

## Item 1 – Cover Page



### **Astignes Capital Asia Pte. Ltd.**

One George Street, #22-01  
Singapore 049145

**August 15, 2019**

This Brochure provides information about the qualifications and business practices of Astignes Capital Asia Pte. Ltd., the filing adviser. If you have any questions about the contents of this Brochure, please contact the Chief Compliance Officer (the "CCO") Alan Thio at + (65) 6622 8242. Additional information about Astignes Capital Asia Pte. Ltd. is available at [www.astignes.com](http://www.astignes.com). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the "SEC") or by any state securities authority.

Astignes Capital Asia Pte. Ltd. is a registered investment adviser. Registration as an investment adviser does not imply any level of skill or training. The oral and written communications of an adviser provide you with information about which you determine to hire or retain an adviser.

Additional information about Astignes Capital Asia Pte. Ltd. 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 current Brochure for Astignes Capital Asia Pte. Ltd.

We will ensure that you receive a summary of any materials changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year. We may further provide other ongoing disclosure information about material changes as necessary.

We will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

## Important Note about this Brochure

*This Brochure is not:*

- *an offer or agreement to provide advisory services to any person*
- *an offer to sell interests (or a solicitation of an offer to purchase interests) in any Fund (as defined below)*
- *a complete discussion of the features, risks or conflicts associated with any Fund*

*The Investment Manager has voluntarily provided this Brochure to current and prospective clients and may also, in their discretion, provide this Brochure to current or prospective investors in a Fund, together with other relevant governing documents, such as the Fund's offering or private placement memorandum, prior to, or in connection with, such persons' investment in the Fund. Additionally, this Brochure is available through the SEC's Investment Adviser Public Disclosure website.*

*Although this publicly available Brochure describes investment advisory services and products of the Investment Manager, persons who receive this Brochure (whether or not from the Investment Manager) should be aware that it is designed solely to provide information about the Investment Manager as necessary to respond to certain disclosure obligations under the Investment Advisers Act of 1940, as amended ("Advisers Act"). As such, the information in this Brochure may differ from information provided in relevant governing documents. More complete information about each Fund is included in relevant governing documents, certain of which may be provided to current and eligible prospective investors only by the Investment Manager or another authorized person. To the extent that there is any conflict between discussions herein and similar or related discussions in any governing documents, the relevant governing documents shall govern and control.*

### Item 3 -Table of Contents

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

## Item 4 – Advisory Business

Astignes Capital Asia Pte. Ltd., formerly known as Alphadyne Asset Management Pte. Ltd., (the “Investment Manager”) is a company incorporated in 2005 under the laws of Singapore. The Investment Manager currently holds a capital markets services license under the Securities and Futures Act, Chapter 289 of Singapore (including the relevant regulations promulgated thereunder), granted by the Monetary Authority of Singapore, to carry on business in fund management in Singapore with “qualified investors” (as defined under paragraph 5(3) of the Second Schedule to the Securities and Futures (Licensing and Conduct of Business) Regulations). The Investment Manager also carries on its business in financial advisory services in Singapore pursuant to a licensing exemption under Section 23(1)(d) of the Financial Advisers Act, Chapter 110 of Singapore (including the relevant regulations promulgated thereunder). Bart Broadman, Eric Teo, Shiang Hue Lye, Alistair Boyd and Joseph Regan are currently the directors of the Investment Manager. The Investment Manager has been registered with the SEC as an Investment Adviser since February 3, 2010. The Investment Manager is also registered with the U.S. Commodity Futures Trading Commission (the “CFTC”) as a commodity pool operator (“CPO”) and is a member of the U.S. National Futures Association (the “NFA”) in this capacity.

On January 1, 2018 (the “Transition Date”), the Investment Manager completed a process pursuant to which the Investment Manager began operating independently from, and ceased to be a subsidiary of, Alphadyne Asset Management LP (“AAM LP”). The management of Astignes Asia Rates Master Fund Ltd. has been transferred from AAM LP to the Investment Manager and the Investment Manager now conducts its investment management business independently from AAM LP (the “Spinout”). On the Transition Date, Mr. Broadman assumed effective control of the day-to-day management of the Investment Manager but it is anticipated that Mr. Broadman will continue to retain a significant role with AAM LP from the Transition Date through to December 31, 2019 (the “Transition Period”). It is expected that during the Transition Period, Joseph Regan, Chief Executive Officer of AAM LP, will remain on the board of directors of the Investment Manager.

The Investment Manager provides investment management and advisory services on a discretionary basis to clients, which are commingled investment vehicles and separately managed accounts primarily intended for institutional investors and other sophisticated investors.

The Funds generally employ directional (macro) and relative value investment strategies focused principally in the global interest rate and foreign exchange markets across North America, Europe and Asia.

As of December 31, 2018, the Investment Manager managed approximately US \$913 million in assets on a discretionary basis. The Investment Manager does not manage any assets on a non-discretionary basis.

