

**Item 1: Cover Page**

**Part 2A of Form ADV – Tetrahedron Capital Management LLC**

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This Brochure provides information about the qualifications and business practices of Tetrahedron Capital Management LLC (“**Tetrahedron Capital**” or “**the Firm**”). If you have any questions about the contents of this brochure, please contact us at (917) 679-6815 or by email at [bdavis@tetracm.com](mailto:bdavis@tetracm.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.

Any reference to Tetrahedron Capital as a registered investment adviser does not imply any level of skill or training.

Additional information about Tetrahedron Capital Management LLC is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

**Item 2: Material Changes**

This is the initial filing of the Tetrahedron Capital ADV 2A.

In the future, this Item 2 will only discuss specific material changes that have been made since the last filing and will provide a summary of those changes, which will be reflected below.

### **Item 3: Table of Contents**

Item 1: Cover Page.....	1
Item 2: Material Changes.....	2
Item 3: Table of Contents .....	3
Item 4: Advisory Business .....	4
Item 5: Fees and Compensation .....	5
Item 6: Performance Based Fees and Side-by-Side Management .....	5
Item 7: Types of Clients.....	6
Item 8: Methods of Analysis, Investment Strategies and Risk of Loss.....	6
Item 9: Disciplinary Information .....	14
Item 10: Other Financial Industry Activities and Affiliations .....	14
Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading .....	14
Item 12: Brokerage Practices .....	15
Item 13: Review of Accounts .....	17
Item 14: Client Referrals and Other Compensation .....	17
Item 15: Custody.....	17
Item 16: Investment Discretion.....	17
Item 17: Voting Client Securities.....	18
Item 18: Financial Information .....	18

## **Item 4: Advisory Business**

### **Item 4.A.**

Tetrahedron Capital is an investment advisory firm organized as a limited liability company under the laws of the State of Delaware. Tetrahedron Capital was founded in August 2018 by Bradley T. Davis, the Firm's principal owner and managing member. Tetrahedron Capital is currently relying on the Rule 203A-2(c) exemption from prohibition on SEC registration due to the fact that it has a reasonable expectation that it will be eligible to register with the SEC within 120 days after the date Tetrahedron Capital's registration with the SEC becomes effective. The Firm intends to provide advisory services to private funds as further described in this brochure.

### **Item 4.B.**

Tetrahedron Capital currently provides discretionary portfolio management and investment sub-advisory services to an unaffiliated privately offered pooled investment vehicle (the "**Sub-Advisory Client**" or "**Fund**") which is advised by an investment adviser registered with the SEC (the "**Adviser**"). In providing such sub-advisory services to the Sub-Advisory Client, Tetrahedron Capital has discretion to formulate investment objectives, direct and manage the investment and re-investment of the Sub-Advisory Client's assets pursuant to an investment agreement between Tetrahedron Capital and the Adviser.

In the future, Tetrahedron Capital may decide to provide investment advisory services on a discretionary or non-discretionary basis to high net worth individuals, family offices, institutional investors or other pooled investment vehicles (collectively, the "**Advisory Clients**").

### **Item 4.C.**

Terms of investments, including Sub-Advisory Client objectives, limitations and strategies are governed exclusively by the terms of the private placement memorandum, operating agreement, and/or an investment management agreement (collectively, the "**Governing Documents**"). Specific client investment strategies and their implementation are dependent upon the Sub-Advisory Client's investment objectives. Sub-Advisory Clients may impose restrictions on investing in certain securities or types of securities. Investors in the fund to which Tetrahedron Capital serves as a sub-adviser ("**Investors**") cannot generally place such investment restrictions on Tetrahedron Capital and may not tailor Tetrahedron Capital's advisory services to their individual requirements.

### **Item 4.D.**

Not applicable. Tetrahedron Capital does not participate in, nor does it sponsor, wrap fee programs.

### **Item 4.E.**

As of September 14, 2018, Tetrahedron Capital did not manage any client assets on a discretionary or non-discretionary basis.

## **Item 5: Fees and Compensation**

### **Items 5.A., 5.B., and 5.C**

Tetrahedron Capital receives fees from the Sub-Advisory Client in connection with the Firm's portfolio management and investment sub-advisory services on behalf of the Sub-Advisory Client. Fees for Tetrahedron Capital's portfolio management and investment sub-advisory services are negotiable. The fees are typically billed to the Sub-Advisory Client account and paid from the assets of such account.

An overview of Tetrahedron Capital's fee schedule is summarized below.

#### *Management Fee*

In consideration for its services to the Sub-Advisory Client, Tetrahedron Capital is entitled to receive reimbursement of an agreed upon amount representing a pro-rata portion of the Sub-Advisory Client's operating expenses. The management fee is a flat fee to be paid monthly on a prorate basis.

#### *Performance Fee*

Subject to the terms and limitations of the investment agreement between Tetrahedron Capital and the Adviser, Tetrahedron Capital may receive a performance fee as a percentage of the Sub-Advisory Client's profits. Performance fees are typically paid in arrears.

#### *Service Fee*

Subject to the terms and limitations of the investment agreement between Tetrahedron Capital and the Adviser, Tetrahedron Capital is entitled to receive reimbursement of an agreed upon amount representing a service fee related to management of the Sub-Advisory Client's assets. The service fee is a flat fee to be paid monthly on a prorate basis.

