

FORM ADV PART 2A: FIRM BROCHURE

BATELEUR CAPITAL, LLC

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This brochure (“Brochure”) provides information about the qualifications and business practices of Bateleur Capital, LLC (“Bateleur” or the “firm”). If you have any questions about the contents of this Brochure, please contact us at (212) 271-7665. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.

Bateleur is registering as an investment adviser with the SEC. Registration with the SEC or with any state securities authority does not imply a certain level of skill or training.

Additional information about Bateleur also is available on the SEC’s website at www.adviserinfo.sec.gov.

ITEM 2: MATERIAL CHANGES

Bateleur is a new firm, and this is the initial Brochure prepared by Bateleur. In the future, this item will discuss only specific material changes that are made to the Brochure as compared to the previous version of the Brochure and provide readers with a summary of such changes. Bateleur will also reference the date of the last annual update of this Brochure.

Bateleur will amend its Brochure at least annually. Bateleur may also provide other additional interim disclosure information about material changes as necessary.

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ITEM 4: ADVISORY BUSINESS

A. General Description of Advisory Firm

Bateleur Capital, LLC, a Delaware limited liability company, was organized in October 2013 and has its principal office in New York, NY. Bateleur's principal owner and founder is Aziz Hassanali.

Bateleur has applied to become an SEC-registered investment adviser. Bateleur has prepared this Brochure to illustrate the advisory services the firm intends to provide, the fees the firm intends to charge, other information about clients to be advised, and the practices, policies and procedures it proposes to adopt following SEC registration. Bateleur currently has no assets under management.

B. Advisory Services

Bateleur is a special-situations manager with a focus on distressed and event-driven opportunities in aviation, energy, shipping, real estate and emerging markets, targeting investments across the capital structure in public and private securities as well as hard assets.

Bateleur expects to provide investment advisory services including, but not limited to, managing and directing the investment of assets for pooled investment vehicles (each, a "PIV") sponsored by the firm. Bateleur will establish each PIV to facilitate the private placement of interests in a specific investment opportunity exclusively to one or more accounts managed by U.S. or non-U.S. family offices (each a "managed account"). These PIVs typically will be U.S. and non-U.S. limited partnerships and other investment vehicles that are not registered or required to be registered under the Investment Company Act of 1940, as amended (the "Investment Company Act") or the Securities Act of 1933, as amended (the "Securities Act"). Bateleur (or an affiliate) will serve as general partner of each PIV. Bateleur will provide investment management, advisory and administrative services to these PIVs pursuant to separate investment management agreements.

Bateleur, for its own account, may commit capital to a PIV in order to facilitate or complete an investment, but in general the firm does not expect to invest directly in the PIVs. Certain investment opportunities will involve joint venture partners, which partners may contribute capital, management services, and/or assets to the investment and receive in return a proportionate ownership interest in the deal.

Managed accounts, PIVs and any other vehicles to which Bateleur expects to provide investment advisory services are referred to throughout this Brochure generally as "clients."

Bateleur expects to accept clients on a discretionary and non-discretionary basis. In the case of discretionary clients, Bateleur will have full authority to acquire and dispose of assets owned by the client. Clients in non-discretionary arrangements will withhold some or all of the authority otherwise granted to Bateleur in discretionary arrangements. Bateleur expects non-discretionary clients will often limit the firm's investment authority over the client's committed capital to a single, previously identified investment opportunity; Bateleur will not have authority to reinvest any income or realized gains therefrom in other opportunities. However, Bateleur generally will have discretion to negotiate the terms, and determine the timing, of any acquisition or disposition of the investment.

C. Availability of Customized Services

The terms upon which Bateleur will provide investment management, advisory and administrative services to clients will be determined at the time each client relationship is established. These terms, which will vary, will be set out in separate investment management agreements. Bateleur will tailor its advisory services to the specific investment objectives and restrictions set forth in the investment management agreement, limited partnership agreement and other governing documents of each PIV.

D. Wrap Fee Programs

Not applicable.

E. Client Assets

As of November 5, 2015, Bateleur has no regulatory assets under management.

ITEM 5: FEES AND COMPENSATION

A. Fees and Compensation

Bateleur will typically charge clients both a management fee and a performance-based fee. Management fees generally will be charged quarterly in advance based on the client's net capital invested as of the first day of the quarter. The annual management fee will generally be 2.0%, with some variation due to individually-negotiated investment management agreements. If Bateleur does not manage a client for a full month/quarter, the management fee charged for such client will be pro-rated for such period.

In addition, consistent with the Investment Advisers Act of 1940, as amended (the "Advisers Act"), and Rule 205-3 thereunder to the extent applicable, Bateleur will receive incentive allocations or performance fees from certain clients based upon net profits allocable to each client. The performance allocation or performance fee payable to Bateleur will generally be 20% of the net profits allocable to a particular client above an 8% preferred return.

The fees detailed above are negotiable in that Bateleur reserves the right to reduce, waive or calculate differently such fees for certain clients. It should be noted that principals, employees and certain affiliates of Bateleur may not be charged such management or performance fees.

