

ITEM 1: COVER PAGE

Part 2A of Form ADV: Firm Brochure

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This brochure provides information about the qualifications and business practices of CenterStar Asset Management, LLC (“CenterStar” or the “Firm”) and CenterStar Fund, LLC (the “Fund” and, together with any separately managed accounts advised by CenterStar, the “Clients”). If you have any questions about the contents of this brochure, please contact us [at investor_relations@centerstaram.com](mailto:investor_relations@centerstaram.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

Additional information about CenterStar Asset Management, LLC also is available on the SEC’s website at www.adviserinfo.sec.gov.

SEC registration does not constitute an endorsement of the firm by the Commission nor does it indicate that the adviser has attained a particular level of skill or ability.

ITEM 2: MATERIAL CHANGES

This brochure represents an annual brochure update for CenterStar. There are no material changes to be noted from CenterStar's previous brochure filed on March 19, 2018.

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ITEM 4: ADVISORY BUSINESS

Overview

CenterStar was formed on July 17, 2017 and its sole office is located in Chicago, Illinois. The Firm is principally controlled, operated, and owned by SpiderRock Holdings, LLC, a Chicago, Illinois based limited liability company. George Papa is the majority owner of SpiderRock Holdings, LLC.

CenterStar provides advisory services on a discretionary basis to the Fund, which is a pooled investment vehicle, and also to separately managed account(s) (the “Managed Accounts” and, together with the Fund, referred to collectively as the “Clients”). With respect to the Fund, the Firm tailors its services to the strategies and conditions set forth in the Fund’s private placement memorandum (hereafter referred to as the Fund’s “Offering Documents”), providing advisory services to the Fund rather than to any individual investor of the Fund. With respect to Managed Accounts, CenterStar tailors its investment advice based upon the terms and conditions set forth in the managed account agreement between itself and the Managed Account’s clients.

CenterStar does not participate in wrap fee programs.

As of February 1, 2019, CenterStar managed \$91,034,555 in regulatory assets under management on a discretionary basis. The Firm does not manage any assets on a nondiscretionary basis.

ITEM 5: FEES AND COMPENSATION

Asset-Based Compensation

CenterStar charges its Fund an investment management fee of up to 2.0% per annum (though such rates could be higher or lower) based on the value of the Fund’s assets under management. Investors in the Fund are subject to this management fee indirectly through their investment in the Fund. The investment management fees are generally not negotiable, however, CenterStar may, in its sole discretion, waive, reduce, or modify the investment management fee and/or the process for payment thereof, for the Fund or investors in the Fund, including, but not limited to, members, employees or affiliates of the Firm, relatives of such persons, and certain large or strategic investors. CenterStar may assign or transfer to a subadvisor all of a portion of the investment management fee on such terms and conditions as CenterStar may determine in its sole discretion.

The investment management fee is typically payable quarterly, on the first day of each quarter, with the fee deducted by the Fund’s custodian from the Fund’s account pursuant to instructions from CenterStar.

Performance-Based Compensation

CenterStar also receives a performance-based allocation that is based on a share of capital gains on, or capital appreciation of, the assets of the Fund. This compensation may equal up to 40% of trading profits, subject to a loss carryforward, with the calculation of trading profits more fully explained in the Fund’s Offering Documents. The performance-based fees are generally not negotiable, however, CenterStar may, in its sole discretion, waive, reduce, or modify the performance-based fee and/or the process for payment thereof, for the Fund or investors in the Fund, including, but not limited to, members, employees or affiliates of the Firm, relatives of such persons, and certain large or strategic investors. In addition, CenterStar may assign or transfer to a subadvisor all or a portion of the performance-based allocation on such terms and conditions as CenterStar may determine in its sole discretion.

Other Expenses

In addition to paying investment management fees and performance-based compensation to CenterStar, certain other expenses may be paid by the Fund, which are more fully described in the Fund's Offering Documents. These expenses include (i) direct trading expenses, (ii) Fund-related administrative expenses, and (iii) other program expenses. Direct trading expenses include, but are not necessarily limited to, execution, clearing, regulatory, exchange, brokerage and interest expenses, all of which result directly or indirectly from the trading and financing activity of the Fund. Fund-related administrative expenses include, but are not necessarily limited to, accounting, auditing, legal (including without limitation organizational expenses), and administrative expenses. Other program expenses include, but are not necessarily limited to, rent and lease payments, salaries and payroll expenses, market data fees, vendor fees, computer software, news services subscriptions fees, and expenses related to obtaining exchange trading rights. As further described in Item 10 of this document, some of these expenses, including but not limited to the rent charges noted above, may be paid by the Fund to CenterStar or directly or indirectly to an affiliate of CenterStar, which may create a potential conflict of interest with respect to that expense. Similarly, expenses related to obtaining exchange trading rights may be paid to CenterStar, its parent, and/or its affiliates, as reimbursement for the acquisitions of exchange seat licenses and other exchange subscription fees.

Separately Managed Account Fees

CenterStar generally charges its Managed Accounts performance-based allocation fees that are similar to those stated above for the Fund, though it may also charge any new Managed Account management fees as well. The fees for each Managed Account are individually negotiated and may be charged in arrears or in advance as more fully described in the Managed Account's investment management agreement.