## Item 5 – Fees and Compensation

Generally, the Investment Manager receives a monthly management fee in advance (adjusted for subscriptions made during the month) calculated at the rate of 0.125% (*i.e.*, approximately 1.50% per annum) of the net assets of each client (the “Management Fee”). For certain Funds, a different rate may apply in respect of some classes of interests. As a result, please refer to each Fund’s offering materials to understand the manner in which the Management Fee is structured, by Fund. Additionally, in certain instances, the Management Fee may be negotiable and the Investment Manager may waive or reduce the Management Fee with regard to Investors that are employees

or affiliates of the Investment Manager; relatives of such persons; and for certain large or strategic Investors.

The Investment Manager receives performance compensation that is generally equal to 20% of a client's net profits, if any, subject to a "loss carryforward" provision (the "Incentive Fee"). Please refer to each Fund's offering materials to understand the manner in which the Incentive Fee is structured, by Fund. The Incentive Fee may be negotiable and may be waived or reduced with regard to Investors that are employees or affiliates of the Investment Manager; relatives of such persons, and for certain large or strategic Investors.

Investors are typically permitted to redeem/withdraw capital from the Funds on a monthly basis subject to an Investor's applicable notice requirement. Each Fund generally requires at least 60 days' advance written notice for redemptions/withdrawals and has generally included within its investment terms a 20% gate on redemptions/withdrawals, though certain Investors or classes of interests may have different liquidity terms. The redemption/withdrawal gate, coupled with the applicable notice period for any redemption, are designed to help the Investment Manager effectively manage the redemption/withdrawal process. More specifically, such mechanisms allow the Investment Manager to have a clear view of cash outflows from the Fund, thus allowing the Investment Manager to tailor liquidation scenarios to meet redemption/withdrawal needs. The Funds, in consultation with the Investment Manager, may waive or reduce these liquidity and redemption/withdrawal terms with regard to Investors that are employees or affiliates of the Investment Manager; relatives of such persons; and for large or strategic Investors.

Please refer to the offering materials of each of the Funds for further details on investment terms for each of the Funds.

The Investment Manager's fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be indirectly incurred by Investors by virtue of their investment in a Fund.

Such charges, fees and commissions are exclusive of and in addition to the Investment Manager's fee, and the Investment Manager shall not receive any portion of these charges, fees and commissions. Please refer to the offering materials of the Funds for further details regarding fees and expenses.

Item 12 further describes the factors that the Investment Manager consider in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation (*e.g.*, commissions).

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

As noted above, the Investment Manager receives performance-based compensation in the form of the Incentive Fee. Each of the Funds is subject to the Incentive Fee.

Performance-based fee arrangements may create an incentive for the Investment Manager to recommend investments which may be riskier or more speculative than those which would be recommended under a different fee arrangement. Such fee arrangements may also create an incentive to favor higher fee paying accounts over other accounts in the allocation of investment opportunities. The Investment Manager, their employees and certain other persons associated with the Investment Manager may invest in the Funds thereby obtaining a pecuniary interest in the Funds, which may create an incentive to favor such accounts over other accounts in the allocation of investment opportunities. The Investment Manager has procedures designed and implemented to ensure that all clients are treated fairly and equally over time, and to prevent this conflict from influencing the allocation of investment opportunities among clients. These procedures generally include provisions requiring that accounts that are managed in a similar

fashion participate in investment opportunities pro rata based on assets under management, but at the same time provide the Investment Manager with flexibility to meet each Fund's investment objectives and to effectively employ their respective investment strategies. The procedures also generally require the objective allocation for limited opportunities (such as initial public offerings and private placements) to ensure fair and equitable allocation among Funds over time. These areas are monitored by the CCO.

No other hourly, flat or asset-based fees are charged to the Funds.

## **Item 7 – Types of Clients**

The Investment Manager provides investment management and advisory services to its clients, the Funds, which are intended for institutional investors and other sophisticated investors. Generally, the minimum initial investment in a Fund is US \$1,000,000, but each Fund's offering memorandum specifies the minimum initial investment requirements that pertain to that Fund.

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

### **Methods of Analysis**

The Investment Manager uses a systematic approach to identify investment ideas, which consists of the following three prongs:

- (i) *Quantitative analysis* – such as the use of econometric and option models;
- (ii) *Fundamental analysis* – such as the analysis of economic/financial market outlook and sector/company specific information; and
- (iii) *Market technical or dynamics* – such as evaluation of the supply and demand dynamics in the markets trade as well as the structural composition of the Investor base, liquidity and leverage analysis.

### **Investment Strategies**

The Investment Manager has maximum flexibility to invest in a broad range of asset classes and financial instruments in connection with their investment strategies.

To execute its strategies, the Investment Manager conducts two main types of trading. The first is directional or macro trading, which generally involves taking positions that express a view on the future direction of a market parameter, such as an interest rate, a foreign exchange rate or the level of a market's volatility. The second is relative value trading, which generally involves taking positions intended to exploit (i) temporary anomalies in the relative values of similar instruments or markets and (ii) general patterns of correlation between such instruments or markets. Some trades will represent a combination of directional and relative value trading.