The information contained herein is a summary only and is qualified in its entirety by reference to the detailed disclosure regarding fees and other expenses applicable to an investment to be provided in the relevant client's investment management agreement, limited partnership agreement, or other governing document. Similar advisory services may be available from other investment advisers for similar or lower fees.

B. Payment of Fees

Bateleur (or an affiliate) will deduct fees from investors' assets invested in the PIVs. Investors do not have the ability to choose to be billed directly for fees incurred.

It is critical that clients refer to their respective investment management agreement, limited partnership agreement or other governing document for a complete understanding of how fees will be deducted from their invested capital. The information contained herein is a summary only and is qualified in its entirety by the relevant governing documents.

C. Additional Fees and Expenses

Subject to certain limitations set forth in the relevant investment management agreement, limited partnership agreement or other governing document, clients will bear certain fees, expenses and costs (aside from management fees and performance-based fees discussed above) which are incidental or related to the maintenance of the PIV, or the buying, selling and holding of investments. These fees and expenses will generally include, but are not limited to:

- Fees and expenses related to the PIV (including organizational expenses, legal, administrative, custodial, audit, registered office and other fees, rent and salary);
- Pro rata share of the relevant PIV's expenses including all costs and expenses directly related to the investment (whether or not consummated) such as external research fees and transaction costs, interest and commitment fees on debit balances or borrowings, custody fees, and bank fees;
- Any amount for taxes that are paid by, withheld by, or withheld from payments to, the relevant PIV;
- Any governmental, regulatory, licensing, filing or registration fees or taxes incurred by the relevant PIV or Bateleur in compliance with the rules of any self-regulatory organization or any federal, state or local laws;
- Any legal fees and costs (including settlement costs) arising from any litigation or regulatory investigation instituted against a PIV, Bateleur, or any affiliates directly related to an investment (whether or not consummated);
- The cost of the audit of the relevant PIV's financial statements and the preparation of its tax returns;
- All costs and expenses associated with reporting and providing information to, or meeting with, clients;
- Other expenses associated with the operation of a PIV as well as other expenses directly related to the transactions pursued by Bateleur, including legal and accounting expenses, placement fees, printing costs, travel and out-of-pocket expenses and any extraordinary expenses (such as litigation and indemnification).

Bateleur is responsible for its own general operating and overhead costs including salaries, employee benefits, office rent and other general overhead costs.

See Item 12 for further discussion with respect to fees associated with brokerage practices.

Directorship Fees

Throughout the term of an investment, from its acquisition and continuing through its management and ultimate sale, the partners or other personnel of Bateleur may assume directorship or other oversight roles with respect to an investment, for which Bateleur may be compensated. The

management fees payable by clients to Bateleur will be reduced by the amount of any such compensation paid to Bateleur.

D. Prepayment of Fees

Please see the responses to Items 5.A and 5.B above.

E. Additional Compensation

Not applicable.

ITEM 6: PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

As described in Item 5.A above, Bateleur (or an affiliate) expects to receive performance-based fees from its clients. Performance-based fee arrangements, if any, are subject to negotiation with each client.

Performance-based fee arrangements can create incentives for Bateleur to recommend investments that may be riskier than those the firm would recommend under a different fee arrangement. Such fee arrangements also create an incentive to favor accounts paying higher fees over other accounts when allocating investment opportunities. Bateleur recognizes that it is a fiduciary and as such must act in the best interests of its clients. Further, Bateleur recognizes that it must treat all clients fairly and equally and must refrain from favoring one client's interests over another's. Bateleur's allocation policies and procedures are designed to improve the impartiality of Bateleur's allocation of investment opportunities among such clients. Bateleur also will mitigate conflicts of interest associated with performance-based fee arrangements through the requirement that a preferred return be returned to its clients before Bateleur (or an affiliate) is entitled to receive any performance-based fees. Refer to Item 11 herein for additional discussion of the conflicts of interests associated with performance-based fees.

Any performance-based fees will be paid in accordance with Section 205(3) of the Advisers Act and the rules promulgated thereunder, which specify certain qualification thresholds for clients of Bateleur being assessed such a fee.

ITEM 7: TYPES OF CLIENTS

As discussed in Item 4 above, Bateleur will initially provide investment advisory services to PIVs established to facilitate specific investments by managed accounts. Each prospective client must be approved and accepted by Bateleur in its sole discretion.

The terms of Bateleur's provision of advisory services to clients may vary depending on the type of services provided or the type of client, and will be set forth in the applicable investment management agreement, limited partnership agreement or other governing documents, to which Bateleur is a party.

Client relationships may be subject to a minimum initial investment amount, subject to increase, decrease or waiver at the discretion of Bateleur.

ITEM 8: METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

A. Methods of Analysis and Investment Strategies Used in Formulating Investment Advice or Managing Assets

Bateleur employs an investment strategy that combines a longer-term, patient investment approach, allowing the firm to invest opportunistically in order to take advantage of market inefficiencies and dislocations. The firm's flexible mandate will enable Bateleur to make investments across the capital structure in public and private securities as well as hard assets, prioritizing capital preservation and risk minimization while targeting attractive current yields. Bateleur will use a targeted sector approach supported by extensive industry knowledge and contacts to locate exclusive and negotiated transactions that are not seen by the broader market.