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

"Performance-Based Fees" are fees that are based on a share of the capital gains or capital appreciation of the assets of an account. As discussed in *Item 5 – Fees and Compensation*, and as permitted by applicable law, CenterStar may receive performance-based fees or allocations when advisory services are provided to the Fund and its Managed Accounts. At present, CenterStar does not advise Managed Accounts that are charged only management fees.

Differences in performance-based fees between and among Clients may create an incentive for CenterStar and/or its portfolio managers to invest in trades that may be riskier or more speculative than those that would be recommended under a different fee arrangement. Similarly, performance-based fee arrangements may also create an incentive to favor higher fee-paying accounts over other accounts in the devotion of time and resources and the allocation of investment opportunities.

CenterStar has adopted a number of compliance policies and procedures to manage the conflicts of interest noted above. In this regard, the Firm's Code of Ethics, Compliance Manual, trade allocation and aggregation policies, and allocation review procedures seek to ensure that investment opportunities are allocated fairly among Clients and that any unfair or unequal treatment is identified. CenterStar does not consider fee structure in allocating investment opportunities.

ITEM 7: TYPES OF CLIENTS

CenterStar provides discretionary investment advisory services to the Fund and Managed Accounts.

Private Fund

The Fund relies on certain exclusions from the definition of an “investment company” in the Investment Company Act of 1940, as amended (the “Investment Company Act”). Accordingly, the Fund is not registered as an investment company with the SEC.

Investors in the Fund must be “accredited investors” under Regulation D of the Securities Act of 1933, as amended (the “Securities Act”), and “qualified clients” or “knowledgeable employees” as such terms are defined in the Investment Company Act. As the Fund charges a performance fee or incentive allocation, Fund investors must also be eligible to enter into a performance arrangement under the Advisers Act.

Investors in the Fund may include, but are not limited to, institutions, funds of funds, businesses, pensions, trusts, government entities and individuals meeting certain net worth requirements. The minimum investment required by an investor in the Fund is \$500,000, though the amount could be more or less. Investment minimums are generally subject to waiver by CenterStar. Fund investors should review the Offering Documents for the Fund for further information with respect to minimum requirements for investment.

Separately Managed Accounts

Clients of Managed Accounts are typically private funds or institutional investors that are generally expected to be “qualified institutional buyers” within the meaning of Rule 144A under the Securities Act and, at a minimum, would meet the suitability requirements, discussed above, for investing in the Fund. The minimum account size for Managed Accounts is generally \$5,000,000, though CenterStar may waive or increase minimum account sizes and decline to accept a new Managed Account or additional funds from an existing Managed Account at its sole discretion.

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

All references to the Fund or the Managed Accounts in this brochure, including but not limited to their investments and the strategies used in managing the Fund and Managed Accounts, are qualified in their entirety by reference to the Fund’s Offering Documents and the Managed Accounts’ investment management agreement. The following is a general discussion of the methods of analysis, investment strategies and the risk of loss associated with CenterStar’s overall investment strategy. These risk factors may change over time.

The following is not a substitute for the Offering Documents of the Fund or investment management agreement of the Managed Accounts. Potential investors in the Fund and Managed Accounts must review Offering Documents and investment management agreements, as applicable, in their entirety before investing.

Methods of Analysis and Investment Strategy

The investment objective of the Clients is to seek higher than average rates of returns, relative to the level of risks assumed. To accomplish this, Clients may trade in securities on domestic and foreign exchanges that are publicly traded, such as stocks (common and preferred), convertible securities, rights and warrants on stocks, bonds, debentures and other forms of debt securities, options (including securities options and index options), non-public securities, and, subject to all regulatory requirements, futures and options on futures, and any other products hereafter approved by CenterStar (hereafter collectively referred to as “Securities”).

General Material Risks of the CenterStar's Strategies

Investments in the Fund and/or Managed Accounts are only suitable for experienced and sophisticated persons who are able to bear the risk of substantial impairment or total loss of investment. Clients are relying on the discretionary market judgment of CenterStar.

The following is a general summary of some of the material risk factors associated with investments for the Clients. The information below does not attempt to describe all of the risks associated with an investment in CenterStar's strategies, but instead presents a brief summary of the risks involved. For a complete explanation of all relevant risks, investors and potential investors should review the applicable Fund Offering Documents, which contain a more detailed discussion of the risks associated with investing in the Fund, and the investment management agreement, which further explains the risks associated with investing in the Managed Accounts.

No Guarantee of Profit

The investment performance and the success of any investment strategy or particular investment can never be predicted or guaranteed, and the value of a Client's investments will fluctuate due to market conditions and other factors. The investment decisions made and the actions taken for Clients will be subject to various market, liquidity, currency, economic, political and other risks, and will not necessarily be profitable and may lose value. **Past performance of the Clients is not indicative of future performance.** In addition to the risks listed here, there may be additional material risks associated with the types of products in which the Clients invest. Fund and Managed Account investors should refer to the prospectus, other applicable Offering Documents, or account management agreements for a discussion of applicable risk factors for that particular investment.

Dependence upon Key Individuals and CenterStar

CenterStar is dependent on the expertise of certain key personnel, many of whom have investment management agreements with CenterStar. The success of the Clients' investment program depends, in part, on the ability of these key personnel to develop and implement investment strategies. Accordingly, if CenterStar, its principal George Papa, or certain of its key personnel, were to become unable to participate in the management of the Clients' assets, the consequences to the Clients could be material and adverse.

