

**FORM ADV PART 2A
FIRM BROCHURE**

Scopus Asset Management, L.P.

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This Brochure provides information about the qualifications and business practices of Scopus Asset Management, L.P. (“**Scopus**” or the “**Adviser**”). If you have any questions about the contents of this Brochure, please contact us at (212) 251-3270. 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.

Scopus is registered as an investment adviser with the SEC. Registration with the SEC does not imply that Scopus or its employees possess a certain level of skill or training.

This Brochure contains certain material information in the manner and format promulgated by the SEC. Additional information, which must be read and considered with the information in this Brochure, may be found in other documents including, as applicable, offering memoranda and/or investment management agreements, among others. Please also read and understand the entire Brochure as responses to certain Items also may respond to or provide additional or fuller information regarding the responses to other Items.

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

Item 2: Material Changes

There are no material changes to report from the last annual update dated March 29, 2018.

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Item 4: Advisory Business

Our Firm

Scopus Asset Management, L.P. (“**Scopus**” or the “**Adviser**”) is a Delaware limited partnership with its principal place of business in New York, New York. Scopus commenced operations as an investment adviser in June 1998. As of December 31, 2018, the regulatory assets under management managed by Scopus, all on a discretionary basis, was approximately US \$2,678,188,267. Scopus does not manage assets on a non-discretionary basis.

Principal Owners

The Adviser is 99% owned by Alexander Mitchell. Scopus Capital, Inc. owns the remaining 1%, which in turn is wholly-owned by Mr. Mitchell.

Client Types

Scopus provides investment management services to the following privately pooled investment vehicles:

- Scopus Partners, L.P.
- Scopus Partners II, L.P.
- Scopus Fund Ltd.
- Scopus Vista Partners, L.P.
- Scopus Vista Fund Ltd.

Each is hereinafter referred to as a “**Fund**” or “**Client**” and are collectively referred to as the “**Funds**” or “**Clients**.” The Funds are structured as either U.S. limited partnerships or B.V.I. corporations. Scopus Advisers, LLC (the “**General Partner**”) serves as general partner to the U.S. limited partnerships and Mr. Mitchell is the managing member of the General Partner. The Funds are exempt from registration under the Investment Company Act of 1940.

Types of Services Offered

As described above, the Adviser provides investment management services to the Funds. Each Fund’s offering documents (as amended and supplemented from time to time, the “**Offering Materials**”) set forth the investment guidelines and/or the types of investments in which the assets of such Fund may be invested. The Funds generally employ substantially similar investment strategies. The Funds’ investment objective is to achieve superior returns through capital appreciation by investing, on a long and short basis, generally in common stocks and derivatives instruments, including, without limitation, those linked to U.S. equity markets (such as options, warrants, convertible securities, forward contracts, futures, swaps and ETFs). The investment approach involves a combination of extensive fundamental research and bottom-up financial analysis to identify investment opportunities that are materially undervalued (in the case of long positions), or overvalued (in the case of short positions), by the marketplace. Scopus or the General Partner may seek to reduce risk through a variety of risk management procedures and practices, including, without limitation, monitoring and adjusting portfolio, market and sector exposure, using derivatives and hedging instruments, re-sizing investment positions and performing regular portfolio monitoring and review. Scopus or the General Partner may employ leverage, to varying degrees, on behalf of the Funds.

Ability to Tailor Services and Impose Restrictions

The investment objective and strategy for each Fund is described in its particular Offering Materials. Scopus provides investment management services to the Funds as pooled investment vehicles based on the specific investment objectives and strategies of the Funds themselves and not individually to investors in the Funds (the “**Investors**”). Therefore, Scopus does not tailor its advisory services to the individual needs of any of the Investors. The Investors may not impose restrictions on investing in certain securities or types of securities.

Item 5: Fees and Compensation

Fee Schedule

In consideration for the investment advisory services that Scopus provides to Clients, Scopus generally receives (i) an annual asset-based management fee, which is typically payable quarterly or monthly in advance and is applied to an Investor’s capital account or shares (as applicable) and (ii) performance-based compensation, as described in more detail in Item 6 below.

Scopus generally receives a management fee from Clients of 2% per annum of the value of assets under management. The fee is charged either quarterly or monthly in advance to each Fund and is deducted quarterly or monthly in advance from the Investors’ accounts by instructing the Funds’ custodian. Refunds for prepaid management fees generally do not apply for the Funds, as these fees are charged at the beginning of the month or quarter (as applicable) and withdrawals are generally not permitted prior to the end of a quarter. The fee schedule for the Funds is generally not negotiable; however, Scopus has discretion to waive or otherwise modify fees with respect to any Investor, including affiliates of the General Partner or the Adviser and principals or employees of Scopus and their family members (and any trusts or other entities operated for their benefit). For example, Alexander Mitchell and certain members of his family (including any trusts or other entities operated for their benefit) pay lower fees or no fees in connection with their investments in the Funds.