Bateleur will focus on aviation, energy, shipping, real estate, special situations and emerging markets, all underpenetrated sectors where the firm's founder, Aziz Hassanali, and his team can leverage their industry expertise and networks. The firm will combine fundamental credit analysis with a deep understanding of the underlying asset quality. The criteria currently guiding the investment team in evaluating new opportunities include, but are not limited to:

- Focus on core industries;
- Emphasis on real assets and downside protection;
- Current cash flow;
- Capitalize on distressed and event-driven situations;
- Identify mispriced opportunities/incorrect market perceptions;
- Employ multiple methods to determine value;
- Consultation with strategic partners, industry experts, joint venture partners and advisory board;
- Company-specific strengths and weaknesses;
- Industry and macro trends; and
- Potential dislocations that could present compelling opportunities.

Aziz Hassanali, as the firm's portfolio manager, will approve each investment in consultation with the deal team.

Following an investment, Bateleur will closely monitor its performance as well as industry developments, and, where applicable, leverage its joint venture partners' operational expertise to bolster portfolio management.

B, C. Certain Risks

Investing in securities involves significant risks, including the risk of loss of some or all of an investment. Prospective investors should only undertake an investment if they are capable of evaluating and bearing these risks, and should speak to their legal, tax and financial advisers prior to making an investment with Bateleur. The following risk factors address the material risks involved in Bateleur's investment strategy and method of analysis, but do not purport to be a complete list or explanation of the risks involved in the activities of Bateleur.

Investment-Related Risks

Illiquid and Long-Term Investments

The marketability and liquidity of each PIV investment cannot be assured. Many of these investments will be highly illiquid, and the PIV's ability to acquire or dispose of an investment in a timely manner will be dependent upon factors outside of the firm's control, including industry developments, the financial condition of a security's issuer and general economic conditions. The realizable value of a highly illiquid investment at any given time may be less than its intrinsic value. Although certain of these investments may generate current income, the return of capital, and the realization of gains, if any, with respect to most of these investments will occur only upon the partial or complete disposition of the investment. While an investment may be sold at any time, typically this will occur a number of years after the investment is made and there can be no assurance that the PIV will be able to dispose of an investment at the price and time it wishes to do so. The PIVs may invest in private debt, equity and warrants. These securities may be acquired with or without registration rights. Unregistered securities are highly illiquid and may not be freely traded for up to three years. The holding period for privately placed securities can be up to three years, although such investments may be redeemed, refinanced or registered prior to that time. Certain investments may be in securities that are or become publicly traded. These investments may involve economic, political, interest rate, and other risks, any of which could result in an adverse change in their market price over the term of the investment and the markets for these investments may from time to time experience periods of substantial illiquidity.

Distressed Securities

Certain of the PIVs' investments will be in specific securities of companies that may be highly leveraged, or have significant burdens on cash flow, and therefore involve a high degree of financial risk. The PIVs may also make investments in companies that are experiencing financial or operational difficulties or are otherwise out-of-favor. Such companies' securities may be considered speculative, and the ability of such companies to pay their debts on schedule could be adversely affected by interest rate movements, changes in the general economic climate or the economic factors affecting a particular industry, or specific developments within such companies. Investments in companies operating in workout or bankruptcy modes also present additional legal risks, including fraudulent conveyance, voidable preference and equitable subordination risks. Although the PIVs will invest in select companies that, in the view of Bateleur, will provide substantial current cash flow and have the potential over the long-term for capital growth, there can be no assurance that such financially or operationally troubled issuers can be successfully transformed into profitable operating companies. There is a possibility that the PIVs may incur substantial or total losses on their investments or that such investments may not show any return for a considerable period of time. Under such circumstances, the returns generated from the investments may not compensate investors adequately for the risks assumed.

The level of analytical sophistication, both financial and legal, necessary for successful investment in companies experiencing significant business and financial difficulties is unusually high. There can be no assurance that Bateleur will correctly evaluate the value of a company's assets or the prospects for a successful reorganization or similar action. During an economic downturn or recession, securities of financially troubled or operationally troubled issuers are more likely to go

into default than securities of other issuers. In addition, it may be difficult to obtain information about financially troubled issuers and operationally troubled issuers. Securities of financially or operationally troubled issuers are less liquid and more volatile than securities of companies not experiencing financial difficulties. The market prices of such securities are subject to erratic and abrupt market movements, and the spread between bid and asked prices may be greater than normally expected. In addition, it is anticipated that many of these securities may not be widely traded. As a result, the PIVs may experience delays and incur losses and other costs in connection with the sale of such securities.