Investment Strategy and Portfolio Management Risk

There can be no assurance that an investment strategy will produce an intended result, which would result in losses to a Client, including, potentially, a complete loss of principal. The performance of a strategy depends on the skill of CenterStar and its portfolio manager(s) in making appropriate investment decisions. There can be no assurance that it or they will be successful in doing so.

Identification of Opportunities

CenterStar activities require a continual ability to monitor and analyze market activity, price movements, individual transactions, positions, and a wide range of other information regarding market demand for particular Securities. CenterStar may fail to identify and/or take advantage of profit opportunities. This may be due to flaws in the investment strategy of CenterStar and/or its sub-advisors, a failure of CenterStar systems to identify these opportunities, or CenterStar's inability to implement its strategy.

Model Risk

CenterStar may utilize quantitative and technical valuation models in implementing its investment strategies. As market dynamics shift over time, a previously successful model could become outdated or inaccurate, perhaps after losses are incurred. There can be no assurance that CenterStar will be successful in developing and maintaining effective quantitative and technical models. Correlations among the instruments in a portfolio will change over time and could result in a loss of diversification and/or

substantially more risk than CenterStar's models, methods and techniques would have estimated. CenterStar relies on historical data as part of its risk management, but historical data can prove to be quite different from future dynamics in the marketplace and thus result in a materially greater risk profile than CenterStar would expect. There is no standard, approved or accepted methodology for calculating risks in the investment management industry and, while CenterStar uses its best efforts to measure and control risk, its methodologies will likely differ from other investment managers.

Risks of Technology

CenterStar services are highly reliant on the accurate performance of our technology infrastructure, including software, communication networks, market data, and algorithms. A malfunction or failure in any of these could cause Clients to experience losses, some or all of which could be significant. There are numerous scenarios, including the failure of the communication lines, networks, technology and software systems, or inaccurate data, which could prove critical in our ability to fulfill our responsibility. As with any technology, software, algorithm, data point, or communication line, performance or accuracy can be compromised or prove unpredictable. It is important to note that CenterStar's reliance on the collective technology and communication infrastructure is critical for CenterStar to perform its advisory services. Any interruption or failure of these systems could have an adverse effect on the Clients, as it may limit or prohibit CenterStar from performing its advisory duties. In addition, this interruption could result in material Client losses.

Short Selling

CenterStar may engage in short selling. Short selling involves selling securities that may or may not be owned and borrowing the same securities for delivery to the purchaser, with an obligation to replace the borrowed securities at a later date. Short selling allows the Clients to profit from declines in the subject securities. There can be no assurance that the price of the underlying security will not increase, thus increasing the cost of buying those securities to cover the short position. Accordingly, a short sale involves the risk of a theoretically unlimited increase in the market price of the particular investment sold short, which could result in an inability to cover a short position and a theoretically unlimited loss.

Hedging

CenterStar may engage in hedging activities with respect to the Clients' portfolios. Hedging techniques involve one or more of the following risks: (i) imperfect correlations between the performance and value of the hedging instrument and the Clients' positions being hedged; (ii) possible lack of a secondary market for closing out a position in such instruments; (iii) losses resulting from interest rate, spread or other market movements not anticipated by CenterStar; (iv) the possible obligation to meet additional margin or other payment requirements, all of which could worsen the Clients' position; and (v) default or refusal to perform on the part of the counterparty with which the Clients trade. Furthermore, to the extent that any hedging strategy involves the use of derivative instruments, such a strategy will be subject to the risks applicable to such instruments, including the effects of the implementation of the various regulations adopted pursuant to the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act"). The Dodd-Frank Act has initiated a dramatic revision of the U.S. financial regulatory framework and consumer credit markets, which is expected to continue to unfold over several years.

Leveraged and Speculative Investments

Clients' investments are speculative and involve a high degree of risk. CenterStar commonly engages in swaps, futures, forwards, options and other derivative transactions that can result in volatile fund performance. Leveraging may increase risk.

Market Judgment

Although CenterStar relies heavily on technology, software and systems to evaluate trades and portfolio risks, strategies are by no means wholly systematic; the market judgment and discretion of CenterStar staff

and sub-advisors are fundamental to the implementation of these strategies. There can be no assurances that the market judgment and discretion of CenterStar staff and sub-advisors will be successful when applied to current or future markets.

Potential Limited Investment Opportunities

The availability of investment opportunities is subject to changes in economic and market conditions, and there is no assurance that CenterStar will be able to identify opportunities that are sufficient to achieve its investment objective.

Illiquid Instruments

A portion of the strategies used by CenterStar may apply to Securities and other financial instruments that are not actively and widely traded. Consequently, it may be relatively difficult for CenterStar to dispose of such investments rapidly and at favorable prices in connection with a withdrawal requests due to adverse market developments or other factors. Adverse market conditions can lead to a “liquidity crisis,” i.e., the inability to sell many Securities at expected prices. There can be no assurance that future market conditions will not result in a liquidity crisis.

Limited Ability to Liquidate Investment Interests

The interests in the Fund cannot be redeemed, assigned, transferred, pledged or encumbered except on the terms and conditions set forth in its Operating Agreement. Fund investors may request the Fund to redeem all or a portion of their interests as of any quarter-end at Net Asset Value. However, the redemption value of interests may differ significantly from their value when redemption is requested. Fund investors should not view their investment in the Fund as liquid.