The Investment Manager's primary focus is on interest rate and foreign exchange markets, as well as related volatility markets. However, it also trades in credit, equity and commodity markets.

In the course of its trading, the Investment Manager uses mainly plain-vanilla interest rate swaps, Treasuries and other sovereign bonds, bond and interest rate futures, foreign exchange forwards, and related exchange-traded or over-the-counter ("OTC") options. The Investment Manager may also use the following instruments, among others: credit default swaps, exchange-traded options on broad equity market indices (*e.g.*, the S&P 500 Index), and futures and options on indices of single commodities (such as gold and oil) or on baskets of commodities.

### **Material Risks**

The above strategies involve a significant degree of risk of loss that clients and Investors should be prepared to bear. The following is a summary of some of the material risks associated with the above strategies. Although the summary below does not fully describe all of the risks associated with such an investment, each Fund's offering memorandum contains a more complete description of the applicable risks associated with an investment in that Fund. Clients and Investors should understand that it is not possible to identify all of the risks associated with investing and that the particular risks applicable to a Fund will depend on the nature of the Fund, its investment strategy and the types of investments held.

While the Investment Manager seeks to manage the Funds so that risks are appropriate to the return potential for the strategy, it is often not possible or desirable to fully mitigate risks. Any investment includes the risk of loss and there can be no guarantee that a particular level of return will be achieved. Certain mandates may be limited as to type of investment and may not be diversified. The Funds are not intended to provide a complete investment program. Clients and Investors are responsible for appropriately diversifying their assets to guard against the risk of loss.

### ***Substantial Changes in Regulation***

Legal, tax and regulatory changes could occur that may adversely affect the Funds and the Investment Manager. The regulatory environment for hedge funds is evolving, and changes in the regulation of hedge funds may adversely affect the value of investments held by a Fund and the ability of each Fund to obtain the leverage it might otherwise obtain or to pursue its trading strategies. In addition, securities and futures markets are subject to comprehensive statutes, regulations and margin requirements. Regulators and self-regulatory organizations and exchanges are authorized to take extraordinary actions in the event of market emergencies. The regulation of derivative transactions and short selling and funds that engage in such transactions is an evolving area of law and is subject to modification by government and judicial actions. The effect of any future regulatory change on a Fund or the Investment Manager could be substantial and adverse.

### ***Lack of Liquidity of Fund Assets***

With respect to the portfolios of the Funds, Fund assets may, at any time, include securities and other financial instruments or obligations that are illiquid or thinly traded investments, making purchase or sale of such securities and financial instruments at desired prices or in desired quantities difficult or impossible. Furthermore, the sale of any such investments may be possible only at substantial discounts, and it may be extremely difficult to value any such investments accurately. As a result, a Fund may be required to hold such instruments despite adverse price movements. In particular, investments in funds of third party managers and other Funds are generally non-transferable and may be subject to significant restrictions on liquidity, including lock-up periods, gates, redemption/withdrawal charges and rights of suspension. Such restrictions are likely to be greater than the liquidity limitations that a Fund would have if the strategies of the third party manager or other Fund were implemented directly by such Fund.

In addition, if a Fund makes a short sale of an illiquid security or instrument, it may have difficulty in covering the short sale, resulting in a potentially unlimited loss on that position. Under stressed market conditions, even higher-rated securities may become illiquid, and the yields and prices of such securities may become as volatile as certain much lower-rated securities.

### ***Leverage***

In addition, the Fund makes use of various forms of leverage which increases the effect of any investment value changes or liquidity events on the net assets of the Fund. The amount of leverage



that the Fund may utilize is specific to the agreements set forth with various counterparties. There is no guarantee that the Fund's borrowing arrangements or other arrangements for obtaining leverage will continue to be available, or if available, will be available on terms and conditions acceptable to the Fund. Unfavorable economic conditions also could increase funding costs, limit access to the capital markets or certain lenders (including derivative counterparties), or result in a decision by lenders not to extend credit to the Fund. In addition, a decline in market value of the Fund's assets may have particular adverse consequences in instances where the Fund has borrowed money based upon the market value of those assets. A decrease in market value of those assets may require the Fund to post additional collateral or otherwise sell assets at a time when it may not be in the best interest of the Fund to do so. Accordingly, if any of these events occur, it could have a material adverse effect on the Fund.