### **Item 5.D.**

The Sub-Advisory Client pays a portion of the Management Fee in advance to Tetrahedron Capital upon execution of the investment management agreement between Tetrahedron Capital and the Adviser.

### **Item 5.E.**

Not applicable. Neither Tetrahedron Capital nor any of its supervised persons accept compensation for the sale of securities or other investment products.

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

As discussed in Item 5, Tetrahedron Capital is entitled to receive a performance fee from the Sub-Advisory Client. These payments are subject to Section 205(a) (1) of the Investment Advisers Act of 1940, as amended (the "**Advisers Act**"), in accordance with the available exemptions thereunder, including the exemption set forth in Rule 205-3.

Performance-based fees or compensation, in general, may create an incentive for Tetrahedron Capital or its supervised persons to make investments that are riskier and more speculative than would be the case in the absence of a performance-based fee. The Firm currently manages one Advisory Client, the Sub-Advisory Client. If the Firm provides investment advisory services to more than one Advisory Client, such fee arrangements may also create an incentive to favor higher fee-paying clients over other clients in the allocation of investment opportunities. To the extent that any such conflict was to arise, in order to address such conflict(s), Tetrahedron Capital will implement policies and procedures to ensure that all Advisory Clients receive equitable and fair treatment consistent with Tetrahedron Capital's fiduciary duty.

## **Item 7: Types of Clients**

Tetrahedron Capital provides investment advisory services only to the Sub-Advisory Client, as described in Item 4 above. Interest in the Sub-Advisory Client is offered only to sophisticated and qualified investors, including but not limited to: high-net-worth individuals, family offices and institutions.

With respect to the Sub-Advisory Client, any initial and additional subscription minimums are disclosed in the offering documents for the Fund.

Tetrahedron Capital does not have a set minimum investment to accept a Sub-Advisory Client.

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

### **Item 8.A.**

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

Tetrahedron Capital provides investment advisory services to the Sub-Advisory Client pursuant to the particular investment objectives, policies and strategies described in the Governing Documents. Set forth below are summaries of the strategies primarily employed by Tetrahedron Capital.

Tetrahedron Capital's investment objective is to produce risk-adjusted returns throughout a market cycle with a low correlation to global equity indices and low volatility. The Firm's focus is consistency of returns through constant, proactive risk management practices and maintaining low monthly profit and loss volatility.

Tetrahedron Capital focuses primarily on highly liquid publicly-traded equity and equity-related securities in sectors including but not limited to U.S. financials. Every cash investment is exchange listed, and the only non-cash positions taken are Contracts for Difference (CFDs) and similar structures when such structures are advantageous. The non-exchange traded component consists of less than 5% of the portfolio. All components of the portfolio are scenario-based margin eligible permitting a very high ROE. By monitoring and forecasting single-stock correlation within major financial subsectors, the Firm focuses capital deployment in areas with sufficiently low correlation to permit profitable fundamental stock selection. Tetrahedron Capital may also use leverage. Tetrahedron Capital may buy or sell (write) options, both publicly-traded and over-the-counter, covered and uncovered, on securities and securities indices. While traditional fundamental investments are the Firm's focus, it may aim to supplement returns with proactive equity capital markets activities. Tetrahedron Capital may also engage in futures and other derivatives transactions. Tetrahedron Capital's investment program is speculative and entails substantial risk. There is no assurance that the Sub-Advisory Client's objectives will be achieved.

## **Items 8.B. and 8.C.**

Tetrahedron Capital's investment strategy involves a high degree of business and financial risk that can result in substantial losses and is suitable only for investors prepared to bear such risk. The risks factors below are not intended to be exhaustive. Prospective Clients should also carefully review the risks described in the applicable Client's Governing Documents:

### *General Investment Risks*

*Possibility of Losses.* Tetrahedron Capital's investment program is speculative. The value of the Sub-Advisory Client's investments will fluctuate based upon a multitude of factors, including the financial condition, results of operations, and prospects of the issuers of the underlying securities acquired by the Sub-Advisory Client's, governmental intervention, market conditions, and local, regional, national, and global economic conditions. Therefore, the Sub-Advisory Client may lose all or a portion of their principal invested if Tetrahedron Capital's investment strategies pursuant to the Sub-Advisory Governing Documents are not successful.

*Not a Complete Investment Program.* If Tetrahedron Capital's strategy is not successful, or if Tetrahedron Capital is unable to implement the strategy effectively, the Sub-Advisory Client could lose some or all of its capital. For these reasons an investment with Tetrahedron Capital may be deemed speculative and is appropriate only for sophisticated and experienced investors who are able to bear the risk of loss of their entire investments.

*Market Conditions and Disruptions; Interconnected Markets.* Developments and disruptions in financial and securities markets generally, including aspects and attributes such as interest rates, the availability of credit, the liquidity of particular types of investments, as well as changes in general economic conditions, including unemployment and inflation, can significantly affect the prospects of the companies in which the Sub-Advisory Client invests, Tetrahedron Capital's ability to assess those prospects, and its ability to adapt its portfolio and market exposures. For example, in 2007 and 2008, a global "credit crisis" caused rapid and violent swings in all markets. In the summer and early fall of 2011 global economic disruptions caused additional dramatic swings in securities prices. In 2012 and 2015, developments in Europe caused significant price swings. And the first month of 2016 saw historic levels of price volatility and declines across international markets, in addition to illiquidity in the high yield debt markets. Other types of disruptions could emerge, including as a result of political or economic developments outside the markets in which the Sub-Advisory Client mainly invests, that have similar, or even more dramatic, effects on the markets in which the Sub-Advisory Client invests. Market disruptions could cause the Sub-Advisory Client to incur major losses, particularly if they cause historical pricing relationships to become materially distorted or previously liquid positions to become illiquid. Market disruptions can result in otherwise historically low-risk strategies performing with unexpected volatility and risk.