Market Disruption

It is possible that Clients may incur losses in the event of disrupted markets, and other extraordinary events that may not be consistent with historical pricing relationships on which CenterStar bases its models. This risk of loss may be compounded by the fact that in disrupted markets many positions become illiquid, making it difficult or impossible to close out positions against which the markets are moving. Market disruptions caused by unexpected credit crises, political, military and terrorist events may from time to time cause losses for certain strategies utilized by CenterStar, and such events can result in otherwise historically low-risk strategies performing with unprecedented volatility and risk.

Portfolio Turnover

Certain investment strategies may require CenterStar to actively trade the Clients’ portfolios, and as a result, turnover and brokerage commission expenses and other transaction costs of the Clients may exceed those of other investments.

Cybersecurity Risk

With the increased use of the Internet to conduct business, a Client is susceptible to operational and information security risks. In general, cyber incidents can result from deliberate attacks or unintentional events. Cyber-attacks include, but are not limited to, infection by computer viruses or other malicious software code, gaining unauthorized access to an entity’s digital systems through system-wide “hacking” or other means for the purpose of misappropriating assets or sensitive information, corrupting data, or causing operational disruption. Cyber-attacks may also be carried out in a manner that does not require gaining unauthorized access, such as denial-of-service attacks on an entity’s website. In addition, authorized persons could inadvertently or intentionally release confidential or proprietary information stored on an entity’s systems.

Cybersecurity failures by, and security breaches of CenterStar’s third party service providers (including, but not limited to, the custodians, administrators and financial intermediaries) and the issuers of Securities

in which a Client invests, may cause disruptions and impact the service providers' and CenterStar's business operations, potentially resulting in financial losses, the inability of CenterStar to transact business or process transactions, the inability to calculate a Client's net asset value, violations of applicable privacy and other laws, regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, and/or additional compliance costs.

Clients may incur incremental costs to prevent cyber incidents in the future and the Clients could be negatively impacted as a result. While CenterStar has established business continuity and cyber security plans, as well as risk management systems intended to prevent or reduce the impact of such cyber-attacks, there are always inherent limitations in such plans and systems, including the possibility that certain risks have not been adequately identified or prepared for. Furthermore, CenterStar cannot directly control any cybersecurity plans and systems put in place by third party service providers or issuers in which CenterStar invests.

Brokerage and Custodial Risk

There are risks involved in dealing with the custodians or prime brokers that settle Client trades. A Client will maintain custody accounts with its prime brokers and primary custodians. There is no guarantee that the Prime Brokers or any other custodian that CenterStar may use from time to time, will not become bankrupt or insolvent. While both the U.S. Bankruptcy Code and the Securities Investor Protection Act of 1970 seek to protect customer property in the event of a bankruptcy, insolvency, failure, or liquidation of a broker-dealer, there is no certainty that, in the event of a failure of a broker-dealer that has custody of the Clients' assets, the Clients would not incur losses due to its assets being unavailable for a period of time and/or receiving less than full recovery of its assets.

Limited Operating History; Past Results Not Indicative of Future Results.

CenterStar and the Fund have operated for a limited period of time and are, therefore, subject to the risks incidental to the creation of a new business, including a lack of operating history upon which prospective investors may base an evaluation of the likely performance of the Fund. Investors should not rely upon the Fund's operating results for its limited life as being indicative of the Fund's future performance, because past results are never indicative of future performance.

Risk of Loss

Clients should understand that all investment strategies and the investments made pursuant to such strategies involve risk of loss, including the potential loss of the entire investment in the Clients, which they should be prepared to bear. Past performance of Clients is not indicative of future performance.

Risks Specific to Private Funds

Absence of Regulatory Oversight

Private funds are not required to be registered under the Investment Company Act. As a result, private funds are not subject to the same regulatory requirements as mutual funds.

Fees and Expenses

Private funds often charge high fees; such fees and expenses may offset trading profits.

Complex Tax Structures

Private funds may involve complex tax structures resulting in delays in distributing important tax information.

Limited Reporting

While private funds generally may provide periodic performance reports and annual audited financial

statements, they are generally not otherwise required to provide periodic pricing or valuation information to Fund investors.

Risks with Respect to Particular Securities Currently Traded by CenterStar

Equity Related Instruments in General

CenterStar may use equity-related instruments in its investment program. Certain options and other equity-related instruments (for example, exchange traded funds) may be subject to various types of risks, including market risk, liquidity risk, counterparty credit risk, legal risk and operations risk. In addition, equity-related instruments can involve significant economic leverage and may, in some cases, involve significant risks of loss.

Equity Securities

The value of equity securities fluctuates in response to issuer, political, market, and economic developments. Fluctuations can be dramatic over the short as well as long term, and different parts of the market and different types of equity securities can react differently to these developments. For example, large cap stocks can react differently from small cap stocks, and "growth" stocks can react differently from "value" stocks. Issuer, political, or economic developments can affect a single issuer, issuers within an industry or economic sector or geographic region, or the market as a whole. Changes in the financial condition of a single issuer can impact the market as a whole. Terrorism and related geo-political risks have led, and may in the future lead, to increased short-term market volatility and may have adverse long-term effects on world economies and markets generally.