Scopus (or an affiliate) is also entitled to an incentive fee or allocation that ranges from 25% to 40% of the annual net profits allocable to an Investor’s capital account (or shares). The incentive fee or allocation is generally payable (or allocable) at the end of each fiscal year of the relevant Client and calculated based on realized and unrealized gains and losses. The incentive fee or allocation is also calculated on any withdrawal of capital occurring other than at the end of a fiscal year. The incentive fee or allocation is subject to loss recovery provisions, sometimes referred to as a “high-water mark,” whereby the incentive fee or allocation may be reduced until prior losses are recouped or may be payable only after recoupment of prior losses. While the incentive fee or allocation for the Funds is generally not negotiable, Scopus has discretion to waive or otherwise modify the incentive fee or allocation arrangement for any Investor, including affiliates of the General Partner or the Adviser and principals or employees of Scopus and their family members (and any trusts or other entities operated for their benefit). For example, Alexander Mitchell and certain members of his family (including any trusts or other entities operated for their benefit) pay lower fees or no fees and bear lower or no allocation in connection with their investments in the Funds. Any incentive fee or allocation will be calculated with respect to any Investor that redeems shares or interests as of any date other than the end of the fiscal year, on the basis of realized and unrealized gains and losses through the redemption date.

The incentive fee or allocation vary in the range noted above depending on the particular Fund, as more fully described in the Offering Materials for the relevant Fund.

Scopus does not enter into sub-advisory or other fee-sharing or similar arrangements with respect to its Clients.

Investors generally have the right to withdraw or redeem from a Fund at the end of a fiscal year upon sixty (60) days' prior written notice. In certain circumstances, early or special withdrawals by Investors may be subject to a fee of 2% of such withdrawal proceeds.

The General Partner, on behalf of Scopus Partners II, L.P., has entered into a side letter with a limited partner of such Fund that permits the limited partner to make limited withdrawals at times that may not be available for other limited partners to make withdrawals, subject to a 4% withdrawal fee payable to the Fund and an extended notice period.

Transaction Based Compensation

Scopus and its employees do not accept compensation, including sales charges or service fees, from any person for the sale of securities or other investment products to Clients.

Other Fees and Expenses

The Funds are generally responsible for their own expenses. As more fully described in the relevant Offering Materials, these expenses generally include: management fees and compensation to Scopus as described above, legal, compliance, audit, tax, administration and accounting expenses, which, for the avoidance of doubt, includes, but is not limited to, (i) third party accounting and administration services, (ii) costs and expenses related to compliance testing and reporting, (iii) costs and expenses incurred with respect to preliminary preparation and instruction for registration (including, but not limited to, a review of internal controls and reporting procedures, preparing a compliance manual, instituting new policies and procedures, and reviewing marketing materials), (iv) occupancy costs related to data management, investor records and other data storage, recovery and protection, (v) equipment and office space related to disaster recovery and other business continuity arrangements, and (vi) legal or tax advice associated with investments; organizational expenses; expenses related to the offer and sale of shares or limited partner interests and other expenses related to the Clients; regulatory, reporting, and filing expenses (including, without limitation, expenses associated with Client level compliance the Foreign Account Tax Compliance Act ("FATCA") (if any) and Client level reporting on Form PF); any registration expenses; investment expenses such as commissions, research and consulting fees and expenses (including conference fees, research-related testing, travel, meal and lodging expenses); news and quotation services; risk management, including technology, software, support, programming, screening and reporting; research databases and services; research and economic reports, publications, subscriptions and transmissions; analytical, statistical and pricing reports and services; research and portfolio management hardware, software and services; proxy voting expenses (including, without limitation, automated proxy voting expenses); interest on margin accounts and other indebtedness; borrowing charges on securities sold short; custodial fees; transfer fees; any other expenses related to the purchase, sale or transmittal of Fund assets; and premiums for liability insurance for the principals, officers and employees of the General Partner, the Advisor and all affiliates.

Scopus has the right to enter into agreements with broker-dealers to bear certain expenses of the Funds, the General Partner or the Adviser in consideration of the brokerage business transacted by the Funds with such broker-dealers. Please see Item 12 below for further discussion of the factors that Scopus considers in selecting or recommending broker-dealers for Client transactions and determining the reasonableness of their compensation (*e.g.*, commissions).

Additional information about each Fund as well as the fees and expenses charged to Investors by such Fund is provided in the Offering Materials applicable to such Fund.

Item 6: Performance-Based Fees and Side-By-Side Management

Scopus is entitled to receive an annual incentive allocation or fee as described in Item 5. Incentive fees or allocations are calculated as a percentage of all net profits (realized and unrealized) of a Client account. The withdrawal or redemption by an Investor during the calendar year may lead to the incentive allocation or fee being calculated for such abbreviated period. Scopus structures any incentive allocation or fees subject to Section 205(a)(1) of the Investment Advisers Act of 1940 (the “**Advisers Act**”), in accordance with the available exemptions thereunder, including the exemption set forth in Rule 205-3.

With respect to certain Investors, the General Partner or Adviser has discretion to waive or otherwise modify the incentive fee or allocation arrangement for such Investor, including affiliates of the General Partner or the Adviser and principals or employees of Scopus and their family members (and any trusts or other entities operated for their benefit).