*Counterparty and Custody Risk.* The Adviser to the Sub-Advisory Client must place most of Fund's assets in the custody of institutions, such as brokerage firms and banks, which may hold those on the books of depositaries and other intermediaries in the institutions' own name (*i.e.*, in "street name"). The Sub-Advisory Client is subject to the risk that these firms, as well as other brokers, counterparties, clearinghouses or exchanges with which Tetrahedron Capital deals, may default on their obligations to the Sub-Advisory Client. Any such default could result in material losses to the Sub-Advisory Client. Bankruptcy or fraud at one of these institutions could also impair the Sub-Advisory Client's operational capabilities or capital position. Securities and other assets the Sub-Advisory Client deposits with custodians or brokers may not be clearly identified as being the Sub-Advisory Client's assets, causing the Sub-

Advisory Client to be exposed to credit risk with regard to those custodians or brokers. The Sub-Advisory Client generally will only be an unsecured creditor of its trading counterparties in the event of bankruptcy or administration of those counterparties and in some jurisdictions the same may be true of the Sub-Advisory Client's relationship to its brokers. The Sub-Advisory Client attempts to limit its brokerage and custody transactions to well capitalized and established banks and brokerage firms in an effort to mitigate these risks, but the collapse in 2008 of the seemingly well-capitalized and established Bear Stearns and Lehman Brothers demonstrates that there are limits to the effectiveness of this approach in avoiding counterparty losses.

*Governmental Intervention in Markets.* Since 2008, financial crises and market disruptions have led to extensive new governmental intervention in financial markets and the structure and operation of financial institutions. Many governmental interventions have been unclear in scope and application and have included apparent inconsistencies, at times causing losses for market participants who assumed either no intervention or intervention consistent with past precedent, contributing to confusion and uncertainty as to important market forces, and in some cases contributing, at least temporarily, to illiquidity in some markets. In particular, in the United States, the 2010 Dodd-Frank Wall Street Reform and Consumer Protection Act ("*Dodd-Frank*") substantially altered the regulation of many markets, market participants, and financial instruments. Many of its provisions require rulemaking by various governmental agencies before they become fully effective and, as of this brochure's date, some required implementing rules that have not been adopted or become effective. Some of those rules, when adopted, may have significant effects on various financial market participants' costs of investing and providing services and on the availability and costs of certain types of investments and services. European and other non-U.S. governmental entities have enacted and are still implementing their own regulations in response to the "credit crisis" and other market disruptions.

It is impossible to predict what additional interim or permanent governmental restrictions or other actions may be imposed on financial markets, particularly if new disruptions occur, and it is impossible to predict the effect those restrictions or other actions may have on Tetrahedron Capital's strategies or the Sub-Advisory Client's portfolio when implemented. Those effects could create or exacerbate market disruptions and further expose the Sub-Advisory Client to risks of the kinds described above.

#### *Risks Arising from Broad Discretion and Dependence on Tetrahedron Capital*

Subject to the terms of the Governing Documents, Tetrahedron Capital has discretion to invest the Sub-Advisory Clients' assets. The following describes some of the risks that arise from relying on an investment adviser with such broad discretion and on Tetrahedron Capital in particular.

*Investment Selection; Subjective Judgment.* Tetrahedron Capital will select investments based on its analysis and subjective assessment of a wide variety of factors that it considers, from time to time, relevant to the prospects of those investments. Failures of that analysis or those assessments, for particular investments or for strategic direction and construction of the Sub-Advisory Client's portfolio as a whole, may cause the Sub-Advisory Client to incur losses or to miss profit opportunities. Areas in which Tetrahedron Capital's skill and potentially subjective judgment may be particularly important include the following:

*Market Judgment.* Tetrahedron Capital's personnel will apply judgment as to overall market conditions and directions as a core part of implementing the Sub-Advisory Client's strategy at any particular time. The greater the role such judgment plays during any particular period, the more unpredictable and inconsistent a trading strategy is typically expected to be.



*Fundamental Analysis.* Fundamental analysis, based on the theory that market prices do not always incorporate all knowable economic and other relevant data, is subject to the risk of inaccurate or incomplete market information, as well as faulty analysis of known information. In addition to the risk of shortcomings in analysis, investments made based upon fundamental analysis are subject to significant losses when market sentiment leads to material discounting of market prices from the prices indicated by fundamental analysis (as in the case of “flights to quality” when the demand for certain risky investment instruments plummets) or when technical factors, such as price momentum encouraged by trend following, dominate the market.

*Risk Management.* Tetrahedron Capital actively causes the Sub-Advisory Client to take risks, directly exposing it to potential loss under a wide variety of market conditions. It attempts to identify, measure, and monitor risks associated with the investment activities and may choose to hedge or otherwise mitigate risks it identifies. However, Tetrahedron Capital may fail to identify or anticipate a wide variety of risks that may adversely affect the Sub-Advisory Client, or the hedging or other risk mitigation techniques may not have the desired effect, potentially exposing it to material losses.

