opportunities are determined to be appropriate for the relevant Clients. Although allocations may be made pro rata among participating Clients, they will not necessarily be so, where our allocation policies dictate a different result. There can be no assurance that a particular order or investment opportunity will be allocated in a particular manner. The performance of a particular Client or Clients relative to another Client will differ even though their investment objectives may be substantially the same or similar.

Also, we give advice or recommend securities to Clients which differs or conflicts with advice given to, or securities recommended or bought for, other Clients, even though the investment objectives of the respective Clients are the same or similar. The portfolio strategies we use for certain Clients could conflict with the transactions and strategies we employ in managing other Clients and can affect the prices and availability of the securities and other financial instruments in which Clients invest.

Conflicts regarding the allocation of trade opportunities are addressed on an investment-by-investment basis, and, in most instances, the conflict is resolved via our trade allocation policy which considers each Client's particular investment objectives, among other factors. In general, when we determine that it would be appropriate for more than one Fund and/or Managed Account to participate in an investment opportunity, we seek to allocate such investments pro rata based on such Funds' and/or Managed

Account's respective net asset values; provided however, that investments may be allocated in a different manner based upon the following considerations:

- Whether a Client has a sector or geographic regional focus
- Individual Client relationships and counterparties
- Degree of leverage employed
- Timing of capital contributions and withdrawals
- Tolerance for volatility/risk
- Domicile of the Client
- The ability to round bunched orders
- Client-specific limitations or requirements
- Availability of credit facilities (and their terms)
- Tax matters
- Available capital
- Liquidity needs of the Client
- Other relevant factors

Also, when a Client is in its investment or ramp-up phase or it has received a capital infusion or withdrawal request (including Funds with substantial investments by us, our partners, principals and staff, preference may be given to that Client so that it reaches its desired position quickly. We strive to provide all Clients with meaningful investment allocations over time, although each and every Client will not receive an allocation of each and every profitable investment.

Sometimes, following an investment by a Client, we have the opportunity to make an additional or follow-on investment in the same entity or a related entity. Occasionally, rather than allocate these additional or follow-on investment opportunities to the Client(s) that made the original investment, we may allocate the opportunity among other Clients (including Clients that may be wholly or principally owned by us) and one or more strategic investors, other Fund investors or third parties unaffiliated with Autonomy. Typically, we make these allocations in circumstances where the additional investment opportunity or follow-on investment could not, because of the reasons previously enumerated (*i.e.*, available capital, risk limits, etc.), be allocated in the same manner as the original investment. Additional investment opportunities and follow-on investments may be more or less profitable than the original investment to which they relate.

From time to time, a Client account may make firm commitments to provide capital for investments at a certain date in the future. At the time any such investment requires funding, we may allocate the investment opportunity among such Client, other Clients eligible to participate in the investment (including other Clients that may be wholly or principally owned by us), one or more strategic investors, other Fund investors or third parties unaffiliated with Autonomy. Accordingly, Clients may be disadvantaged if we allocate profitable opportunities away from them or if we allocate unprofitable opportunities to them.

We may also establish certain investment vehicles through which employees, officers, and independent contractors of the Autonomy Capital, certain business associates, certain investors in the Funds, or other persons close to the firm may invest alongside one or more funds in one or more investment

opportunities. These co-investment vehicles generally are required to purchase and exit their investments in each investment opportunity at substantially the same time and on substantially the same terms as the applicable Fund that is invested in that investment opportunity. Autonomy Capital will only offer co-investment opportunities should they arise and will offer such investments to investors at our sole discretion or as determined by legal requirements.

*Over-Allocations to Funds With Substantial Proprietary Investments.* As described above, our allocation procedures factor in the need to get new Clients (including new Funds) to a fully invested position as quickly as possible. This objective raises a conflict of interest between us and our Clients to the extent that we and our partners, principals, and staff have contributed the majority of a new Fund's capital. Our proprietary interest in new Funds may remain substantial for an extended period of time, depending on the degree of investments by investors who are not insiders of Autonomy. The same issue applies to investments by our partners, principals, and staff also in other, more seasoned Funds, which also may be substantially comprised of proprietary investments.

*Pre-Settlement Order Adjustments.* From time to time, circumstances arise before settlement of a transaction that result in us adjusting the original order to make securities settle into a different account than was called for under the original order. This is generally done to avoid a violation of Client investment restrictions or guidelines, to avoid a negative tax consequence for a Client or for other similar reasons.

*New Issues.* We will only allocate appreciation and depreciation from "new issues," as defined under Rule 5130 of the Financial Industry Regulatory Authority, as amended, supplemented and interpreted from time to time, and other restricted investments, to investors in a Fund and to the Managed Account in which beneficial owners are eligible to participate therein.

*Trade Errors.* In the course of carrying out trading and investing responsibilities on behalf of Clients, our personnel may make "trading errors" in executing specific trading instructions (e.g., the purchase or sale of a security in the wrong amount, or contrary to Client investment guidelines). We have established policies and procedures regarding the handling of trading errors in Client accounts under which we treat all trading errors, including those which result in losses and those which result in gains, as for the account of Clients, unless they are the result of conduct on the part of our personnel which is inconsistent with the standard of care set forth in the Clients' material contracts, as applicable. Our personnel will have a conflict of interest in determining whether a trading error has occurred, and in determining how to deal with such trading error. Autonomy mitigates this conflict of interest by monitoring for trade errors by professionals that are independent from investment staff.