### ***Counterparty Risk***

The Fund may be exposed to counterparty risk with regard to the brokers and/or prime brokers with whom it trades with on a bilateral and/or give-up basis and may also bear the risk of settlement default. In particular, transactions entered into bilaterally between a broker and the Fund or given-up to a prime broker, which results in a transaction between the prime broker and the Fund do not benefit from those protections afforded to the Fund in exchange-traded transactions, which generally are backed by clearing organization guarantees and other protections and thus exposes the Fund to the risk of broker default. Although the Investment Manager monitors each of the Fund's brokers and prime brokers (the "Brokers") and believes that the appropriate Brokers have been selected, there is no guarantee that any of the Brokers will not become insolvent or default. As a result, on the back of any counterparty insolvency or default, the Fund may be exposed to significant credit implications. In addition to broad counterparty risks discussed above, the Fund may be exposed to different levels of risks in dealing with U.S. and non-U.S. custodians or prime brokers who settle and clear trades. The Fund maintains a custody account with its prime brokers and primary custodians (each, a "Prime Broker"). In particular, assets held in custody by a U.S. or non-U.S. Prime Broker may be borrowed, lent or otherwise used by the U.S. or non U.S. Prime Broker for its own purposes pursuant to its contractual right of re-hypothecation, whereupon such assets will become the property of the U.S. or non-U.S. Prime Broker and the Fund will have a legal claim against the U.S. or non-U.S. Prime Broker for the return of equivalent assets. In the U.S., the Securities Investor Protection Act of 1970, the Bankruptcy Code and Rule 15c-3 of the Securities Exchange Act of 1934 seek to protect customer property at a high level in the event of a bankruptcy, insolvency, failure, or liquidation of a broker-dealer, however even so, there is no certainty that, in the event of a failure of a U.S. Prime Broker that has custody of Fund assets, the Fund would not incur losses due to its assets being unavailable for a period of time, the ultimate receipt of less than full recovery of its assets, or both. In addition, the Fund and/or the Prime Brokers may appoint sub-custodians in certain non-U.S. jurisdictions to hold the assets of the Fund. Given the undeveloped state of regulations on custodial activities and bankruptcy, insolvency, or mismanagement in certain non-U.S. jurisdictions, in the event of the sub-custodian's or non-U.S. Prime Broker's bankruptcy or insolvency, the ability of the Fund to recover assets held by such sub-custodian or non-U.S. Prime Broker, which may or may not be held pursuant to a right of re-hypothecation, could be in doubt, as the Fund may be subject to less favorable laws than many of the protections that would be available under U.S. laws. In addition, there may be delays associated with enforcing the Fund's rights to its assets in the case of a bankruptcy or insolvency of any such party.

### ***Non-U.S. Securities***

Investing in emerging markets and the securities of non-U.S. governments and companies which are generally denominated in non-U.S. currencies and utilization of options on non-U.S. securities, involves certain considerations regarding both risk and opportunity not typically associated with

investing in other more established economies or securities markets or in the securities of U.S. companies. These considerations include changes in exchange rates and exchange control regulations, political and social instability, expropriation, imposition of foreign taxes, less liquid markets and less available information than is generally the case in the United States, higher transaction costs, foreign government restrictions, less government supervision of exchanges, brokers and issuers, greater risks associated with counterparties and settlement, difficulty in enforcing contractual obligations, lack of uniform accounting and auditing standards and greater price volatility.

### ***Swap Transactions***

The Funds may each periodically enter into transactions in the forward or other markets that could be characterized as swap transactions and which may involve interest rates, fixed-income and other securities, currencies and other reference assets. A swap transaction may be structured as an individually negotiated, non-standardized agreement between two parties to exchange cash flows based on different interest rates, exchange rates, or prices, with payments calculated by reference to a principal (“notional”) amount or quantity. In addition, under the Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Reform Act”) certain standardized classes of swaps are now subject to requirements to be executed on regulated trading facilities and subsequently submitted for centralized clearing. Transactions in these markets present certain risks similar to those in the futures, forward, and options markets, including: (i) the Reform Act includes provisions that comprehensively regulate swap transactions for the first time, and many non-U.S. governmental authorities have adopted or are in the process of contemplating similar regulatory requirements for the swaps markets within their jurisdictions; (ii) there generally are no limitations on daily price moves in individually-negotiated swap transactions; (iii) speculative position limits are not currently applicable to swap transactions, although the counterparties with which the Fund may deal may limit the size or duration of positions available as a consequence of credit considerations. In addition, to the extent any such swap transactions are required to be cleared by a regulated clearinghouse pursuant to the Reform Act, they may become subject to position limits imposed by the relevant clearinghouse or by the CFTC or the SEC; (iv) participants in the swaps markets are not required to make continuous markets in swaps contracts; (v) the markets for individually-negotiated swaps are largely “principals’ markets,” in which performance with respect to a swap contract is the responsibility only of the counterparty with which the trader has entered into a contract (or its guarantor, if any), and not of any exchange or clearing corporation. As a result, the Fund is subject to the risk of the inability or refusal to perform with respect to such contracts on the part of the counterparties with which the Fund trades; and (vi) credit default swaps with the “pay as you go” feature may require reimbursement of credit protection payments made by the seller to be made by the buyer for up to a year after the swap terminates, and the seller may also have to make multiple credit protection payments to the extent the reference obligation is not fully performing. While the Reform Act is intended in part to reduce certain of the risks described above, that may be characteristic of individually-negotiated swaps, there can be no guarantee that the Reform Act will be successful in this respect, and any such success may not be evident for some time after the Reform Act is fully implemented, a process that may take several years.