*Technical Analysis.* Tetrahedron Capital may incorporate elements of technical analysis —analysis of historical and current market data — into its investment decision making. Technical analysis is subject to the risk that unexpected fundamental factors or other factors that were not present during the periods from which historical data were generated on which decisions are based may arise and become dominant, at least for a time. Among other things, an influx of new participants in a particular market, structural changes in the markets, the introduction of new financial products, and other developments could materially adversely affect the validity of inferences from historical data and thus the profitability of investments based on technical analysis.

*Reliance on Tetrahedron Capital.* The Sub-Advisory Client’s success depends on the ability of Tetrahedron Capital and, particularly, Bradley T. Davis, to develop and implement investment strategies to achieve its investment objectives. The Sub-Advisory Client’s performance could be materially and adversely affected if Mr. Davis were to die, become ill or disabled, or otherwise cease to be involved in the active management of its portfolio.

*Limited Operating History.* Tetrahedron Capital is a recently formed entity with no operating history for prospective investors to evaluate prior to making an investment in the Sub-Advisory Client. Further, because, among other things, market conditions and investment approaches are continually changing, prior investment performance of Tetrahedron Capital’s key personnel does not necessarily indicate the Sub-Advisory Client’s prospects for profitability. Past results do not necessarily predict future performance. Tetrahedron Capital cannot give any assurance that the Sub-Advisory Client will achieve profits or will not incur substantial losses.

*Investment Concentration.* The Sub-Advisory Client portfolio may not be broadly diversified. To the extent the portfolio is not diversified, the Sub-Advisory Client may be subject to increased performance volatility and risk.

*Conflicts of Interest.* In managing the Sub-Advisory Client’s portfolio, Tetrahedron Capital faces conflicts between its interests and the interests of its Sub-Advisory Client. Such conflicts can arise from the nature of the Sub-Advisory Client’s activities and common business practices (e.g., relationships with brokerage firms and other service providers) or from Tetrahedron’s other activities, such as managing other accounts and engaging in personal and proprietary investing and trading activities.

*Information Sources.* Tetrahedron Capital relies heavily on the accuracy and completeness of information on which it bases investment decisions, but as to much of that information it is not in a position to confirm that completeness or accuracy: critical, and apparently reliable, information may be inaccurate or incomplete. Reliance on erroneous or incomplete information could cause Tetrahedron Capital to make investments that lead to losses in the Clients' portfolio or to refrain from making investments that would have resulted in gains.

#### *Risks Arising from Particular Activities or Types of Securities*

All investing and trading activities risk the loss of capital. While Tetrahedron Capital attempts to moderate these risks, there can be no assurance that the Sub-Advisory Client will not suffer losses. The following discussion sets forth some of the more significant risks to which the Sub-Advisory Client's portfolio will, or may, be subject.

*Small Capitalization Stocks.* The Client may invest its assets (either directly or through derivatives such as options) in stocks of companies with relatively small market capitalizations. While Tetrahedron Capital believes these stocks can provide significant potential for appreciation, they can involve higher risks than investments in stocks of larger companies. For example, prices of small-capitalization and even some medium-capitalization stocks are often more volatile than prices of large-capitalization stocks and the risk of bankruptcy or insolvency of many smaller companies (with the attendant losses to investors) may be higher than for larger, "blue-chip" companies. In addition, thin trading in some small-capitalization stocks may make investments in those stocks less liquid.

*Timing of Gains and Losses; Volatility.* The Sub-Advisory Client may need to hold some of its positions for significant periods before their success or failure becomes apparent or any gains can be realized. It may take longer for successful positions to realize their potential than for unsuccessful ones to reveal their weaknesses. Market prices of portfolio positions may be expected to fluctuate significantly over the Sub-Advisory Client's holding periods, causing its performance to be volatile over the short term.

*Portfolio Leverage.* Leverage in the Sub-Advisory Client's portfolio could increase both the possibilities for profit and the risk of loss. If the Sub-Advisory Client were to borrow to leverage its investments (*i.e.*, margin borrowing), that borrowing would probably be secured by the Sub-Advisory Client's securities and other assets. Margin borrowings typically allow the lender to demand an increase in the collateral that secures the Sub-Advisory Client's obligations, and if the Client were unable to provide additional collateral, the lender could liquidate the collateral to satisfy its obligations. Forced liquidation could have extremely adverse consequences, including sales at disadvantageous times and prices and the acceleration of tax consequences.

*Short Selling.* Tetrahedron Capital, on behalf of the Sub-Advisory Client, may sell securities short as a regular part of its investing activities. In a short sale, the Sub-Advisory Client sells securities it does not own, in the expectation that the market price will decline and Tetrahedron Capital will be able to buy replacement securities later at a lower price. To accomplish this, Tetrahedron Capital borrows the securities from a broker or other third party. It "closes" the position by "returning" the security (buying a replacement security on the lender's behalf). This "return" obligation does not typically have a specified "maturity" date and the lender generally may require replacement of the securities whenever it chooses. A short sale theoretically involves the risk of unlimited loss; the price at which Tetrahedron Capital must buy "replacement" securities could increase without limit. The Sub-Advisory Client may experience losses on short positions that are not offset by gains on long positions.