International Investments

Bateleur intends to invest globally in both developed non-U.S. markets and emerging and developing markets. Investing in companies in foreign countries involves certain considerations not usually associated with investing in the United States, including risks related to: (i) differences in local securities markets, including potential price volatility in and relative illiquidity of some overseas securities markets, the absence of uniform accounting, auditing, and financial reporting standards, practices, and disclosure requirements, and less government supervision and regulation; (ii) other differences in law and regulation, including fewer investor protections, less stringent fiduciary duties, less developed bankruptcy laws, difficulty in enforcing contractual obligations and uncertainties as to the status, interpretation and application of laws; (iii) certain economic and political risks, including potential economic, political, or social instability, exchange control regulations, restrictions on foreign investment and repatriation of capital (possibly requiring government approval), expropriation or confiscatory taxation, higher rates of inflation, fluctuations in the rate of exchange between currencies and costs associated with currency conversion, and reliance on a more limited number of commodity inputs, service providers, and/or distribution mechanisms; and (iv) the possible imposition of local taxes on income and gains recognized with respect to securities and assets. The risks of investing in emerging and developing markets, including the risks described above, are usually greater than the risks involved in investing in more developed markets.

Furthermore, Bateleur may invest from time to time in European companies and companies that have operations that may be affected by the Eurozone economy. Recent concerns regarding the sovereign debt of various Eurozone countries and proposals for investors to incur substantial write-downs and reductions in the face value of certain countries' sovereign debt have given rise to new concerns about sovereign defaults, the possibility that one or more countries might leave the European Union or the Eurozone and various proposals (still under consideration and unclear in material respects) for support of affected countries and the Euro as a currency. The outcome of this situation cannot yet be predicted. Sovereign debt defaults and European Union and/or Eurozone exits, could have material adverse effects on investments in European companies, including, but not limited to, the availability of credit to support such companies' financing needs, uncertainty and disruption in relation to Euro-denominated financing, customer and supply contracts and wider economic disruption in markets served by those companies, while austerity and other measures introduced in order to limit or contain these issues may themselves lead to economic contraction and resulting adverse effects for a PIV and its investment. It is possible that a number of investments will be Euro-denominated. Legal uncertainty about the funding of Euro denominated obligations following any break up of or exits from the Eurozone (particularly in the

case of investments in companies in affected countries) could also have material adverse effects on a PIV's investment.

Investments with Third Parties

The PIVs may co-invest with third parties through partnerships, joint ventures or other entities, which may have larger or controlling ownership interests in the investment. These investments may involve risks in connection with such third-party involvement, including the possibility that a third party may have financial difficulties resulting in a negative impact on the investment, may have economic or business interests or goals that are inconsistent with those of Bateleur or the client, or may be in a position to take (or block) action in a manner contrary to the relevant client's investment objectives. In addition, the investing client may in certain circumstances be liable for the actions of its third-party co-investors. Investments made with third parties in joint ventures or other entities also may involve compensation arrangements including carried interest distributions and/or other compensation payable to such third-party partners or co-investors, particularly in those circumstances where such third-party partners or co-investors include a management group.

Use of Leverage

Bateleur may use leverage for certain PIVs. This may result in the PIV controlling substantially more assets than it has equity. Leverage increases returns if the PIV earns a greater return on investments purchased with borrowed funds than the cost of borrowing such funds. However, the use of leverage exposes the PIVs to additional levels of risk, including greater losses from investment than would otherwise have been the case without leverage, and losses on investments where the investments fail to earn a return that equals or exceeds the cost of borrowing such funds. In the event of a sudden change in value of the PIV's investment, the PIV might not be able to liquidate the investment quickly enough to repay its borrowings, further magnifying losses.

Availability of Suitable Investment Opportunities

It may prove difficult for Bateleur to identify and source a sufficient quantity of appropriate investment opportunities. While Bateleur believes that there are many attractive investments of the type that Bateleur intends to pursue, there can be no assurance that such investments will continue to be available, or that available investments will meet the firm's investment criteria. Bateleur expects to encounter competition from operating companies, financial institutions, and other investment managers and finance providers as it pursues its investment strategy, which competition may adversely impact the availability of investments and terms upon which they are effected and exited.

Board Involvement

Employees of Bateleur may serve on boards of directors or executive committees at companies in which clients invest. Serving in such a capacity may expose such employee, and by association Bateleur and its clients, to certain limitations on the ability to trade the securities of the issuer company and certain conflicts of interest. As a result of such service, an employee may become aware, from time to time, of material non-public information about the company, and the employee's knowledge is likely to be attributed to Bateleur and its clients; therefore, Bateleur's ability to buy and sell such securities on behalf of its clients may become substantially restricted.

Such limitations may cause Bateleur to forgo sales that it would otherwise make, thereby exposing clients to losses, or to forgo purchases, thereby exposing clients to lost opportunities. With respect to publicly-traded securities, Bateleur and its clients may be subject to Section 16 of the Securities Exchange Act of 1934, as amended, including the disclosure requirements, the restrictions on purchases and sales, and the disgorgement of profits in certain circumstances. An employee serving as a director of a company owned, directly or indirectly, by a Bateleur investment may also face a conflict between the fiduciary duties owed by such employee to Bateleur's clients and the duties owed to such company. In such circumstances, an employee may act in ways that are in the best interests of such company but not Bateleur's clients. Bateleur will maintain internal compliance policies that are intended to minimize the negative effects of such conflicts if they arise, and intends to prevent employees from taking such positions when, in Bateleur's determination, the potential risks to its clients outweigh the potential benefits. However, if the firm does not exercise its board rights it may lead to less favorable results for Bateleur's clients than if the employee was permitted to serve in such capacity.