#### Item 13 – Review of Accounts

We review Client accounts and portfolios daily. We have developed trading and risk management systems which enable our operations group, portfolio managers, analysts, management and the Chief Investment Officer to review and oversee trading for the firm as applicable. The operations group and the Head of Operations review the portfolios on a daily basis to ensure that all transactions are recorded properly, there are no trade breaks and all positions are valued correctly and have been allocated to the relevant Clients. Management reviews the portfolios daily, as applicable; to monitor compliance with guidelines and to perform various risk analytics. The product control team reconciles the profit and loss to the Funds' Administrator on a daily basis. As part of this review, we verify that income, loss,

expenses, management fees and other items are allocated appropriately to each Client. This review is performed by our operations, product control and finance teams.

The Funds' Administrator typically provides Fund investors with written monthly reports indicating the current market value of their interests. We also make available, where applicable, weekly estimates of the Funds' performance for certain of our Funds as applicable. With respect to certain of our Funds, we provide monthly, quarterly or annual letters, as applicable. The Administrator provides our Managed Account Client(s) with monthly reporting of their accounts.

The books and records of the Funds are subject to external verification. The financial statements of the Funds are prepared and audited at each calendar year-end in conformity with accounting principles generally accepted in the United States of America ("GAAP").

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

We currently do not pay for client or investor referrals. If we use placement or selling agents in the future in connection with the offering of certain Funds, we will consider whether such arrangements are subject to Rule 206(4)-3. To date, we have not used a placement or selling agent in connection with the offering of any Funds. Rule 206(4)-3 does not apply to soliciting Fund investors, only to soliciting clients.

#### Item 15 – Custody

While all Client assets are held in custody of unaffiliated qualified custodians such as a broker-dealer, bank or another type of institution (other than certain privately offered securities), we are deemed under Rule 206(4)-2 (often referred to as the "Custody Rule") of the Advisers Act to have custody of the funds and securities contained in the Funds, since an affiliate serves as general partner of certain of the Funds. However, we are exempt from many of the provisions of Rule 206(4)-2 because the Funds are audited in accordance with U.S. generally accepted accounting principles on an annual basis by an independent public accountant that is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board. Audited financial statements are distributed to each investor in the Funds within 90 or 120 days of the end of each Fund's fiscal year depending on the type of Fund.

We do not currently have custody of the assets of the Managed Account.

#### Item 16 – Investment Discretion

We receive and exercise complete investment authority to manage investments on behalf of the Funds. There are no limitations on this authority. This authority is conveyed by investors subscribing to the Funds in their subscription agreements and in the Funds' governing documents.

Also, we generally have complete investment authority with respect to the Managed Account, although the Managed Account Clients may impose limitations on this investment authority with respect to :

- the specific types of investments or asset classes that we will or will not purchase for their account;
- the nature of the issuers of investments that we will or will not purchase for their account; or

- the risk profile of instruments we will or will not purchase for their account, or the risk profile of the account as a whole.

#### Item 17 – Voting Client Securities

While we can invest in every type of instrument, we primarily offer advice regarding, but not limited to, debt instruments, currencies, options, futures, swaps, other derivatives, private securities, loans, and other investments and instruments where proxy voting is not regularly performed. However, we do accept proxy voting authority and have adopted proxy voting policies and procedures (the “**Proxy Policies**”). Under our Proxy Policies, our general policy is to vote proxy proposals, amendments, consents or resolutions relating to Client securities, including interests in private investment funds, if any (collectively, “**proxies**”), in a manner that serves the best interests of Client accounts. In determining how to vote proxies, we consider the following factors:

- the impact on the value of the securities;
- the costs and benefits associated with the proposal;
- the effect on liquidity;
- the customary industry and business practices; and
- any other factors we deem relevant.

We may decide to vote consistent with management recommendations or the recommendation of a proxy voting service if we do not otherwise have a view with respect to a particular proxy. Under certain circumstances, we will abstain from voting specific proxies if we believe that doing so is in the best interests of our Clients. Furthermore, we may not vote proxies if our Clients no longer have any economic exposure to the issuer of the proxy or if we believe that the subject matter of the proxy has no material impact on Clients.

We follow procedures designed to identify conflicts or potential conflicts that could arise between our own interests and those of our Clients. If it is determined that any such conflict or potential conflict is not material, we may vote proxies notwithstanding the existence of the conflict. If it is determined, however, that a conflict of interest or potential conflict of interest is material, one or more methods may be used to resolve the conflict, including:

- disclosing the conflict to the Client and obtaining its consent before voting;
- engaging a third party to recommend a vote with respect to the proxy; or
- such other method as is deemed appropriate under the circumstances.

We will evaluate the necessity to participate in shareholder class action litigation and similar matters. We will not participate in class action litigation unless we determined it would be in the best interest of our Clients. We also engage a third party to assist in identifying and processing class action litigation. These third parties are compensated on a contingency basis whereby they will receive a percent of any recovery obtained. The Funds will bear the cost, (*i.e.*, receive a reduced amount of any class action

proceeds), if any such third party is used for class action recovery services. Autonomy Capital credits any class action settlements received for a Fund to that Fund at time of receipt.

Clients and Fund investors may obtain a copy of our Proxy Voting Policy and Procedures and the proxy voting record relating to a Fund by contacting the Adviser at the address or telephone number listed on the Cover Page of this brochure.

#### Item 18 – Financial Information

We are not aware of any financial condition that is reasonably likely to impair our ability to meet contractual commitments to Clients, and we have never filed for bankruptcy.