As collateral for its return obligation, Tetrahedron Capital must leave the proceeds of its short sales with the lender—generally a prime broker. Ordinarily all the Sub-Advisory Client’s assets held by a prime broker will serve as collateral not only for the Sub-Advisory Client’s short sale return obligation, but also for any other credit the prime broker extends and any other obligations the Sub-Advisory Client owes the prime broker. If the amount of the Sub-Advisory Client’s return obligation were to increase significantly due to increases in a short-sold security’s price, or if the value of collateral were to decrease, the Sub-Advisory Client could be required to deliver additional cash or other collateral to the relevant prime broker. But, if substantially all the Sub-Advisory Client’s assets were already serving as collateral, it is unlikely that Tetrahedron Capital would be able to meet such a demand, and the prime broker would likely cause the Sub-Advisory Client to “buy-in” or “close” some or all of its short positions. Such a “buy-in” could well be at a time and on terms that are adverse to the Sub-Advisory Client. Less dramatically, market-driven increases in short-sale-related liabilities and reductions in collateral value could also reduce the Sub-Advisory Client’s ability to effect transactions or distribute cash to fund Sub-Advisory Client or investor withdrawals. Lenders such as the prime brokers have great discretion in their decisions regarding adequacy of collateral, and the Sub-Advisory Client’s short-selling activities, and actions that depend on availability of assets not being relied on for collateral (e.g., distributing cash) could be curtailed, potentially significantly and without notice.

*Hedging.* Tetrahedron Capital may employ hedging strategies to the extent it considers appropriate in light of current circumstances and portfolio composition. It may do so using short positions in one instrument to hedge long positions in another instrument, and vice versa. Hedging strategies in general are intended to limit or reduce investment risk, but they can also be expected to involve transaction costs and may inherently limit or reduce the potential for profit. Hedges are often imperfectly inversely correlated with the underlying exposure the Sub-Advisory Client seeks to hedge and, to the extent that is the case, can subject the Sub-Advisory Client to additional risk, if prices involved in the hedging position move against the Sub-Advisory Client. Other risks that may be involved in hedging include: (i) possible illiquidity in the market for closing out a hedging position; (ii) interest rate, spread, or other broad market movements unanticipated by Tetrahedron Capital; (iii) the Sub-Advisory Client’s obligation to meet margin or other payment requirements; (iv) a counterparty’s default or refusal to perform; and (v) impact that required segregation of the Sub-Advisory Client’s assets to cover hedge-related obligations may have on portfolio management or its ability to meet short term obligations. The Sub-Advisory Client will not attempt to hedge all market or other risks inherent in its positions and will hedge certain risks, if at all, only partially. The Sub-Advisory Client’s portfolio composition may result in various directional market risks remaining unhedged. In addition, Tetrahedron Capital may trigger events of default or termination events under various counterparty agreements due to, among other things, reductions in net asset value of the Sub-Advisory Client’s portfolio. If the Sub-Advisory Client is unable to obtain waivers from the relevant counterparties, such counterparties could exercise numerous remedies under the affected agreements, including liquidation of posted collateral and termination of outstanding trades.

*Risk of Derivatives, Generally.* The Sub-Advisory Client may trade and invest in a variety of derivative instruments. Derivatives are financial instruments or arrangements, the risk and return of which are related to changes in reference rates, indices, or the value of securities or other assets. They can provide a form of “leverage” in that they permit the Sub-Advisory Client to speculate on fluctuations in the reference rates, indices, or prices of securities or other assets while investing only a small percentage of the value of those assets. Trading and investing in derivatives can be highly speculative and can entail risks that are greater than the risks of investing directly in securities or other assets. Prices of equity derivatives are generally more volatile than indices, rates, or asset prices on which they are based. A change in the rates or indices or a change in the market price of assets underlying a derivative will cause a much greater relative change in the price of the derivative. The Sub-Advisory Client’s ability to profit or avoid risk through trading or

investing in derivatives will depend largely on Tetrahedron Capital's ability to anticipate changes in the underlying reference rates, indices, or asset prices.

*Options.* Among the derivatives in which the Client may invest or trade are options on specific securities and options on securities indices. The Sub-Advisory Client may buy or sell (write) both call options and put options, and it may do so on a "covered" or an "uncovered" basis. The Sub-Advisory Client's options transactions may be part of a hedging tactic (*i.e.*, offsetting the risk involved in another securities position), a form of leverage in which the Sub-Advisory Client has the right to benefit from price movements in a large number of securities or other assets with a small commitment of capital, or an attempt to obtain profits through premiums received on options the Sub-Advisory Client writes. These activities involve risks that may be substantial. In general, the fundamental risks involved in options trading can be described as follows. For the most part, these descriptions do not take into account other positions or transactions the Sub-Advisory Client may enter into. Combinations of options positions, or combinations of options positions with positions in stocks or other securities, can mitigate or can increase the risks inherent in each component option position.

When Tetrahedron Capital *buys* a call option, it will pay a premium for the right to *buy* a security at a specified exercise price through a specified expiration date. If, at the expiration date, the market price of the underlying security is equal to or lower than the exercise price, the option will expire worthless and the Sub-Advisory Client will lose its entire investment in the option (the premium plus commissions). When the Sub-Advisory Client buys a put option, it will pay a premium for the right to *sell* a security at a specified exercise price through a specified expiration date. If at expiration the market price of the underlying security is equal to or higher than the exercise price, the option will expire worthless and the Sub-Advisory Client will lose its investment.