### ***Over-the-Counter Transactions***

As a result of the Reform Act, the SEC and the CFTC will require a substantial portion of derivative transactions that are currently executed on a bilateral basis in the OTC markets to be executed through a regulated securities, futures or swap exchange or execution facility. For example, certain

interest rate swaps, including certain foreign exchange forwards defined as swaps by the CFTC, and credit default index swaps are required by the CFTC to be submitted for clearing if traded by such persons. Certain CFTC-regulated derivatives trades are expected also to be subject to these rules. It is not yet clear when the parallel SEC requirements will go into effect.

Among other things, in the U.S. trades submitted for clearing will be subject to minimum initial and variation margin requirements set by the relevant clearinghouse, as well as possible SEC- or CFTC-mandated margin requirements. Regulators also have broad discretion to impose margin requirements on non-cleared OTC derivatives and new requirements will apply to derivatives dealers' holding of customer collateral. Derivatives dealers may require a Fund to give them the right unilaterally to increase collateral requirements for cleared OTC trades beyond regulatory and clearinghouse minima. For example, regulators are adopting and implementing rules imposing certain margin requirements, including minimums for uncleared swaps. These factors may increase the amount of collateral a Fund is required to provide and the costs associated with providing it.

In an effort to facilitate derivatives strategies, a Fund and/or the Investment Manager might become members of exchanges and/or swap execution facilities ("SEFs"). Doing so would subject a Fund and/or the Investment Manager to a wide range of regulation and other obligations and associated costs. Like other self-regulatory organization, SEFs are expected to regularly revise and interpret their rules and those revisions and interpretations could adversely affect a Fund. If a Fund opts not to trade on a SEF directly but instead through a broker, such trading may nevertheless require a Fund to consent to the SEF's jurisdiction as a self-regulatory organization and to be subject to the SEF's rules, which could adversely impact a Fund.

In Europe, EMIR imposes requirements in respect of derivative contracts that may affect any Fund derivatives activities in Europe, including a general obligation to clear certain types of OTC derivative contracts through a duly authorized central counterparty. EMIR will largely be implemented through secondary measures, some of which are already in effect, and some of which will come into effect over the coming years. The EU regulatory framework for derivatives is also affected by MiFID II which is expected to be implemented over the course of the coming years.

The implementation of these regulations is ongoing as of the date of this Brochure. Although the full effects of the Reform Act on the OTC derivatives market have yet to be determined, dealers and other certain market participants will, in addition to the clearing and margin requirements discussed above, be subject to registration obligations and other regulatory requirements, such as business conduct standards, disclosure requirements, reporting and recordkeeping requirements, transparency requirements, position limits, limitations on conflicts of interest and other regulatory burdens. It is likely that these new requirements will increase the overall costs for OTC derivative dealers and other market participants, which may be passed along, at least partially, to market participants, such as the Funds, in the form of higher fees or less advantageous dealer marks. The overall impact of the Reform Act on the Funds is highly uncertain and it is unclear how the OTC derivatives markets will adapt to this new regulatory regime.

### ***Commodity and Futures Contracts***

A Fund may invest a substantial portion of its assets in commodity futures contracts and options thereon. While the trading in commodity and futures contracts and options thereon are highly specialized activities which may increase the total return in a Fund's investments, they may entail greater than ordinary investment risks.

Commodity futures markets are highly volatile and are influenced by factors such as changing supply and demand relationships, governmental programs and policies, national and international political and economic events and changes in interest rates. In addition, because of the low margin deposits normally required in commodity futures trading, a high degree of leverage may be typical of a commodity futures trading account. As a result, a relatively small price movement in a commodity futures contract may result in substantial losses to the trader. Commodity futures trading may also be illiquid. Certain commodity exchanges do not permit trading, in particular, futures contracts at prices that represent a fluctuation in price during a single day's trading beyond certain set limits. If prices fluctuate during a single day's trading beyond those limits, the Investment Manager could be prevented from promptly liquidating unfavorable positions and thus be subject to substantial losses.

Commodity options, like commodity futures contracts, are speculative, and their use involves risk. Specific market movements of the cash commodity or futures contract underlying an option cannot be predicted, and no assurance can be given that a liquid offset market will exist for any particular futures option at any particular time.

A Fund's futures activities may involve futures and options traded in U.S. and non-U.S. markets. The risks of trading futures in non-U.S. markets may be greater than trading in futures on U.S. exchanges. For example, non-U.S. futures are cleared on and subject to the rules of a non-U.S. board of trade, and fewer or different protections may apply to participants in non-U.S. markets than may apply under the rules and regulations of the CFTC and the NFA. In addition, funds provided as margin for non-U.S. futures and options may not be provided the same protections as funds received in respect of U.S. transactions.