Performance-based fee arrangements may create an incentive for Scopus 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.

Scopus has developed procedures designed and implemented to ensure that all Clients are treated fairly and equally, and to prevent conflicts from influencing the allocation of investment opportunities among Clients. To the extent a particular investment may be suitable for a Client and one or more of the other Scopus Accounts (as defined below), such investments may be allocated generally between such Client and the other Scopus Accounts based upon a pre-defined allocation ratio established by Scopus. Such allocation ratios may, but are not required to, be established on a *pro rata* basis based on the assets of each Scopus Account; however, Scopus, in lieu of a *pro rata* allocation methodology, may utilize one or more other portfolio “balancing techniques,” or other allocations methodologies, that Scopus determines is fair and equitable under the circumstances to all Scopus Accounts, including the Client. In determining a fair and equitable allocation methodology, Scopus may take into consideration such factors as the underlying investment strategy, existing positions in the same or similar securities, liquidity factors and leverage, the timing and amount of investor capital inflows and outflows, tax considerations, legal or other restrictions applicable to one or more of such vehicles and/or accounts, and other factors, and the resultant allocations may or may not be *pro rata*. A Client may not necessarily participate in every investment opportunity available to the Scopus Accounts and as a result, investment purchases, sales and holdings may differ between such Client and the other Scopus Accounts. Depending upon available capital, or the other allocation policies, an imbalance among the Scopus Accounts, including a Client, may also occur from time to time and may continue for an indefinite period of time.

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

Item 7: Types of Clients

Please refer to Item 4 above for a description of Scopus's Clients.

With respect to the Funds, investment advice is provided directly to the Funds, and not individually to Investors, who consist primarily of institutional investors, high net worth individuals, and endowments. Any initial and additional subscription minimums are disclosed in the Offering Materials of each Fund, as applicable. The minimum initial investment for each Fund is generally U.S. \$1,000,000 and the minimum subsequent investment is U.S. \$100,000. In certain circumstances, minimum investment amounts may be waived.

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

Investing involves substantial risks, including the risk of total loss of capital, and may not be suitable for all investors. Scopus employs a similar investment strategy amongst the Funds, which is subject to specific risks. Some of these risks are described in further detail in the Offering Materials of the relevant Fund, along with additional risks, all of which you should review before investing.

METHODS OF ANALYSIS & INVESTMENT STRATEGY

Scopus employs a similar investment strategy amongst all of the Funds. The investment objective is to achieve superior returns through capital appreciation by investing, on a long and short basis, generally in common stocks and derivative instruments, including, without limitation, those linked to U.S. equity markets (such as options, warrants, convertible securities, forward contracts, futures, swaps and ETFs). The Advisor's investment approach involves a combination of extensive fundamental research and bottom-up financial analysis to identify investment opportunities that are materially undervalued (in the case of long positions) or overvalued (in the case of short positions).

Scopus utilizes an investment methodology that combines value analysis with anticipation of improving fundamentals and growth opportunities that are typically overlooked or not fully understood and appreciated by the market, including prospects for accelerating revenue and earnings growth, cyclical improvements in the company's industry or product cycle and opportunities for turnaround and restructuring. Such methodology involves detailed company analysis and investing when the Advisor believes that the underlying value of the company's assets and future growth opportunities are not reflected in the current market valuation of the company's securities.

Scopus seeks to identify specific catalysts and to anticipate events that will lead the market toward what it perceives as the company's true value and to identify specific and compelling reasons for each investment to perform within a Client's investment objective of superior returns.

Scopus utilizes earnings models to further analyze the investment opportunities and combines the model results with analysis of industry projections. Much of the analysis is performed through research, which generally includes examining a company's financial reports, assessing the company's products, industry and competitive position in its industry, developing and conferring with industry contacts and actively consulting and engaging senior management. Scopus believes

that top management can make a material difference in the success of a company and generally looks for company management that is both capable and incentivized to deliver greater shareholder value. Dialogue with management and other industry contacts, in addition to helping to develop ideas, also serves to validate and monitor investment theses on a continuing basis.

As discussed above, a Client's investment portfolio generally consists of long and short positions in common stocks of U.S. companies and derivative instruments, including, without limitation, those linked to U.S. equity markets (such as options, warrants, convertible securities, forward contracts, futures, swaps and ETFs), which are identified by the Advisor's investment methodology. However, a Client's investments may also include preferred stocks, hybrid securities, fixed-income securities (both corporate and governmental), debt securities, indices, real estate investment trusts and other real estate related securities, and other instruments deemed appropriate in furtherance of a Client's investment objective and methodology, including its various hedging strategies. The Advisor may also invest in private investments on a limited basis on behalf of Clients' accounts. Scopus generally selects investments on the basis of its investment methodology and without any fixed requirements as to capitalization, revenues, earnings or other specific fundamentals. Accordingly, a Client could have positions in issuers of various capitalizations, in positions of limited liquidity or varying degrees of speculative quality. It is possible that certain of a Client's portfolio securities may not be widely traded and that that Client's positions in such securities may be substantial in relation to the public market ("float") for such securities.