Exchange-Traded Funds

From time to time, Clients may invest their assets in exchange-traded funds ("ETFs") to gain exposure to certain markets or implement certain currency hedging or currency management strategies. ETFs represent shares of ownership in funds, unit investment trusts or depository receipts that hold portfolios of securities or individual issuers that closely track the performance of specific instruments, including broad market, sector or international indexes. There is typically some tracking error between an ETF and the index that the ETF attempts to replicate and ETFs can be subject to periods of illiquidity. There must be an active market in order to use ETFs effectively to express market views, and there can be no assurance that there will be adequate liquidity.

Assignment Risks for Options

Having a short call or put position can lead to an assignment and involuntary transaction, which cannot otherwise be avoided. In the case of a short call, being assigned can lead to a forced sale of stock, whether it is held long in the portfolio or not. Being short a put can lead to a forced purchase of the underlying stock for which funds will have to be provided by the account holder.

Option Losses and Limited Gains

In the case of an option purchase (long call or long put), the Client's entire initial investment of premium can be lost. In the case of a covered option short sale (short call or short put), upside gains can be limited by the sale of a short call against an underlying stock position (see also Assignment Risk for Options above) and a forced purchase of stock can occur in the case of a short cash covered put sale. In the case of a naked call or put sale (a call with no underlying stock position and a put with no cash to cover the possibility of a forced stock purchase) there is the risk of unlimited loss in the call position and substantial loss in the put position.

Lack of Liquidity of Option Contracts

Some option markets are very thinly traded and highly illiquid, resulting in wide markets and limited trading opportunities. Should it be determined that an option trade will be attempted in such a market, there is the

risk of a fill price that is either substantially higher (purchase) or substantially lower (sale) than mid-market. In addition, in such illiquid markets and despite best efforts there is the risk that no fill will occur at all for the intended order.

Other Option Risks

There are various other risks associated with option positions. Options are complex derivative securities and should not be traded without full knowledge of all the factors affecting their value. These factors include changes in implied volatility in the market that can cause an increase/decrease in the value of an option with no concurrent change in the underlying price of the stock. In addition, changes in the underlying stock dividend, time to expiration, market interest rates and other factors can affect the value of an option position.

Risks with Respect to Instruments that CenterStar currently does not, but may eventually Trade

Futures Trading

The use of futures is a specialized activity that involves investment strategies and risks different from those associated with ordinary portfolio securities transactions, and there can be no guarantee that their use will increase the return or not cause large losses. While the use of these instruments may reduce certain risks associated with portfolio positions, these techniques themselves entail certain other risks. The Client could experience losses if the values of its futures positions were poorly correlated with its other investments, or if it could not close out its positions because of an illiquid market. In addition, Clients will incur transaction costs, including trading commissions, in connection with its futures transactions and these transactions could significantly increase the strategy's investment turnover rate. There is no assurance that a liquid secondary market will exist for futures contracts or options purchased or sold, and the strategy may be required to maintain a position until exercise or expiration, which could result in losses. Many futures exchanges limit the amount of fluctuation permitted in contract prices during a single trading day. Once the daily limit has been reached in a particular contract, no trades may be made that day at a price beyond that limit. Contract prices could move to the daily limit for several consecutive trading days permitting little or no trading, thereby preventing prompt liquidation of futures and options positions and potentially subjecting the strategy to substantial losses.

Security Futures and Options.

In connection with the use of futures contracts and options, there may be an imperfect correlation between the change in market value of a security and the prices of the futures contracts and options held by the Clients. In addition, CenterStar's investments in security futures and options may encounter a lack of a liquid secondary market for a futures contract and the resulting inability to close a futures position prior to its maturity date.

Commodity Related Instruments

The production and marketing of commodities may be affected by actions and changes in governments. In addition, commodity-related instruments may be cyclical in nature. During periods of economic or financial instability, commodity related instruments may be subject to broad price fluctuations, reflecting volatility of energy and basic material prices and possible instability of supply of various commodities. Commodity-related instruments may also experience greater price fluctuations than the relevant commodity. In periods of rising commodity prices, such instruments may rise at a faster rate; and conversely, in times of falling commodity prices, such instruments may suffer a greater price decline.

Foreign Exchanges

Selective private funds may execute a portion of their trades on foreign exchanges. Material economic conditions and/or events involving those exchanges may affect future results.

Government and Other Interest Rate Securities

Income securities, which may be employed as cash equivalents from time to time, are subject to interest rate, market and credit risk. Interest rate risk relates to changes in a security's value as a result of changes in interest rates generally. Even though such instruments are investments that may promise a stable stream of income, the prices of such securities are inversely affected by changes in interest rates and, therefore, are subject to the risk of market price fluctuations. In general, the values of fixed income securities increase when prevailing interest rates fall and decrease when interest rates rise. Depending on the timing of the purchase of a fixed-income security and the price paid for it, changes in prevailing interest rates may increase or decrease the security's yield. Typically, the longer the maturity of a debt security, the greater the effect a change in interest rates could have on the security's price. Market risk relates to the changes in the risk or perceived risk of an issuer, country or region. Credit risk relates to the ability of the issuer to make payments of principal and interest. The values of income securities may be affected by changes in the credit rating or financial condition of the issuing entities.