Event-Driven Analysis

The success of strategies employing event-driven analysis depends on the successful prediction of whether various corporate events will occur or be consummated. Bateleur may recommend investments in securities of issuers in weak financial condition, experiencing poor operating results, having substantial financial needs or negative net worth, facing special competitive or product obsolescence problems or issuers that are involved in bankruptcy or reorganization proceedings. Investments of this type involve substantial financial business risks that can result in substantial or total losses. The market prices of such securities are also subject to abrupt and erratic market movements and above average price volatility, and the spread between the bid and asked price of such securities may be greater than normally expected.

Market and Economic Risks

Investments may be materially and adversely affected by market, economic, and political conditions globally and in the jurisdictions and sectors in which the investments are made or the companies operate, including factors affecting interest rates, the availability of credit, currency exchange rates, and trade barriers. Ongoing events that began approximately six years ago have caused significant dislocations, illiquidity and volatility in global financial markets. Although financial markets have shown signs of improvement, global economic conditions remain tenuous, and to the extent that they do not improve or worsen, the investments of Bateleur's clients will be adversely impacted.

Interest Rate Risks

Bateleur and its clients' investments may be exposed to interest rate risk, meaning that changes in prevailing market interest rates could negatively affect the value of such investments. Factors that may affect market interest rates include, without limitation, inflation, deflation, slow or stagnant economic growth or recession, unemployment, money supply, governmental monetary policies, international disorders and instability in domestic and foreign financial markets. An investment may periodically experience imbalances in the interest rate sensitivities of its assets and liabilities

and the relationships of various interest rates to each other, which could adversely affect its performance.

As indicated above, clients' investments may be highly leveraged. As such, movements in the level of interest rates may affect the returns from these assets more significantly than unlevered assets. The structure and nature of the debt encumbering these assets may therefore be an important element to consider in assessing the interest rate risk of the asset. In particular, the type of facilities, maturity profile, rates being paid, fixed versus variable components and covenants in place (including the manner in which they affect returns to equity holders) are crucial factors in assessing any interest rate risk.

Currency Risk

Certain investments and income received from investments pursued by Bateleur may be denominated in various currencies that are not the base currency of the relevant client. Changes in currencies may adversely affect the base currency value of investments, interest, dividends and other revenue streams distributed by investments, and any gains and losses realized on the sale of investments. Bateleur and its clients may also incur costs in converting investment proceeds from one currency to another. Where practicable, Bateleur may enter into hedging transactions designed to reduce such currency risks or may determine not to enter into such hedging transactions (please see "Hedging" below).

Hedging

Bateleur, on behalf of its clients, may utilize swaps, forward contracts and other arrangements to seek to protect against risks relating to investments, including currency exchange rate or interest rate fluctuations. Such transactions have special risks associated with them, including the possible bankruptcy, or insolvency of, or default by the counterparty to the transaction and the illiquidity of the derivative instrument acquired by Bateleur relating thereto.

Although Bateleur's clients may benefit from the use of hedging transactions, changes in currency exchange rates or other factors may result in a poorer overall performance for such client's account compared to what the account's performance would have been if it had not entered into hedging transactions and the costs associated with these arrangements may reduce the returns that a client would have otherwise achieved if these hedging transactions were not entered into. In addition, Bateleur may not utilize hedging transactions, which may result in a poorer overall performance for a client compared to what the client's performance would have been if Bateleur utilized hedging transactions to seek to protect against risks relating to the investments. It is not possible to hedge fully or perfectly against currency fluctuations affecting the value of investments denominated in non-U.S. currencies because the value of those investments is likely to fluctuate as a result of independent factors not related to currency fluctuations. Portfolio companies may also enter into hedging transactions in order to hedge risks applicable to them. Such transactions are subject to similar risks to those described above. A client may be exposed to such risks by reason of their investment in the portfolio company.

Concentration Risks

Bateleur's clients will typically invest in a single, specific investment opportunity. Such concentration of an investment in a particular issuer or asset may lead to greater volatility resulting from adverse economic or business conditions affecting that particular issuer or asset, or the sector within which it operates, than would be the case if the investment were more diversified.

Limited Transferability

Managed accounts may not sell, assign, or transfer their interests (other than to an affiliate, subject to the requirements set forth in the limited partnership agreement or other governing document of the applicable PIV) without the prior written consent of Bateleur (or an affiliate), as general partner of the applicable PIV.

Tax Considerations

Investments pursued by Bateleur may involve complex U.S. or international income tax considerations that will differ for each investor.

Adviser Selection Risks

Loss of Key Personnel

Each client's performance is highly dependent on the financial and managerial expertise of Bateleur's investment team. However, there can be no assurance that such individuals will continue to be associated with Bateleur or its affiliates and accordingly, the loss of one or more members of the investment team, or, more specifically, the loss of any partner in the firm, may materially and adversely affect a client's performance.