#### ***Portfolio Turnover***

The investment strategy of a Fund may require us to actively trade that Fund's portfolio, and as a result, turnover and brokerage commissions and other transaction expenses of such Fund may significantly exceed those of other investment entities of comparable size.

#### ***Importance of Valuation Models***

Our strategies may be based, in part, on valuation models which its key personnel have developed over time. Numerous firms commit substantial resources to update and maintain existing models as well as the ongoing development of new models and algorithms. As market dynamics shift over time, a previously highly successful model may become outdated – perhaps without our recognizing that fact before substantial losses are incurred. There can be no assurance that we will be successful in maintaining effective valuation models.

#### ***Cybersecurity Risk***

With the increased use of technologies such as the Internet to conduct business, the Fund is susceptible to operational, information security and related risks. In general, cyber incidents can result from deliberate attacks or unintentional events. Cyberattacks include, but are not limited to, gaining unauthorized access to digital systems (e.g., through "hacking" or malicious software coding) for purposes of misappropriating assets or sensitive information, corrupting data, or causing operational disruption. Cyberattacks may also be carried out in a manner that does not require gaining unauthorized access, such as causing denial-of-service attacks on websites (i.e., efforts to make network services unavailable to intended users). Cyber incidents affecting the Investment Manager's and other service providers (including, but not limited to, Fund accountants, custodians, transfer agents and financial intermediaries) have the ability to cause disruptions and impact business operations, potentially resulting in financial losses, interference with the Fund's ability to value its securities or other investments, impediments to trading, the inability of Shareholders to transact business, violations of applicable privacy and other laws, regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, or additional

compliance costs. Similar adverse consequences could result from cyber incidents affecting issuers of securities in which the Fund invests, counterparties with which the Fund engages in transactions, governmental and other regulatory authorities, exchange and other financial market operators, banks, brokers, dealers, insurance companies and other financial institutions (including financial intermediaries and service providers for Shareholders) and other parties. In addition, substantial costs may be incurred in order to prevent any cyber incidents in the future. While the Fund's service providers have established business continuity plans in the event of, and risk management systems to prevent, such cyber incidents, there are inherent limitations in such plans and systems including the possibility that certain risks have not been identified. Furthermore, the Fund cannot control the cyber security plans and systems put in place by its service providers or any other third parties whose operations may affect the Fund or its Shareholders. The Fund and its Shareholders could be negatively impacted as a result.

## **Item 9 – Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to the evaluation of the adviser or the integrity of the adviser's management. At this time, the Investment Manager has no information applicable to this Item 9 to disclose.

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

The Investment Manager is a registered CPO with the CFTC and a member of the NFA in such capacity. Certain related persons of the Investment Manager are registered with the NFA as associated persons and/or principals of the Investment Manager.

The Investment Manager is licensed as an Accredited/Institutional Investor Licensed Fund Management Company with the Monetary Authority of Singapore, and provides investment management and advisory services to the Funds. The Investment Manager is also affiliated with AsiaDyne LP (the "General Partner"), which acts as the general partner of a U.S. limited partnership that is a feeder fund to a master fund managed by the Investment Manager.

The Investment Manager and the General Partner (the "Affiliated Parties") may conduct other business, including any business within the securities industry, whether or not such business is in competition with the Funds. The Affiliated Parties may act as general partner, investment adviser or investment manager for others, may manage funds, separate accounts or capital for others, may have, make and maintain investments in their own name or through other entities and may serve as an officer, director, consultant, partner or stockholder of one or more investment funds, partnerships, securities firms or advisory firms. The results of the Funds' activities may differ significantly from the results achieved by the Affiliated Parties for other accounts or clients which they manage or for which they provide investment management or advisory services.

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

*Code of Ethics and Code of Conduct.* The Investment Manager has adopted a Code of Ethics for all deemed access persons of the firm describing its high standard of business conduct, and fiduciary duty to their clients. The Investment Manager recognizes and believes that (i) high ethical

standards are essential for their success and to maintain the confidence of their clients; (ii) their long-term business interests are best served by adherence to the principle that the interests of clients comes first; and (iii) they have a fiduciary duty to their clients to act solely for their benefit. All personnel of the Investment Manager must put the interests of the Investment Manager's clients before their own personal interests and must act honestly and fairly in all respects in dealings with clients. All personnel of the Investment Manager must also comply with all applicable federal securities laws.

The Code of Ethics includes provisions relating to disclosure and/or approval of outside business activities, acceptance and reporting of certain gifts and business entertainment, reporting of violations, personal securities accounts and personal securities trading procedures, among other things. All access persons of the Investment Manager must acknowledge the terms of the Code of Ethics no less than annually.