Derivatives and Counterparty Risk

To the extent that a Client invests in swaps, derivative or synthetic instruments, repurchase agreements, forward contracts, certain types of options, or other over-the-counter transactions or customized financial instruments, or, in certain circumstances, non-U.S. securities, it may take a credit risk with regard to parties with whom it trades and may also bear the risk of settlement default. These risks may differ materially from those entailed in exchange-traded transactions that generally are backed by clearing organization guarantees, daily mark-to-market and settlement, and segregation and minimum capital requirements applicable to intermediaries. Transactions entered directly between two counterparties generally do not benefit from such protections and expose the parties to the risk of counterparty default. It is expected that securities and other assets deposited with custodians or brokers will be clearly identified as being assets (directly or indirectly) of the Clients, and hence the Clients should not be exposed to a credit risk with regard to such parties. However, it may not always be possible to achieve this segregation, and there may be practical or time problems associated with enforcing rights to its assets in the case of an insolvency of any such party.

CenterStar makes no guarantee or representation that investment recommendations will be successful. Past performance is no guarantee of future results. Investing in Options involves additional risk and is not suitable for everyone.

ITEM 9: DISCIPLINARY INFORMATION

Neither CenterStar nor any of its management persons have been involved in any legal or disciplinary events, material or otherwise. However, an affiliate of CenterStar has disciplinary history, descriptions of which can be found in Part 1 of CenterStar's Form ADV.

ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

CenterStar is registered with the Commodity Futures Trading Commission as a commodity pool operator and commodity trading advisor and is a member of the National Futures Association ("NFA"). Certain management personnel of CenterStar are registered with the NFA as principals and associated persons.

CenterStar also has relationships or arrangements with related persons that are material to its advisory business and its Clients. In this regard, CenterStar's Manager provides management, financial, operational and other services to affiliates of CenterStar and may devote the majority of its time to providing such services. This fact, and the other relationships that are more fully detailed below, create a conflict of interest.

Registrations with a Broker-Dealer

SpiderRock EXS, LLC (“SR EXS”) is an affiliate of CenterStar and is a registered broker-dealer and member of FINRA, the NFA (as an introducing broker) and the Securities Investor Protection Corporation (“SIPC”). George Papa, who is the Managing Member of SpiderRock Holdings, LLC (“SR Holdings”), which is the Manager of CenterStar, is also registered with SR EXS as a registered representative and general securities principal. The broker-dealer business of SR EXS provides electronic execution and market access services utilizing the technology of another affiliated entity, SpiderRock Platform Services, LLC (“SR Platform”).

SR EXS provides access to a trading platform that routes transactions for the Fund and Managed Accounts and is compensated for providing such services, thereby benefiting from the Clients’ trading activities. The fees paid by the Clients to SR EXS, if any, are not negotiated at arm’s length and any benefit received by SR EXS is not shared with the Clients. **This may create a conflict of interest due to an incentive for CenterStar to choose the affiliate over a third party for order routing and execution services.** In an attempt to mitigate this potential conflict, CenterStar and its Chief Compliance Officer conduct ongoing market comparisons, surveying the market to confirm that SR EXS is providing the Clients services at a market or better than market rate.

In addition to routing services, SR EXS and CenterStar have entered into a Shared Cost Agreement, pursuant to which CenterStar pays SR EXS a prorated share of office expenses for a furnished office space, office utilities, shared conference facilities, security access, miscellaneous supplies and office insurance. Some of these expenses are passed on to the Fund as noted in Item 5 below. This agreement also is not negotiated at arm’s length and any benefit received by SR EXS is not shared with the Clients.

Arrangements with Affiliated Entities

CenterStar conducts business with certain affiliated entities in addition to SR EXS. The referral agreements that CenterStar and/or its Clients may have with these affiliates create a conflict of interest because CenterStar has a financial incentive to recommend its affiliates’ services. While the Firm believes that compensation charges by its affiliates are competitive, such compensation may be higher than fees charged by other firms providing the same or similar services. In addition, CenterStar shares the same office space with its affiliated entities; however, the area devoted to CenterStar is segregated for purposes of privacy, compliance, and investor confidentiality. In light of this shared space arrangement, the affiliated entities have developed an Information Barriers Policy that ensures that confidential information remains exclusive to each respective entity. Additional information on these affiliates, and any potential conflicts of interest with respect to these entities, is further detailed below.

SpiderRock Holdings, LLC

SR Holdings is a holding company that is the Manager of CenterStar and also has a controlling ownership interest in SR EXS, SR Platform, SpiderRock Gateway Technologies, LLC (“SR Gateway”), and SpiderRock Advisors, LLC (“SR Advisors”). CenterStar has entered into a Corporate Service Cost Agreement with SR Holdings, pursuant to which it pays SR Holdings for corporate support services including, but not necessarily limited to, human resources, compliance, corporate tax, audit and accounting support, office information technology support, and office reception support services. This agreement was not negotiated at arm’s length and the prices paid for these services and products are not shared with the Clients. In addition, George Papa, the Managing Member of SR Holdings, has passive interests in certain unaffiliated proprietary trading entities that trade in Securities. While Mr. Papa’s interests in such entities are generally passive, they may nonetheless create a conflict should the proprietary entities enter trades with the Fund and/or Managed Accounts.