In connection with the management of the Clients' investment portfolios, Scopus employs leverage to varying degrees.

Scopus intends to pursue the investment strategy described above with regard to a Client as long as such strategy is in accord with a Client's investment objective. In addition, it may also formulate and implement new approaches to carry out the investment objective of a Client. In connection therewith, Scopus is authorized to invest in all types of securities, and engage in a broad variety of investment techniques, in furtherance of a Client's investment objective. Accordingly, such possible investments and investment techniques to be utilized by a Client will not necessarily be limited to those described in the Offering Materials of the relevant Fund.

Scopus may seek to reduce risk through a variety of risk management procedures and practices, including, without limitation, monitoring and adjusting of portfolio, market and sector exposure, using derivatives and hedging instruments, re-sizing investment positions and performing regular portfolio monitoring and review.

RISK OF LOSS

Investing in securities involves risk of loss, including the risk of total loss of capital, that Investors should be prepared to bear. The investment strategy employed by Scopus is speculative, involves a high degree of risk, and is suitable only for persons who are willing and able to assume the risk of losing some or all of their investment. There is no assurance that a Client's investment objectives will be achieved or that Scopus's investment strategies will be successful. The following list of risk factors does not purport to be a complete enumeration or explanation of the risks involved in an investment in the Funds. Prospective investors are urged to consult their professional advisers and review the Offering Materials for the relevant Fund before deciding to make an investment in such Fund.

General Risks

Historical Performance Information. Prospective investors may review the historical performance information of a Client. In reviewing such information, prospective investors should understand that a Client's historical performance results do not guarantee future results of that Client.

Limited Rights of Investors. All decisions with respect to the management of Clients are made exclusively by Scopus. Investors have no right or power to take part in the management of the Funds. The Advisor also makes all of the trading and investment decisions on behalf of the Clients. In the event of Scopus's withdrawal or bankruptcy, generally the Funds will be liquidated.

Dependence Upon the Advisor; Reliance on Key Individuals. All decisions with respect to the investment of a Client's assets will be made by Scopus. As a result, the success of a Client will depend upon the ability of Scopus to develop and implement investment strategies that achieve the Client's investment objective. There can be no assurance that Scopus will be able to do so. Scopus depends upon the efforts of the portfolio manager of the Clients, Mr. Alexander Mitchell. In the event that Mr. Mitchell ceases to provide services to the Advisor for any reason, and although other personnel may be available to Scopus, the operations of the Clients could be adversely affected. In addition, Scopus and its affiliates may manage other investment vehicles and accounts and have other business responsibilities. Such additional responsibilities could have the effect of reducing the time and attention that Scopus and the portfolio manager devote to the investment activities of the Clients.

Value Investing Generally. Since the nature of Scopus's strategy is to identify securities which are undervalued (or, in the case of short positions, overvalued) by the marketplace, the success of such strategy necessarily depends upon the market eventually recognizing such value in the price of the security, which may not necessarily occur. Assuming that Scopus accurately identifies incidences of security mispricing by the market, the market may require considerable time to, or may never, correctly revalue such securities and enable a Client to realize upon its investments. A Client may require longer-term holding periods for its positions in order to be successful. Such positions may experience considerable price volatility over such holding periods. An investment in a Client, therefore, may not be appropriate for investors requiring short-term liquidity or stable returns.

Currency Risk. An Investor who generally holds its assets in one or more currencies other than U.S. Dollars should consider that the currency exchange rate(s) between the U.S. Dollar and the Investor's currency or currencies may fluctuate in an unfavorable manner.

Fees and Expenses. The operating expenses of each Client, including, but not limited to, the management fee, the incentive allocation or fee (as discussed in Items 5 and 6 above) and fees paid to attorneys, accountants, and other service providers may, in the aggregate, constitute a high percentage relative to other investment entities. Scopus has discretion to waive or reduce fees with respect to, or allocations borne by, any Investor, including affiliates and employees of the Adviser and their family members (and any trusts or other entities operated for their benefit).

Lack of Liquidity. The Funds are suitable investments only for sophisticated investors for whom an investment in such Funds does not constitute a complete investment program and who fully

understand, are willing to assume, and who have the financial resources necessary to withstand, the risks involved in the Funds' specialized investment program and to bear the potential loss of their entire investment in the Funds. There is no public market for interests in the Funds, and no such market is expected to develop in the future. Investors may not sell, transfer, exchange, assign, pledge or otherwise dispose of their interests in the Funds without the prior consent of the Advisor, which consent may be withheld for any reason or no reason. In addition, an Investor's ability to make withdrawals may be subject to certain limitations described in the relevant Fund's Offering Materials.