The Investment Manager in appropriate circumstances, consistent with clients' investment objectives, could cause accounts over which the Investment Manager has management authority to effect, and may recommend to investment advisory clients or prospective clients, the purchase or sale of securities in which the Investment Manager, their affiliates and/or clients, directly or indirectly, have a position of interest. The Investment Manager's employees and certain other persons associated with the Investment Manager are required to follow the Investment Manager's Code of Ethics. Subject to satisfying this policy and applicable laws, officers, directors and employees of the Investment Manager and their affiliates may trade for their own accounts in securities which are recommended to and/or purchased for the Investment Manager's clients. The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of the Investment Manager will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Under the Code of Ethics, certain classes of securities have been designated as exempt from certain of the personal account dealing requirements, based upon a determination that these would materially not interfere with the best interests of the Investment Manager's clients. In addition, the Code of Ethics requires pre-clearance of many transactions, and restricts trading in close proximity to client trading activity. Nonetheless, because the Code of Ethics in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. Employee trading is continually monitored under the Code of Ethics to reasonably prevent conflicts of interest between the Investment Manager and their clients.

A copy of the Code of Ethics will be made available to existing or prospective clients or investors upon request to the Investment Manager.

*Trade Allocation.* The Investment Manager and their affiliates provide investment management and advisory services to more than one Fund, which may create conflicts of interest. A Fund may have investment objectives or implement investment strategies similar to or different from those of other Funds. The Investment Manager will use its best efforts to ensure that no Fund is treated unfairly in relation to any other Fund in the allocation of securities or investment opportunities or in the order in which transactions are executed over time. To the extent a particular investment is suitable and/or viable for more than one Fund, such investments will generally be allocated among the Funds pro rata based on assets under management or in some other manner that the Investment Manager determine is fair and equitable over time. Where less than the maximum desired number of shares of a particular security to be purchased is available at a favorable price, the shares purchased will be allocated among the Funds in an equitable manner as determined by the Investment Manager.

*Cross Transactions.* As part of its management of the assets of a Fund, the Investment Manager may, to the extent permitted, effect market transactions, at arm's length, between a Fund and other Funds ("Cross Trades") in efforts, for example, to "rebalance" the portfolios to ensure that each Fund has the desired pro rata ownership of a particular investment position. Cross Trades also could be effected to reflect intended allocations among the Funds.

## **Item 12 – Brokerage Practices**

Except for the general investment guidelines set forth in each Fund's respective offering memorandum and Advisory Agreement, there are no limitations on the authority of the Investment Manager with respect to the matters discussed in Item 12. The Investment Manager is authorized to determine the broker or dealer to be used for each securities transaction. When executing orders, the Investment Manager will take into account both quantitative and qualitative factors. Above all, the Investment Manager consider the ability of a trade to be given up to a prime broker as meeting the duty to seek best execution, on the basis that prime brokered trades provide operational, portfolio management and cost benefits to each Fund managed by the Investment Manager. Other factors considered when selecting brokers include, but are not limited to: (i) market position, market liquidity and order size, (ii) quality and speed of execution, (iii) existing position of an applicable Fund, (iv) counterparty responsiveness, venue and quality of settlement, (v) value of research provided and execution capability, (vi) commission rates and applicable fees, (vii) financial responsibility and responsiveness, (viii) competitiveness of commission rates, spreads, mark-ups and mark-downs, (ix) willingness and ability of the broker or dealer to commit capital to a particular transaction, (x) sophistication of the trading capabilities and infrastructure/facilities of the broker or dealer, (xi) market knowledge of the broker or dealer and (xii) the quality and flexibility of customizing reports.

In selecting brokers or dealers to execute transactions, the Investment Manager need not solicit competitive bids and does not have an obligation to seek the lowest available commission cost. It is not the practice of the Investment Manager, or to negotiate "execution only" commission rates; thus, a Fund may be deemed to be paying for research and brokerage services provided by the broker with "soft" or "client commission" dollars which are included in the commission rate. The Investment Manager generally do not have any formalized "soft dollar" arrangements to use client commissions to obtain research and brokerage services. To the extent the Investment Manager receives research or other products or services other than execution from broker-dealers in connection with Fund securities transaction, any such services will be limited to research and brokerage within the meaning of Section 28(e) of the Securities Exchange Act of 1934, as amended. Accordingly, research and brokerage services may include, but are not limited to, written information and analyses concerning specific securities, companies or sectors; market, certain financial and economic studies and forecasts, as well as discussions with research personnel; financial and industry publications; statistical and pricing services, utilized in the investment management process; and services related to the execution, clearing and settlement of securities transactions and functions incidental thereto. Research services obtained by the use of commissions arising from a particular Fund's portfolio transactions may be used by the Investment Manager in their other investment activities. In such scenarios where Fund brokerage commissions are used to obtain research or other products or services, the Investment Manager would receive a benefit because the Investment Manager does not have to produce or pay for the research, products or services. As such, the Investment Manager may have an incentive to select a broker-dealer based on its interest in receiving the research or other products or services, rather than on Funds' interest in receiving most favorable execution.

The Investment Manager may place transactions with a broker-dealer that (i) provides the Investment Manager or an affiliate with the opportunity to participate in capital introduction

events sponsored by the broker-dealer or (ii) refers Investors to a Fund, if otherwise consistent with seeking best execution, provided the Investment Manager is not selecting the broker-dealer in recognition of the opportunity to participate in such capital introduction events or the referral of Investors. With that said, the Investment Manager may have an incentive to select a broker-dealer based on its interest in receiving Investor referrals rather than on a Fund's interest in receiving most favorable execution.