Potential or Actual Conflicts of Interest

In providing advisory services to its clients, potential or actual conflicts of interest may arise, relating to, among other possible matters: allocations of investment opportunities; Bateleur's provision of advisory services to other clients; Bateleur's recommendation of investments in which it holds an ownership stake, and/or Bateleur's devotion of time to pursuing advisory or other activities on behalf of other clients. While Bateleur has adopted and intends to adhere to policies and procedures designed to identify and mitigate such potential or actual conflicts, it is possible that Bateleur's conflict-mitigation efforts will not eliminate all potential negative effects on clients. Please see Item 11 below.

Limited Basis for Evaluating Bateleur's Performance

Bateleur recently commenced operations and does not currently manage any assets. This limits a prospective investor's ability to evaluate Bateleur's activities as an adviser, which involves the provision of asset identification, credit analysis and other advisory and administrative services.

No Control Over Management of the Investment

Clients typically have no right or power to take part in the management of the investments made on their behalf by Bateleur. Accordingly, an investor should not make an investment unless such investor is willing to entrust all aspects of the management of the investment to Bateleur (or its affiliate).

ITEM 9: DISCIPLINARY INFORMATION

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

ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

A. Broker-Dealer Registration Status

Not applicable.

B. Futures Commission Merchant, Commodity Pool Operator or Commodity Trading Adviser Registration Status

Not applicable.

C. Material Relationships or Arrangements with Related Persons who are Industry Participants

Not applicable.

D. Material Conflicts of Interest Relating to Other Investment Advisers

Not applicable.

ITEM 11: CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

A. Code of Ethics

In accordance with Rule 204A-1 under the Advisers Act, Bateleur is adopting a code of ethics (the "Code"). The Code applies to Bateleur's "access persons" (which term includes all employees of Bateleur) and sets forth a standard of business conduct that takes into account Bateleur's status as a fiduciary and requires access persons to place the interests of clients above their own interests. The Code requires access persons to comply with applicable federal securities laws. Further, access persons are required to promptly bring violations of the Code to the attention of Bateleur's Chief Compliance Officer.

The Code also sets forth certain reporting and pre-clearance requirements with respect to personal trading by access persons. Bateleur's access persons must provide the Chief Compliance Officer with a list of their personal accounts and an initial holdings report within 10 days of becoming an access person. Bateleur's access persons also must provide annual holdings reports and quarterly

transaction reports in accordance with Rule 204A-1 under the Advisers Act. In addition, the Code ensures the protection of nonpublic information about the investment activities of each client.

The Code will be included in the firm's compliance policies and procedures manual (the "Compliance Manual"). In addition to the fiduciary standards of conduct and personal trading policies for Bateleur and its access persons described in the Code, the Compliance Manual will contain the firm's policies and procedures related to insider trading, allocation of business opportunities, outside business activities, gifts and entertainment and political contributions. All access persons will be provided with a copy of the Compliance Manual upon hire and upon any material changes thereto, and must acknowledge receipt of the Compliance Manual, including the Code, on at least an annual basis.

Investors or prospective investors may obtain a copy of the Code by contacting Bateleur's Chief Compliance Officer at (212) 271-7665.

B, C and D. Conflicts of Interest Generally

Bateleur (and its affiliates) at times may have potential or actual conflicts of interest with respect to the firm's clients and their holdings. Bateleur will serve as the investment manager to each client and as such recommends interests in investments to prospective investors. Bateleur also expects to act as general partner for each PIV. Bateleur believes that high ethical standards are essential for the success of Bateleur and to maintain the confidence of its clients. To address potential conflicts of interests in its material relationships and in recognition of Bateleur's fiduciary obligations to its clients, Bateleur will adopt policies and procedures, including the Code, designed to identify actual or potential conflicts of interest and provide a means to resolve any actual or potential conflict in an equitable manner. The following discussion describes in more detail the potential conflicts of interest that may arise and the firm's approach to addressing such conflicts.

Conflict of Interest due to a Material Financial Interest

Bateleur (or its affiliates) will have a material financial interest with respect to fees paid by investors. Management fees are payable without regard to the overall performance of an investment and therefore may create an incentive on the part of Bateleur to raise or otherwise increase assets under management to a higher level than would be the case if Bateleur were receiving a lower or no management fee. As discussed in Item 6 above, performance-based fees may create an incentive for Bateleur to make investments that are riskier or more speculative than in the absence of such performance-based compensation.

Due to the variation in fees as among clients discussed in Items 5 and 6 above, Bateleur may have an incentive to allocate an investment opportunity or a greater share in an investment opportunity to a client with whom the firm has negotiated a higher percentage management or performance-based fee.

Investors will be provided with clear disclosure as to how management and performance-based fees are charged and the risks associated with such compensation prior to making an investment. In addition, Bateleur's policies will prohibit the allocation of investment opportunities based on anticipated compensation or profits to the firm, any affiliates or their employees.

Conflicts of Interest due to Interest in Same Investment Opportunities

Allocation of Time, Effort or Investment Opportunities

Bateleur (and its affiliates) may give advice and recommend the purchase or sale of securities and other financial instruments, or buy or sell such securities, and instruments for their own account or that of one or more clients, which advice or instruments may differ from advice given to, or instruments recommended or bought or sold for, other clients, even though such clients' investment objectives may be the same or similar.