Counterparty Risk. Many of the markets in which a Client may effect its transactions are "over-the-counter" or "interdealer" markets. The participants in such markets are typically not subject to credit evaluation and regulatory oversight as are members of "exchange based" markets. This exposes a Client to the risk that a counterparty will not settle a transaction in accordance with or because of a credit or liquidity problem, thus causing such Client to suffer a loss. In addition, in the case of a default, a Client could become subject to adverse market movements while replacement transactions are executed. Such "counterparty risk" is accentuated for contracts with longer maturities where events may intervene to prevent settlement, or where a Client has concentrated its transactions with a single or small group of counterparties. A Client is not restricted from dealing with any particular counterparty or from concentrating any or all of its transactions with one counterparty. Moreover, a Client has no internal credit function which tests or evaluates the creditworthiness of its counterparties (including brokerage firms, custodians and banks), and it does not intend to evaluate the same. The ability of a Client to transact business with any one or number of counterparties, the lack of any meaningful and independent evaluation of such counterparties' financial capabilities and the absence of a regulated market to facilitate settlement may increase the potential for losses by such Client.

In addition, the counterparties, including brokerage firms, custodians and banks, with which a Client does business, or to which securities have been entrusted for custodial and prime brokerage purposes, may encounter financial difficulties or compliance, reporting or valuation errors or omissions that impair the operational capabilities or net asset value of such Client. Brokers may trade with an exchange as a principal on behalf of a Client, in a "debtor-creditor" relationship, unlike other clearing broker relationships where the broker is merely a facilitator of the transaction. Such broker could, therefore, have title to all of the assets of such Client (for example, the transactions which the broker has entered into on behalf of such Client as principal as well as the margin payments which such Client provides). In the event of such broker's insolvency, the transactions which the broker has entered into as principal could default and a Client's assets could become part of the insolvent broker's assets, to the detriment of such Client. In this regard, a Client's assets may be held in "street name" such that a default by the broker may cause such Client's rights to be limited to that of an unsecured creditor.

Valuation Risk. The value of the securities and other instruments held by a Client are determined in accordance with such Client's valuation policies set forth in the relevant operating agreement for such Fund. Generally, a Client portfolio consists of marketable securities for which current market price information is readily available from one or more recognized third-party pricing services. In the absence of adequate market pricing data, however, Scopus may rely on an alternative valuation methodology or consider other factors in determining a valuation which it deems in good faith to be fair and equitable. In addition, the actual proceeds that a Client receives upon disposition of a security may differ from the values assigned to such security prior to its liquidation. A Client is also subject to the risk that the price information received from the third-party pricing services may be incorrect, or that the Fund administrator may encounter other

compliance, reporting or valuation errors or omissions that affect the accuracy or availability of valuations with respect to a Client's securities and other instruments. The valuation methodology by Scopus may also lead to certain conflicts of interest.

Risks Relating to Investments and Investment Techniques

Possible Concentration of Investments. A Client's portfolio, on account of its investment strategy, may be confined to the securities of relatively few issuers. Generally, no more than 20% of a Client assets (in terms of position cost at times of investment) will be invested in securities of a single corporate issuer (exclusive of investments by a Client in one or more indices and/or other derivatives). Scopus may, but is not required to, rebalance or otherwise adjust the portfolio to reflect the same. In addition, there are no fixed restrictions upon the amount of Client capital that may be invested in a particular industry, sector or sub-sector. Accordingly, a Client's portfolio may at times be concentrated in certain respects. Although concentration may increase the possibility of achieving significant investment return, concentration of investments in a limited number of issuers, industries, sectors or sub-sectors is generally regarded as increasing both relative investment risk (including, but not limited to, the risk of significant loss) and potential portfolio volatility. It should be noted that, in general, a concentrated portfolio is considered riskier than a more diversified portfolio with limited concentration.

Short Selling. Short selling is an integral part of each Client's investment strategy and may be utilized both in situations where Scopus believes that the securities in question are overvalued, and therefore likely to experience significant price declines, over time, or as a hedge or offset to related long positions. Short selling inherently involves certain additional risks. Selling securities short creates the risk of losing an amount greater than the initial investment in a relatively short period of time and the theoretically unlimited risk of an increase in the market price of the securities sold short. There is also the risk that the securities borrowed by a Client in connection with a short sale would need to be returned to the securities lender on short notice. If the request for return of securities occurs at a time when other short sellers of the security are receiving similar requests, a "short squeeze" can occur, and a Client might be compelled, at the most disadvantageous time, to replace borrowed securities previously sold short with purchases on the open market, possibly at prices significantly in excess of the proceeds received earlier. In addition, short selling can involve significant borrowing and other costs, including the payment of dividends, which can reduce the profit or create losses in particular positions.