When Tetrahedron Capital *sells* (writes) an option, the risk can be substantially greater than when it buys one. When it sells a call option, it will receive a premium and grant the option's buyer the right to buy the underlying security from the Sub-Advisory Client at a specified exercise price. If the market price of the underlying security does not increase above the exercise price, the premium the Sub-Advisory Client receives will represent a profit. However, if the market price does increase above the exercise price, the Sub-Advisory Client will lose the amount of the difference (less the premium it received when it sold the option). This risk is theoretically unlimited (similar to the risk of selling a security short) in that the price of the underlying security could theoretically increase without limit. When Tetrahedron Capital sells a put option, and grants the holder the right to force the Sub-Advisory Client to buy the underlying security at the exercise price, it will bear the risk of a decline in the price of the underlying security below the exercise price. Thus, if the underlying security were to become valueless, the Sub-Advisory Client theoretically could lose an amount equal to the entire aggregate exercise price of the option (minus the premium the Sub-Advisory Client received when it sold the put). The Sub-Advisory Client can limit its risks in writing options by writing them on a "covered" basis—*e.g.*, owning securities of the same class and in the same amount as the securities underlying a call option it writes, or having a short position in the securities underlying a put option it writes. Although covering reduces the risks of selling options, as with all hedging strategies, it can involve transaction costs and may inherently limit the potential for profit from the option position.

*Convertible Securities, Rights and Warrants.* Tetrahedron Capital may invest in hybrid securities that may be exchanged for, converted into, or exercised to acquire a predetermined number of shares of an issuer's common stock at the holder's option during a specified time period (such as convertible preferred stocks, convertible debentures, stock purchase rights, and warrants). Convertible securities generally pay interest or dividends and provide for participation in the appreciation of the underlying common stock but at a lower level of risk because the yield is higher and the security is senior to common stock. Convertible debt

securities purchased by the Sub-Advisory Client that are acquired for their equity characteristics are not subject to minimum rating requirements.

The value of a convertible security is a function of its “investment value” (determined by its yield in comparison with the yields of other securities of comparable maturity and quality that do not have a conversion privilege) and its “conversion value” (the security’s worth, at market value, if converted into the underlying common stock). The credit standing of the issuer and other factors may also affect the investment value of a convertible security. If the conversion value is low relative to the investment value, the convertible security’s price is governed principally by its investment value. To the extent the market price of the underlying common stock approaches or exceeds the conversion price, the convertible security’s price is increasingly influenced by its conversion value.

Convertible securities may also include warrants, often publicly traded, that give a holder the right to purchase at any time during a specified period a predetermined number of shares of common stock at a fixed price but that do not pay a fixed dividend. Their value depends primarily on the relationship of the exercise price to the current and anticipated price of the underlying securities.

*Futures Activities.* Tetrahedron Capital may cause the Sub-Advisory Client to engage in trades involving futures, commodities, and/or commodity interests (e.g., futures contracts on commodities, securities indices, or currencies). As with some other derivatives, futures trading can provide a form of leverage, allowing the Sub-Advisory Client to participate in market price fluctuations of securities indices or commodity interests underlying futures (or options on futures), while only investing a small percentage of the value of those underlying securities indices or commodity interests. Trading in futures is highly speculative and may entail risks that are greater than investing in securities, including: increased volatility relative to other securities; increased exposure resulting from the leverage aspects of futures trading; and the potential illiquidity of futures positions.

The Sub-Advisory Client’s futures and options activities may include futures and options traded in non-U.S. markets. The risks of these activities may be greater than those of trading in futures and options on U.S. exchanges. For example, foreign futures and options are cleared on and subject to the rules of a foreign board of trade. Neither the CFTC nor the National Futures Association (“NFA”) regulates activities of any foreign board of trade, including transaction execution, delivery, and clearing. Moreover, these agencies have no enforcement authority over foreign boards of trade. In addition, funds provided for foreign futures and options may not be provided the same protections as funds received in respect of U.S. transactions.

Tetrahedron expects that, if the Sub-Advisory Client invests in futures or other commodity interests, it will do so without registering as either a “commodity pool operator” or a “commodity trading adviser.”

*Counterparty and Settlement Risk.* Tetrahedron Capital may enter into over-the-counter (“OTC”) derivative contracts or transactions (i.e., transactions in options or other derivatives that are not cleared through the facilities of an exchange or clearing organization such as the Options Clearing Corporation). These may include security-based swaps, swaps, contracts for differences, forward contracts, and other OTC derivative arrangements involving or relating to, among other things, specific securities (including total return swaps), interest rates (including caps and floors), or currencies. A swap transaction or contract for differences is an individually negotiated, non-standardized agreement between two parties to exchange cash flows (and sometimes principal amounts) measured by different rates or prices with payments generally calculated by reference to a principal (“notional”) amount or quantity. Swap contracts, contracts for differences, currency forward contracts, and other OTC derivatives are not traded on exchanges; rather banks and dealers act as principals in these markets. As a result, the Sub-Advisory Client will be subject to the risk that a

counterparty is unable or refuses to perform. OTC derivatives may also expose the Sub-Advisory Client to additional liquidity risks.

*Crowded Trades.* Tetrahedron Capital may acquire long or short positions that become crowded trades. With respect to a given investment, a crowded trade occurs when investors in the aggregate have unusually large exposure (either as a result of a large number of participants or outsized positions), and a similar belief regarding the direction of the trade (i.e., long or short). Investments in crowded trades are subject to the risk that there will be insufficient liquidity and significant volatility if investors seek to unwind their positions at or around the same time. Investments in crowded trades could lead to significant losses by the Sub-Advisory Fund. There can be no assurance Tetrahedron Capital will be able to avoid significant losses if a position becomes a crowded trade.