Bateleur (and its affiliates) must act in a manner that it considers fair, reasonable and equitable in allocating investment opportunities among clients but the Code does not otherwise impose any specific obligations or requirements concerning the allocation of time, effort or investment opportunities to clients or any restrictions on the nature or timing of investments for the proprietary account of Bateleur, its affiliates or their respective principals or for other accounts which Bateleur or its affiliates may manage. Bateleur professionals are not obligated to devote any specific amount of time to the affairs of each client, and Bateleur and its affiliates are not required to accord exclusivity or priority to any client in the event of limited investment opportunities.

Bateleur is focused on managing conflicts of interest and monitoring the allocation of investment opportunities in these contexts and endeavors to resolve any conflict with respect to investment opportunities in a manner that it deems equitable under the facts and circumstances, consistent with its fiduciary duties.

Cross and Principal Transactions

Bateleur and its affiliates will not, as principal, sell a security to, or buy a security from, any client, without providing appropriate disclosure and obtaining the informed consent of such client prior to the settlement of such transaction. In the event of a transaction between client accounts, Bateleur will disclose its role in the transaction and obtain client consents, as appropriate. If it becomes necessary in the future to engage in cross or principal transactions, Bateleur will conduct such transactions in a manner that is consistent with its fiduciary obligations, the Compliance Manual, any governing documents applicable to the relevant investments and relevant securities statutes, including the Advisers Act.

Proprietary Investments

Bateleur, its employees or their related persons may also invest directly in any one, some or all of the investments made on behalf of the firm's clients. This may create a potential conflict in that it could cause Bateleur to make different investment decisions with respect to an investment, including the timing of acquisition or disposition thereof, than if such parties did not have such financial ownership interests. It should be noted that investments made by such parties may not be subject to the management or performance-based fees described in Items 5 and 6 above.

Personal Trading

The Code is designed to ensure that Bateleur and any of its affiliates, officers and employees (and members of their families) do not engage in personal securities transactions that may conflict with

transactions effected on behalf of the firm's clients. Bateleur employees must (i) place the interests of the firm's clients first, (ii) avoid taking inappropriate advantage of their positions within the firm, and (iii) conduct their personal securities transactions in full compliance with the Code. As required by Rule 204A-1 of the Advisers Act, Bateleur will require its access persons to report their securities transactions on a quarterly basis and disclose their securities holdings upon employment and on an annual basis thereafter. Bateleur will also restrict the personal trading of its access persons. In particular, Bateleur will maintain a restricted list containing the names of securities which access persons are generally prohibited from trading and will require each of its access persons to pre-clear transactions in all reportable securities.

Bateleur will also maintain policies and procedures to prevent insider trading that are designed to prevent the misuse of material, non-public information. Bateleur's personnel will be required to certify on an annual basis their compliance with such policies and procedures as well as the Code.

ITEM 12: BROKERAGE PRACTICES

A. Factors Considered in Selecting or Recommending Broker-Dealers for Client Transactions

Bateleur's advisory business generally involves privately negotiated transactions with the prospective seller or prospective purchaser(s), and generally will not involve the services of a traditional broker or dealer as is customary in the transaction of registered securities. However, Bateleur may from time to time purchase or sell publicly-traded securities and will, in those circumstances, seek to achieve the best overall execution terms available to effect the transaction expeditiously and on terms most favorable to the Fund.

When executing such a transaction in any investment, Bateleur will consider the full range and quality of a broker or dealer's services, including execution capability, experience in private equity transactions, network of contacts and relationships, research services, commission rates, reputation and integrity, financial responsibility and responsiveness.

1. Research and Other Soft Dollar Benefits

As a matter of policy, Bateleur does not expect to engage in soft dollar transactions and does not expect to enter into soft dollar arrangements in respect of transactions for any clients. If Bateleur determines to use soft dollars in the future, it will endeavor to do so within the "safe harbor" provided by Section 28(e) of the Exchange Act.

While Bateleur may receive proprietary research from certain brokerage firms, it will not take the value of such research into account in selecting brokers.

Bateleur typically will not consider whether Bateleur or a related person may receive client referrals from a broker-dealer or third party in selecting or recommending broker-dealers. As a matter of policy, Bateleur will not permit the direction of any client transactions to a specific broker or dealer by an investor.

2. Brokerage for Client Referrals

Not applicable.

3. Directed Brokerage

Not applicable.

B. Order Aggregation

Bateleur presently provides investment advisory services to a select and limited number of clients. As such, it generally is not necessary to aggregate purchases or sales of securities or assets for multiple clients. Bateleur may aggregate such transactions, however, if the investment team determines that aggregation would be beneficial to achieve more efficient execution or to provide for equitable treatment among clients. It is expected that clients participating in aggregated trades would be allocated securities based on the average price achieved for such trades and that aggregated trades generally would be allocated among Bateleur's clients on a pro rata basis, with exceptions based on any guidelines set forth in the relevant client's investment management agreement.