Options. Each Client may utilize options in furtherance of its investment objective for directional and hedging purposes, as a means to source liquidity in an underlying security and/or to add to or reduce exposure to an existing position or security. Options positions may include long positions, where a Client is the holder of put or call options, as well as short positions, where a Client is the seller (writer) of an option. A Client may have single or multiple option positions (including written or covered puts and/or calls) on a single security, whether or not that Client has an underlying position in the security. Although option techniques can increase investment return, they can also involve a relatively higher level of risk. An option's price can be viewed as having two elements, the intrinsic value and the time value. For a call option, the intrinsic value is the positive difference, if any, between the price of the underlying security and the strike price of the option. For a put option, the intrinsic value is the positive difference, if any, between the strike price of the option and the price of the underlying security. The intrinsic value is also referred to as the "in the money" amount. The remaining portion of the option price is called the time value. All options are subject to diminishing time value risk; as the time remaining until expiration decreases, the option price approaches its intrinsic value. The expiration of unexercised long

option positions effectively results in loss of the entire cost or premium paid for the option. Option premium costs, as well as the cost of covering options written by a Client, can reduce or eliminate position profits or create losses as well. A Client's ability to close out its position as a purchaser of an exchange-listed option is dependent upon the existence of a liquid secondary market on option exchanges. A Client may also utilize options which may have limited liquidity. The profitability of a Client's option trading may depend upon the attractiveness of option premiums relative to such factors as price volatility, strike price and expirations. Numerous factors can affect the level of option premiums. Although high premiums can make option writing more attractive, they can effectively preclude other favorable trading opportunities. Profitability in options trading may further depend upon a variety of market factors, such as the presence of a requisite degree of volatility, liquidity in pricing options and the underlying securities, efficiency of trading execution and the absence of so-called catastrophic or aberrational market factors.

Leverage; Interest Rates; Margin. The Advisor may cause its Clients to utilize leverage, to varying degrees and to a more significant extent in the case of Scopus Vista Partners, L.P. and Scopus Vista Fund Ltd., primarily for investment purposes, including to increase investment positions or to make additional investments. In addition, a Client may "leverage" its investment return with options, swaps, forwards and other derivative instruments. A Client may employ structures or instruments that provide leverage greater than the amount of assets in that Client and beyond customary margin limitations. While leverage (including the use of derivatives) presents opportunities for increasing a Client's total return, it has the effect of potentially increasing losses as well. Accordingly, any event that adversely affects the value of an investment, either directly or indirectly, could be magnified to the extent that leverage is employed, and a relatively small price movement in a security may result in immediate and substantial losses to a Client, including, without limitation, losses in excess of the amount invested. The effect of the use of leverage by a Client in a market that moves adversely to the investments of the entity employing the leverage, could result in a loss to that Client that would be greater than if leverage were not employed by that Client. In addition, to the extent that a Client borrows funds, the interest cost at which that Client can borrow will affect the operating results of that Client. The interest charges to a Client will generally be based on variable interest rates which are subject to upward and downward movement and can fluctuate due to market changes and perceived credit risk, that are beyond the control of the Advisor. The amount of leverage available at any given time is dependent on independent credit lines, which may be influenced by a change in a Client's investment, risk or volatility profile, the applicable lender's analysis of a Client's portfolio, the lender's aversion to market risk and credit risk, market conditions and the lender's familiarity (or lack of familiarity) with the Advisor. Any changes to such credit lines may affect the amount and availability of leverage and may adversely affect a given Client's investment portfolio. Any such change to the credit lines is expected to be outside the control of the Advisor.

The use of short-term margin borrowings by a Client may result in certain additional risks to that Client. For example, should the securities that are pledged to brokers to secure a Client's margin accounts decline in value, or should brokers from which a Client has borrowed increase their maintenance margin requirements (*i.e.*, reduce the percentage of a position that can be financed), then that Client could be subject to a "margin call," pursuant to which that Client must either deposit additional funds with the broker or suffer mandatory liquidation of the pledged securities to compensate for the decline in value. The margin requirements are not fixed and may be subject to change outside the control of the Advisor. Any such changes may negatively affect a Client's entire portfolio or individual portfolio investments. A Client may also be forced to liquidate, without notice or discretion, other potentially profitable securities to cover a margin

call. The broker will typically have the right to liquidate a Client's portfolio in certain circumstances, without the consent or involvement of that Client or the Adviser. In the event of a precipitous drop in the value of the assets of a Client, that Client might not be able to liquidate assets quickly enough to pay off the margin debt and might suffer mandatory liquidation of positions in a declining market at relatively low prices. In addition, in the event that a Client defaults under any arrangement with a lender or counterparty, such lender or counterparty may have the right to become or remain the owner of all or that portion of that Client's assets secured pursuant to such arrangement. If such arrangement is terminated, that Client's ability to meet its investment objective may be adversely impaired. The Client will bear all of the costs and expenses incurred in connection therewith, including, without limitation, any interest expense charged on funds borrowed or otherwise accessed.

Derivatives. The derivatives markets are frequently characterized by limited liquidity, which can make it difficult as well as costly to close out open positions in order to either realize gains or to limit losses. Additionally, many derivatives are valued on the basis of dealers' pricing of these instruments. However, the price at which dealers value a particular derivative and the price which the same dealers would actually be willing to pay for such derivative should the Adviser be required to sell such position may be materially different. Such differences may have a materially adverse effect on a Client if it is required to sell derivative instruments in order to raise funds for margin purposes or pay withdrawals. The pricing relationships between derivatives and the underlying instruments on which they are based may not conform to anticipated or historical patterns, resulting in unanticipated losses. The stability and liquidity of forwards, swaps, repurchase agreements, and other over-the-counter derivative transactions depend in large part on the creditworthiness of the parties to the transaction. If there is a default by the counterparty to a transaction, a Client may have contractual remedies pursuant to the agreements related to the transaction; however, exercising such contractual rights may involve delays or costs, or may not be successful, which could adversely affect that Client. It is possible that in the event of a counterparty credit default, a Client may not be able to recover all or a portion of its investment in such derivative instrument and may be exposed to additional liability (*i.e.*, the obligations associated with what has become an unhedged position).