## **Item 9: Disciplinary Information**

There are no legal or disciplinary events that are material to an evaluation of Tetrahedron Capital's advisory services or the integrity of management.

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

### **Items 10.A. and 10.B.**

Tetrahedron Capital and its management is not registered, and does not have an application pending to register, as a broker-dealer or registered representative of a broker-dealer.

Tetrahedron Capital and its management is not registered, and does not have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.

### **Item 10.C.**

Not applicable. Except as otherwise disclosed in this Brochure, neither Tetrahedron Capital nor any of its management persons has a relationship or arrangement that is material to its advisory business or to its Sub-Advisory Client with any related person.

### **Item 10.D.**

Not applicable. Tetrahedron Capital does not recommend other investment advisers to its Sub-Advisory Client.

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

Tetrahedron Capital has adopted a written Code of Ethics (the "**Code**") predicated on the principle that Tetrahedron Capital owes a fiduciary duty to its Sub-Advisory Client. The Code is designed to address and avoid potential conflicts of interest, and is applicable to all officers, directors, investors, partners or employees of Tetrahedron Capital (collectively, the "**Access Persons**"). Tetrahedron Capital requires its Employees to act in the best interest of its Sub-Advisory Client's best interests, abide by regulations, and avoid any action that is, or could even appear to be, legally or ethically improper.

The Code generally prohibits transactions in most publicly traded equity securities including new issues (IPOs). In addition, transactions in private placements or limited offerings require pre-approval from the Chief Compliance Officer. The Code requires periodic reporting of Access Persons' personal securities transactions and all holdings; places other restrictions on Access Person's personal trading; and requires prompt internal reporting of Code violations. Tetrahedron Capital endeavors to maintain current and accurate records of all personal securities accounts of its Access Persons in an effort to monitor all such activity. A copy of Tetrahedron Capital's Code is available upon written request.

Certain transactions in which Tetrahedron Capital engages may require, for either business or legal requirements that no Access Person trade in the subject securities for specified time periods. Such securities will appear on a list (the "Restricted List") that will be circulated to all Access Persons. No Access Person may engage in any sort of trading activity with respect to a security or a derivative thereof on the Restricted List without obtaining prior written approval from the Chief Compliance Officer.

## **Item 12: Brokerage Practices**

### **Item 12.A.**

Tetrahedron Capital has discretion in deciding what brokers, dealers, and other financial intermediaries and counterparties to use for portfolio transactions (collectively, "**Transacting Parties**"). It also has discretion to negotiate compensation arrangements and transaction terms with Transacting Parties, including not only commissions for transactions effected on any agency basis, but also markups, markdowns, and other compensation implicit in prices of transactions effected directly with Transacting Parties acting as principal. The Sub-Advisory Client may incur substantial brokerage commissions and other transaction expenses.

In choosing Transacting Parties for the Sub-Advisory Client, Tetrahedron Capital is not required to consider any particular criteria. It generally seeks "best execution" of the Sub-Advisory Client's transactions and considers a range of factors which may include: historical net prices (after markups, markdowns, and other transaction-related compensation); Transacting Parties' execution, clearance, and settlement and error correction capabilities generally and in connection with instruments of the type and in the amounts to be bought or sold; their willingness to commit capital; their reliability and financial stability; the size of the transaction; the availability of securities to borrow for short sales; the market for the instrument in question; and the nature, quantity, and quality of research and other services and products the Transacting Party provides. A Sub-Advisory Client may at times pay more than the lowest transaction cost available in order to obtain services and products other than the execution of securities transactions.

#### **Item 12.A.1.**

Section 28(e) of the Securities Exchange Act of 1934 ("Section 28(e)") provides a "safe harbor" to advisers who use "soft dollars," *i.e.*, commissions generated by their advised accounts, to obtain investment research and brokerage services from brokers that provide lawful and appropriate assistance to the manager in connection with the investment decision-making process. Conduct outside of the safe harbor afforded by Section 28(e) is subject to the traditional standards of fiduciary duty under state and federal law. Tetrahedron Capital intends to use soft dollars only to acquire services and products that constitute "research" and "brokerage" within the meaning of Section 28(e).

Research and brokerage services obtained by the use of commissions arising from the Sub-Advisory Client's portfolio transactions may be used by Tetrahedron Capital in its other investment activities. A Sub-Advisory Client may not necessarily, in any particular instance, be the direct or indirect beneficiary of the

research or brokerage services provided in consideration of the “soft dollar” service generated by the trading of the Sub-Advisory Client itself. Tetrahedron Capital is specifically authorized to direct brokerage to firms that provide such services.

Tetrahedron Capital need not solicit competitive bids and does not have an obligation to seek the lowest available commission cost. Commission rates are generally negotiable, and selecting brokers on the basis of considerations that are not limited to commission rates may result in higher transaction costs than would otherwise be obtainable. Brokers may provide research and brokerage services directly or by paying service providers engaged by Tetrahedron Capital. In addition, Tetrahedron Capital may, subject to its best execution policy, trade with certain brokers primarily in consideration for providing research services. In any such case, Tetrahedron Capital will determine in good faith that the amount of commissions charged is reasonable in relation to the value of the brokerage and research products or services provided by the broker.