ITEM 13: REVIEW OF ACCOUNTS

A. Periodic Review

Aziz Hassanali will serve as portfolio manager for Bateleur's clients, and will select investments with assistance from Bateleur's investment team. Following an investment, Mr. Hassanali, together with Bateleur's investment team, will be responsible for monitoring industry developments and reviewing investment performance on a regular basis. Investments are reviewed in light of each client's investment management agreement, limited partnership agreement, or other governing document. During the review process, the investment team will analyze existing investments to identify issues early on and take any necessary actions. Bateleur will be responsible for overseeing periodic reconciliations of client assets.

B. Other Than Periodic Review

Not Applicable

C. Reports to Managed Accounts

Generally, managed accounts will receive monthly account statements from the respective PIV's administrator, including details regarding the assets under management, their performance and any relevant developments. In addition, each managed account will receive: (i) audited financial statements for each PIV in which it invests (together with a statement of the managed account's capital account and a valuation of its investment(s)) on an annual basis in accordance with U.S. generally accepted accounting principles ("GAAP") within 90 days after the fiscal year end; (ii) unaudited financial statements for each PIV in which the managed account invests (together with a statement of the managed account's capital account and a valuation of its investment(s)) on a

quarterly basis; and (iii) annual tax information necessary for completion of each managed account's tax return.

ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION

A. Economic Benefits for Providing Services to Clients

Directorship Fees

As discussed in Item 5 above, throughout the term of an investment, from its acquisition and continuing through its management and ultimate sale, the partners or other personnel of Bateleur may assume directorship or other oversight roles with respect to an investment, for which Bateleur may be compensated. The management fees payable by clients to Bateleur will be reduced by the amount of any such compensation paid to Bateleur.

B. Compensation to Non-Supervised Persons for Client Referrals

Bateleur may from time to time enter into agreements with independent third parties to assist in identifying potential clients or to refer such potential clients to Bateleur. Such agreements generally are expected to require Bateleur to pay the third party a cash fee in regard to each identified prospective client that becomes a client. Payment of such fees would not be conditioned on referring or recommending specific assets or types of assets to clients or obtaining assets through or from specific third parties. Any agreement providing for direct or indirect cash payments by Bateleur to a person that is a "solicitor" as defined in Rule 206(4)-3 under the Advisers Act will comply with that rule and any other applicable regulatory requirements.

ITEM 15: CUSTODY

Custody occurs when an adviser or related person directly or indirectly holds client funds or securities, or has the ability to gain possession of them. Bateleur will be authorized to deduct advisory fees and expenses from certain client accounts, which the SEC considers constructive custody. We have adopted policies and procedures to safeguard client assets throughout the fee and expense deduction process. Bateleur will hold cash and all certificated securities of clients, if any, at an unaffiliated qualified custodian, to the extent required by Rule 206(4)-2 under the Advisers Act.

Bateleur is not required to comply with the requirement to use a qualified custodian with respect to "privately offered securities," as defined in Rule 206(4)-2 under the Advisers Act or with respect to certain private stock certificates[; however, Bateleur has implemented procedures in its Compliance Manual that are designed to safeguard these privately offered securities]. In compliance with the audit approach exception to the custody rules for privately offered securities set forth in Rule 206(4)-2 under the Advisers Act, Bateleur will distribute audited financial statements prepared in accordance with GAAP for each PIV to the relevant client(s) within 90 days after its fiscal year end. Financial statements are prepared by a Public Company Accounting Oversight Board-registered and inspected firm, and are documented and attested to by the accounting firm engaged to perform the custody audit. Investors should review these audited financial statements carefully. See Item 13.C above.

ITEM 16: INVESTMENT DISCRETION

Bateleur may provide advisory services to its clients on a discretionary or non-discretionary basis. The level of discretion that Bateleur will have in its provision of investment advisory services to each client will be individually negotiated and set forth in the relevant investment management agreement, limited partnership agreement or other governing document. See the discussion in Item 4.B above.

ITEM 17: VOTING CLIENT SECURITIES

Rule 206(4)-6 under the Advisers Act requires registered investment advisers that exercise voting authority over client securities to implement proxy-voting policies. Bateleur may vote proxies for its clients if required under the applicable investment management agreement, limited partnership agreement or other governing document. In accordance with Advisers Act requirements, Bateleur has developed voting policies and procedures to address voting requirements, if any, for investments, and to address apparent or actual conflicts of interest that may arise between different clients, or between Bateleur and its clients. These procedures may include, in appropriate cases, disclosure of the potential conflict to the relevant clients or the implementation by Bateleur of other measures to address the potential conflict based on the partners' [*Note:* Advisory Board could participate here] judgment of what is in the best interest of the relevant clients.

Clients may obtain a copy of Bateleur's voting policies and procedures upon request.

ITEM 18: FINANCIAL INFORMATION

Bateleur does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance.

Bateleur is not currently aware of any financial condition that would be reasonably likely to impair its ability to meet contractual commitments to clients. Additionally, Bateleur has not been the subject of a bankruptcy petition at any time during the past ten years.