Futures. Scopus may employ futures contracts, or options on such contracts, which involve the future purchase or sale of securities, financial instruments or market baskets of securities, such as various securities indices, as part of its hedging strategy, or opportunistically as modest directional investments. Use of futures contracts and options thereon involve the contractual commitment to purchase or sell the underlying instrument at a future date. The eventual price of such instrument may be influenced by a broad variety of market, economic and issuer-specific events and risks, many of which may be difficult to predict or assess. Futures trading involves relatively small invested capital relative to risk exposure and therefore can increase, perhaps significantly, portfolio volatility and exposure to loss.

Investments in Small- and Mid- Capitalization Companies. A Client may invest a portion of its assets in the securities of companies with small- to mid- capitalization companies. Securities of such companies are generally regarded as involving higher levels of investment risk, as well as more significant price volatility, and the markets for such companies are generally characterized by less liquidity, than those of larger, more mature companies. Small- and mid- capitalization companies include many in the early stage of growth, as well as companies in the speculative or developmental stages. Such companies are subject to a broad variety of risks inherent to developing companies, including market acceptance of the product or service, the need for capital and other resources, the existence of larger and stronger competitors, the rapidity of product

change and obsolescence, and sub-standard financial controls and reporting. As a result of the foregoing, there is generally less institutional research available regarding small- and mid-capitalization companies.

Although Scopus's investment approach includes fundamental analysis, Scopus does not necessarily impose fixed requirements as to levels of revenues or earnings, cash flow, market capitalization or other fundamentals applicable to all investments. Accordingly, Investors must be prepared to assume the risks inherent in such speculative investments.

Investments in Restricted Securities. A Client may invest up to 5% of its assets (in terms of position cost at time of purchase) in "Restricted Securities" (i.e., securities as to which the public resale is currently restricted under the Securities Act of 1933, and which are not immediately convertible into freely tradable securities). Investing in Restricted Securities involves a number of significant risks. Without the ability to resell Restricted Securities in the public markets, a Client may be compelled to hold such investments indefinitely or to dispose of them in private transactions on unattractive terms. Such restrictions therefore can impair both the avoidance of losses as well as the timely realization of gains. Although in some instances a Client may have registration rights or other contractual means of achieving liquidity as to its investment in Restricted Securities, such rights may in fact be limited or ineffective in achieving the secondary market desired. Restricted Securities invested in by a Client may include highly speculative, developmental stage issuers, as well as securities of more seasoned companies, which can involve significant issuer or industry related risks.

Investments in Initial Public Offerings. A Client may, from time to time, purchase securities of companies in initial public offerings ("IPO") or shortly thereafter. Special risks associated with these securities may include a limited number of shares available for trading, illiquidity, lack of investor knowledge of the issuer, limited operating history and possible reduction of share price due to additional shares available to the market after the IPO. These factors may contribute to substantial price volatility for the shares of these companies. The limited number of shares available for trading in some initial public offerings may make it more difficult for a Client to buy or sell significant amounts of shares without an unfavorable impact on prevailing market prices. In addition, some companies in initial public offerings are involved in relatively new industries or lines of business, which may not be widely understood by investors. Some of these companies may be undercapitalized or regarded as developmental stage companies, without revenues or operating income, or the near-term prospect of achieving them.

In addition, equity securities issued in an IPO are subject to certain investment restrictions imposed by FINRA.

Investments With Limited or No Liquidity. A Client may take significant positions in particular securities which are relatively large as compared to their trading volume or overall market capitalization. Other portfolio positions may involve securities that are lightly traded, are unlisted or delisted from an exchange, have limited or no market makers, or otherwise have markets of limited or no liquidity. Such positions may at times prove more difficult to liquidate in a timely or efficient manner and could thus impair to some extent a Client's ability to fully realize portfolio gains or limit losses.

Fixed-Income Securities. A Client may, from time to time, invest in bonds or other fixed-income securities, including, without limitation, commercial paper and "higher yielding" (and, therefore, higher risk) debt securities. The value of fixed-income securities in which a Client may invest

will change in response to fluctuations in interest rates and applicable credit spreads including general corporate credit spreads and industry and company-specific credit spreads. In addition, the value of certain fixed-income securities can fluctuate in response to perceptions of credit worthiness, political stability or soundness of economic policies. All other things being equal, when interest rates decline, the value of fixed-income securities generally can be expected to rise. Conversely, when interest rates rise, the value of fixed-income securities generally can be expected to decline. It is likely that a major economic recession could disrupt severely the market for such securities and may have an adverse impact on the value of such securities. In addition, it is likely that any such economic downturn could adversely affect the ability of the issuers of such securities to repay principal and pay interest thereon and increase the incidence of default for such securities. Scopus may attempt to minimize the exposure of a Client's portfolio to interest rate changes through the use of interest rate swaps, interest rate futures and/or interest rate options. However, there can be no guarantee that Scopus will be successful in fully mitigating the impact of interest rate changes.