Tetrahedron Capital may, but is not obligated to, enter into arrangements under which certain direct expenses of the Sub-Advisory Client are paid with “soft dollars.” Tetrahedron Capital will enter into such arrangements in situations in which Tetrahedron Capital believes that such arrangements are administratively or operationally more expedient and more favorable to the Fund than arrangements under which the Fund pays for the products or services in question with cash. However, such arrangements make it more difficult for Investors to evaluate the cost structure of the Fund because the costs of such products or services are not broken out separately.

In addition to any “soft dollar” arrangements that Tetrahedron Capital enters into with brokers, brokers may provide certain research or other products or services to all of their customers, including Tetrahedron Capital, without being requested to do so. Similarly, brokers may refer investors to Tetrahedron Capital. Tetrahedron Capital may take advantage of the products or services provided rather than producing or paying for them from another provider. Similarly, Tetrahedron Capital may accept investor referrals from brokers in appropriate circumstances. In these situations Tetrahedron Capital receives a benefit because it does not have to pay for the products or services, such as research, or because it will receive additional compensation if the Fund accepts new investments.

The Firm has not commenced operations and therefore has not used soft dollars to pay for research and brokerage-related services.

**Item 12.A.2.**

Not applicable. Tetrahedron Capital does not participate in selecting or recommending broker-dealers in exchange for Sub-Advisory Client referrals.

**Item 12.A.3.**

Not applicable. Tetrahedron Capital does not permit its Sub-Advisory Client to provide a directed brokerage instruction and does not recommend, request or require the Sub-Advisory Client to execute transactions through specified broker-dealers.

**Item 12.B.**

Tetrahedron Capital provides investment advisory services to the Sub-Advisory Client only. At such time that the Firm must execute a transaction on behalf of more than one Client account, it is Tetrahedron Capital’s policy to aggregate trades whenever possible to achieve equal pricing across the Client accounts



and to reduce transaction costs. Tetrahedron Capital may choose not to aggregate trades in avoidance of a perceived or actual conflict of interest, provided that Clients are treated fairly and equitably over time.

### **Item 13: Review of Accounts**

Tetrahedron Capital performs various daily, monthly and quarterly reviews of the Sub-Advisory Clients' portfolios. These reviews will be conducted by Bradley T. Davis, Managing Member of Tetrahedron Capital, and certain other professionals of the firm.

Investors in the Sub-Advisory Client can expect to receive the following from the Sub-Advisory Client's Adviser: periodic unaudited performance reports, quarterly reports which include a discussion of investment performance, and annual audited financial statements within 120 days of the fiscal year end.

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

Tetrahedron Capital does not receive any economic benefit, including sales awards or prizes, from any third party for providing advisory services to the Sub-Advisory Client.

Currently Tetrahedron Capital does not utilize any solicitor or placement agents for client and investor, referrals. In the future, Tetrahedron Capital may enter into agreements with persons who refer potential investors for certain Advisory Clients, including Funds and Sub-Advisory Clients, to Tetrahedron Capital. For their referral services, these persons may receive compensation from Tetrahedron Capital in the form of a percentage of the management fee and/or performance-based fee or allocation that Tetrahedron Capital and its affiliates receive from the Clients with respect to the referred investors. All solicitation arrangements that Tetrahedron Capital may enter into will be in compliance with Rule 206(4)-3 under the Advisers Act. The Advisory Clients and Investors are not responsible for any fees paid to the referring persons.

### **Item 15: Custody**

Tetrahedron Capital does not have custody of the Sub-Advisory Client's assets.

### **Item 16: Investment Discretion**

Tetrahedron Capital exercises discretion in managing the Sub-Advisory Client's investments based on the investment objectives, policies, and strategies disclosed in the applicable Governing Documents.

Tetrahedron Capital generally will manage client accounts and make investment decisions without consultation with Advisory Clients as to when the securities are to be bought or sold for the account, the total amount of the securities to be bought/sold, what securities to buy or sell, or the price per share.

## **Item 17: Voting Client Securities**

Tetrahedron Capital's authority generally includes proxy voting on behalf of the Clients. When Tetrahedron Capital accepts such responsibility, it will cast proxy votes in a manner consistent with the best interests of its clients and in accordance with its policies and procedures. If Tetrahedron Capital identifies conflicts of interest when voting proxy, Tetrahedron will document the conflicts and take steps to resolve them. In resolving a conflict, Tetrahedron Capital may decide to take one of the following courses of action: (1) determine that the conflict or potential conflict is not material, (2) request that disclosure be made to clients for whom proxies will be voted to disclose the conflict of interest and the recommended proxy vote and to obtain consent from such clients, (3) engage an independent third-party or fiduciary to determine how the proxies should be voted, (4) abstain from voting or (5) take another course of action that, in the opinion of the Chief Compliance Officer, adequately addresses the potential for conflict.

Clients may contact Tetrahedron Capital to request information about how Tetrahedron Capital voted proxies for that Client's securities or to obtain a copy of Tetrahedron Capital's proxy voting policies and procedures.

## **Item 18: Financial Information**

### **Item 18.A.**

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

### **Item 18.B.**

Tetrahedron Capital does not believe it has any financial condition that is reasonably likely to impair its ability to meet its contractual commitments to its Clients.

### **Item 18.C.**

Tetrahedron Capital has not been the subject of a bankruptcy petition at any time during the past ten years.