When appropriate, the Investment Manager may, but are not required to, aggregate client orders to achieve more efficient execution or to provide for equitable treatment among accounts. Clients participating in aggregated trades will share commission costs equally and will generally be allocated securities based on the average price achieved for such trades. Partially filled orders will be allocated on an equitable basis.

Lastly, when a trade error is made on behalf of a client account, the Investment Manager will use its best efforts to break or otherwise correct the trade. However, if errors do occur, as a result of human or systematic errors which may or may not be related to, without limitation, trading errors, allocation errors and/or financial recordkeeping, and not as a result of gross negligence, wilful misconduct or violation of the applicable laws, the profit or loss related to such error will generally be allocated to the Funds.

### **Item 13 – Review of Accounts**

Mr. Bart Broadman, Chief Executive Officer and Chief Investment Officer of the Investment Manager, is generally aware of the relevant Fund's account holdings, on a regular basis. Holdings are monitored by Mr. Broadman in light of liquidity, counterparty exposure, trading activity, economic data, etc. In addition, Fund accounts are reviewed periodically from the standpoint of the specific investment objectives of the client and as a particular situation may dictate.

Each Investor will receive audited annual reports and, at a minimum, unaudited monthly reports of the performance of the Fund, from the Fund's administrator, specific to the Fund in which such Investor has invested. The above reports are delivered electronically, in written form.

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

The Investment Manager may compensate, either directly or indirectly, persons for client referrals or referrals of Investors in the Funds.

From time to time, the Investment Manager may enter into written agreements with third parties who solicit potential Investors on its behalf. Such agreements will comply with Rule 206(4)-3 under the Advisers Act and, in entering into such agreements, we will comply with that rule and with other applicable requirements of the Advisers Act and applicable state securities law requirements. Generally, those agreements will provide for a percentage of certain of the investment management fees we collect from clients who become clients as a result of the solicitor's efforts. Generally, clients are not responsible for any part of the compensation that solicitors receive, and we do not charge clients introduced by such solicitors any higher fee or any additional amount as a result of obligations to pay such solicitors for their solicitation services.

The Investment Manager currently has marketing arrangements with two third-party marketers that may receive compensation from the Investment Manager for Investor referrals.



## **Item 15 – Custody**

The Investment Manager will comply with the requirements of the Rule 206(4)-2 of the Advisers Act with regards to custody of assets of the Funds. Annually, upon completion of each Fund's annual audit, the Investment Manager will ensure that the audited financials are distributed to investors within 90 days of the end of the fiscal year or as specified in their respective offering documents. Investors should contact the Investment Manager if these financials are not delivered promptly or if they have any questions about the contents.

## **Item 16 – Investment Discretion**

The Investment Manager receives discretionary authority from the client at the outset of an advisory relationship to select the identity and amount of securities to be bought or sold. In all cases, however, such discretion is to be exercised in a manner consistent with the investment policies, limitations and restrictions of the particular client accounts. All investment guidelines and restrictions must be provided by the client in writing.

Discretionary authority is granted to the Investment Manager pursuant to the terms of the investment management or trading advisory agreement that each client enters into.

## **Item 17 – Voting Client Securities**

Due to the nature of the Investment Manager's investment management and advisory services with respect to each Fund, and more specifically because the Investment Manager largely uses volatility investment strategies for trading rather than a long-term investment approach, their strategy, relative to securities, is generally not dependent upon the outcome of proxy contests. Because of the high turn-over of securities in each Fund's portfolio, in most cases none of the Funds or the Investment Manager will receive proxies.

If, however, the Fund or Investment Manager receives a proxy request with respect to a security that the Investment Manager determines potentially could provide material profit or loss benefits to the Fund from voting, the Investment Manager will seek to vote the proxy in the best interest of the Fund. The Investment Manager will not solicit direction from clients on how such votes will be cast.

The Investment Manager follows procedures designed to identify conflicts or potential conflicts that could arise between its own interests and those of its clients. If it is determined that any such conflict or potential conflict is not material, the Investment Manager may vote proxies notwithstanding the existence of the conflict. If it is determined, however, that a conflict of interest or potential conflict of interest is material, the Investment Manager will generally abstain from voting such proxies.

Clients may obtain a copy of the Investment Manager's proxy voting policies and procedures upon request. Information about how the Investment Manager voted on any proxies on behalf of client accounts will also be made available to clients upon request to the Investment Manager.

## **Item 18 – Financial Information**

Registered investment advisers are required in this Item to provide clients with certain financial information or disclosures about the investment adviser's financial condition. At present, the financial condition of the Investment Manager neither impairs its respective ability to meet contractual and fiduciary commitments to clients nor has not been the subject of a bankruptcy proceeding.