SpiderRock Platform Services, LLC/ SpiderRock Gateway Technologies, LLC

SR Holdings also manages SR Platform, a technology services company that is responsible for the development and deployment of systems used by SR EXS, and SR Gateway, which has direct access to exchange market data feeds and is the market data vendor to clients of SR Platform (as well as other unrelated entities). CenterStar and/or its Clients indirectly purchase technology solutions from SR Platform through its Customer Agreement with SR EXS and also purchases market data services, server access, and other products from SR Gateway, some of which are Fund expenses. Both the Customer Agreement with SR EXS and any service agreement between CenterStar and/or its Clients and SR Gateway are not negotiated at arm's length, and the prices paid for these services are not shared with the Clients. **This may create a conflict of interest due to an incentive for CenterStar and/or the Fund to choose the affiliate over a third party for these services.**

In addition, the Fund's third-party administrator has retained SR Gateway to provide market data that is used to value the holdings in the Fund. While SR Gateway offers similar market data services to other unrelated parties, this arrangement creates a potential conflict of interest where the affiliate has an incentive to cause the administrator to value the Fund's holdings to the benefit of the Fund, especially in instances affecting the calculation of performance-based fees. CenterStar mitigates this conflict through its Valuation Policy, which requires it to compare, on a monthly basis, the valuations presented by the Fund's administrator against those calculated by the Fund's prime broker. Pursuant to this policy, any material price discrepancies are investigated by CenterStar and verified by third-party, unaffiliated pricing.

SpiderRock Advisors, LLC

SR Holdings is a member of SpiderRock Advisors, LLC ("SR Advisors"), an investment adviser registered with the SEC that provides option overlay and other alternative investment strategies.

CenterStar Fund, LLC

The Firm serves as the investment adviser to the Fund and the Fund does not have independent management. CenterStar has negotiated the investment management agreement with the Fund, the material terms of which are fully disclosed to all Fund investors prior to their investment. CenterStar's affiliates, principals and employees, and their related persons, may invest in one or more series or class of interest in the Fund that is not generally offered to other Fund investors and which generally is not subject to the management fees described in Item 5.

Recommendation of Other Investment Advisers

From time to time, CenterStar may recommend and engage other advisers to act as sub-advisers for its Clients and delegate some or all of its role as adviser to these sub-advisers. Prior to recommending and engaging these sub-advisers, CenterStar performs detailed due diligence that includes, but is not limited to, analysis of the adviser's investment process and results, including the length of their track record, consideration of the assets under management, and interviews with members of the adviser's senior management and investment teams. CenterStar's decision to engage a sub-adviser depends upon various factors that may include, but not be limited to, the sub-adviser's performance record, management style, number and continuity of investment professionals, and client servicing capabilities.

**ITEM 11: CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT
TRANSACTIONS, AND PERSONAL TRADING****General Overview: Code of Ethics**

CenterStar has adopted a Code of Ethics (the "Code") in accordance with Rule 204A-1 under the Advisers Act, and the Code is applicable to all of its employees, managers and officers. The Code includes, among

other things, provisions concerning (i) compliance with laws, rules and regulations; (ii) conflicts of interest; (iii) confidentiality; (iv) protection and proper use of assets; (v) the prohibition of insider trading; (vi) restrictions on giving and receiving gifts, and (vii) personal securities trading procedures. Under this Code, CenterStar principals and employees are required to file certain periodic reports with CenterStar's Chief Compliance Officer as required by Rule 204A-1 of the Advisors Act.

The Code is available to investors and potential investors of the Fund and Managed Accounts upon request, which can be made at the address, telephone number or email address on the cover page of this Brochure.

Participation or Interest in Client Transactions

Affiliated Investment Advisor

SR Advisors is an SEC registered affiliated investment advisor that provides option overlay and other alternative investment strategies primarily to other investment advisors. As both CenterStar and SR Advisors are providing investment advisory services, it is possible that they could inadvertently engage in principal and/or agency cross transactions with one another. In addition, as the advisory services offered by SR Advisors are different from those of CenterStar, it is also possible for one entity to recommend the sale of a security while the other recommends its purchase.

CenterStar has implemented policies and procedures specifically designed to address this conflict of interest and insure that, to the extent any principal or agency cross transactions occurs between the affiliated advisers, such transactions are entirely inadvertent. In addition, while the advisors share one Member, all portfolio managers and traders are unique to each advisor.

Personal Trading Practices

CenterStar manages the potential conflict of interest inherent in employee personal trading activities through the policies and procedures contained in its Code. These procedures contain limitations on the personal investment activities of the Firm's supervised persons, including pre-clearance requirements and reporting guidelines. In addition, the Firm utilizes Schwab Compliance Technologies to assist it in receiving and reviewing employee transaction and holdings reports to ensure that its supervised persons are conducting their personal trading activities in accordance with the Firm's Code.

Investments in the Fund

The fact that CenterStar, its affiliates, principals, employees, and their related persons, may have financial ownership interests in the Fund creates a potential conflict in that CenterStar may make different investment decisions than if such parties did not have such ownership interests. Further, CenterStar receives management fees and performance-based compensation from the Fund. The management fees are payable without regard to the overall income earned by the Fund and therefore may create an incentive on the part of CenterStar to raise or otherwise increase assets under management to a higher level than would be the case if CenterStar were receiving no management fee. In addition, performance-based compensation may create an incentive for CenterStar to make investments that are riskier or more speculative than investments made in the absence of such performance-based compensation. These conflicts are addressed through certain requirements in the Firm's Code, fee disclosures made in the Fund's Offering Documents, and regular monitoring of the Fund's portfolio.

ITEM 12: BROKERAGE PRACTICES

Soft Dollar Benefits and Client Referrals

CenterStar does not receive research or other products or services, known as "soft dollar benefits," from its executing brokers. It further does not select executing brokers based on their ability to provide investor referrals to the Firm.

Directed Brokerage

CenterStar has full discretionary authority to direct Client trades for the Fund and therefore has a duty to obtain best execution for those transactions. In meeting this duty, CenterStar determines the reasonableness of a broker's compensation based on the quality of the broker's services, including execution capability, depth of connectivity, reputation, prior working experience, financial strength, and fairness in resolving disputes. Best execution is determined not by the lowest possible commission rate but rather by the best qualitative execution.

CenterStar has determined that best execution for the Fund is primarily achieved through the order routing services and trading platform access (collectively the "platform") provided by an affiliate, SR EXS. In this regard, SR EXS provides CenterStar with this platform, which finds an appropriate execution venue at competitive execution rates. CenterStar's Clients pay SR EXS a technology fee for this platform, which is not shared with the Clients, and the fee is not negotiated at arm's length. In an attempt to mitigate this potential conflict, CenterStar and its Chief Compliance Officer conduct ongoing market comparisons, surveying the market to confirm that SR EXS is providing the Fund services at a market or better than market rate. In addition, CenterStar conducts periodic best execution meetings to confirm that SR EXS continues to primarily provide the best execution for the Fund.

Non-Directed Brokerage

CenterStar advises Managed Accounts that may provide instruction to CenterStar with respect to execution services. In such instances, CenterStar does not have discretion over the venue chosen for trade execution, and the Firm may therefore be unable to obtain the most favorable execution with respect to this account.

A Managed Account investor that chooses to designate use of a particular broker or dealer on a "restricted" basis, including an investor that designates a broker or dealer as custodian of the Client's assets, should consider whether such a designation may result in certain costs or disadvantages to the Client, either because the Client may pay higher commissions than might otherwise be obtainable by CenterStar, or receive less favorable net prices and executions of some or all of the transactions. Less favorable services may include, but are not limited to, connection speeds, technology, and timely and accurate trade communication information.

Aggregation of Orders/Allocation of Trades

There may be occasions when CenterStar decides to purchase or sell the same security for several Clients at approximately the same time. CenterStar may (but is not obligated to) combine or "bunch" such orders in order to secure certain efficiencies and results with respect to execution, clearance and settlement of orders. CenterStar will aggregate and allocate orders in a manner designed to ensure that no particular Client is favored and that participating Clients are treated in a fair and equitable manner over time.

ITEM 13: REVIEW OF ACCOUNTS

CenterStar's portfolio managers or their designees review the Clients' holdings on an ongoing basis as part of CenterStar's portfolio management activities.

Fund investors will receive such reports as are permitted by terms described in the Private Fund's Offering Documents (or as otherwise negotiated with CenterStar), which generally include (i) monthly account statements computed by the Fund's administrator and (ii) an annual audited financial statement of the Fund. In addition, CenterStar may provide, at its discretion, prospectus updates, semi-annual or annual reports, and general emails and other communications to Fund investors from time to time.

Managed Account investors will receive reports and communications as agreed to by CenterStar and each such account holder.

ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION

CenterStar does not receive any economic benefit from anyone other than its Clients for providing investment advice or other advisory services to its Clients.

ITEM 15: CUSTODY

CenterStar is deemed to have custody of the Fund's assets because, among other reasons, they have the authority as investment manager to obtain the Funds' assets by, for example, deducting advisory fees from the Fund or otherwise withdrawing monies from the Fund's account to pay Fund expenses. The Fund maintains its assets, in its own name, with qualified custodians or otherwise as permitted under Rule 206(4)-2 under the Advisers Act (the "Custody Rule").

To ensure compliance with the Custody Rule, CenterStar has a reasonable belief that all Fund investors will be provided with financial statements for the Fund, audited by an independent accounting firm that is registered with and subject to review by the Public Company Accounting Oversight Board, in accordance with U.S. Generally Accepted Accounting Principles, within 120 days of the end of the Fund's fiscal year.

For any Managed Account investor, the investor chooses the custodian and CenterStar does not have custody of the assets. Any such investor will receive account statements directly from the custodian.

ITEM 16: INVESTMENT DISCRETION

CenterStar has broad discretionary authority to trade on behalf of its Clients. Such authority is set forth in the advisory agreement between CenterStar and the Fund and the investment management agreement between CenterStar and the Managed Accounts. In all cases, CenterStar exercises its discretion in a manner consistent with the investment objectives as stated in these documents.

ITEM 17: VOTING CLIENT SECURITIES

It is the general policy of CenterStar to abstain from voting Client proxies. The systematic trading strategy pursued by CenterStar coupled with the short hold time of positions makes the outcome of proxy votes largely irrelevant to the investment return achieved by its Clients.

ITEM 18: FINANCIAL INFORMATION

CenterStar is not aware of any financial commitment or condition that likely impairs its ability to meet its contractual and fiduciary commitments to Clients and CenterStar has not been the subject of a bankruptcy proceeding.