Foreign Investments. A portion of a Client's assets may consist of foreign investments, which may include foreign or domestic equity securities denominated in foreign currencies and/or traded outside of the U.S. Such investments require consideration of certain risks typically not associated with investing in U.S. securities or property. Such risks include, among other things, trade balances and imbalances and related economic policies, unfavorable currency exchange rate fluctuations, imposition of exchange control regulation by the U.S. or foreign governments, U.S. and foreign withholding taxes, limitations on the removal of funds or other assets, policies of governments with respect to possible nationalization of their industries, political difficulties, including expropriation of assets, confiscatory taxation and economic or political instability in foreign nations, limitations on available information and potentially fewer choices for execution and liquidity.

There may be less publicly available information about certain foreign companies than would be the case for comparable companies in the U.S. and certain foreign companies may not be subject to accounting, auditing and financial reporting standards and requirements comparable to or as uniform as those of U.S. companies. Securities markets outside the U.S. may have substantially less volume than U.S. markets, and many securities traded on these foreign markets are less liquid and their prices more volatile than securities of comparable U.S. companies. In addition, settlement of trades in some non U.S. markets may be slower, subject to execution issues, unusual fees, taxes, withholdings or other costs, less systematic and more subject to failure than in U.S. markets. There also may be less extensive regulation of the securities markets in countries other than the U.S.

Securities of Distressed Companies. A Client may invest in unrated stock traded on the "pink sheets" or "distressed" securities, *i.e.*, securities of companies that are experiencing significant financial or business difficulties, including companies involved in bankruptcy or other reorganization and liquidation proceedings. Among the problems involved in investments in such issuers is the fact that it frequently may be difficult to obtain information as to the conditions of such issuers. In general, a Client will, in the case of a long position in a distressed security, attempt to make such investments when Scopus believes it is reasonably likely that the issuer of the securities will successfully consummate a plan of reorganization or otherwise emerge as a viable company. However, there can be no assurance that such reorganization or other plans will be successfully completed or consummated. In addition, a significant period of time may pass between the time at which a Client makes its investment in distressed securities and the time that any such reorganization is completed. During this period, it is unlikely that a Client will receive

any dividend, interest or other disbursements on the distressed securities; a Client will be subject to significant uncertainty as to such successful completion and a Client may be required to bear certain expenses to protect its interest in the course of negotiations surrounding any potential reorganization. Furthermore, investments in distressed companies often have limited liquidity. Any securities received by a Client upon completion of a reorganization or other plan may also be legally restricted as to resale. In addition, even if a reorganization or plan is completed, there can be no assurance that the securities or other assets received by a Client as a result of the reorganization or other plan will not have a lower value or income potential than anticipated when the investment was made. Moreover, any securities received by a Client upon completion of a reorganization or other plan may be restricted as to resale or otherwise have limited liquidity.

Successful investing in distressed companies involves substantial time, effort and expertise, as compared to other types of investments. Information necessary to properly evaluate a distress situation may be difficult to obtain or be unavailable and the risks attendant to a transaction may not necessarily be identifiable or susceptible of considered analysis at the time of investment. Optimal returns on distress situations may often require active participation in the transaction. While Scopus may on occasion seek representation or an active role in such matters, its commitments to various advisory activities may preclude extensive involvement and it may be unsuccessful in obtaining significant influence as to particular distressed investments.

Event-Driven Investments. A Client may invest in companies involved in (or the target of) acquisition attempts or tender offers or in companies involved in or undergoing work-outs, liquidations, spin-offs, or other catalytic changes or similar transactions. Investing in the securities of such companies, as well as certain distressed securities, will be subject to so-called “event risk,” *i.e.*, the risk that the transaction in question will simply fail to conclude as contemplated or will be delayed or modified in a manner detrimental to a Client in the transaction. Numerous factors, including market or industry developments, economic factors, regulatory clearance requirements and management or workforce issues, can cause an announced transaction to be abandoned, delayed or modified. Where a security to be issued in a proposed merger or exchange offer has been sold short by a Client in the expectation that the short position will be covered by delivery of such security when issued, failure of the merger or exchange offer to be consummated may force a Client to cover its short position in the market at a higher price than its short sale, resulting in a loss. These losses can be substantial. If a transaction is delayed significantly, a Client’s capital may be committed to the transaction during the period of the delay and interest charges on funds borrowed to finance its investment in connection with the transaction may be incurred. These interest charges may be greater than the profit realized upon the disposition of the securities, in which case a Client would realize a loss on the transaction. In addition, “spreads” on some merger opportunities may be initially small or may be impacted in a manner that precludes investment or causes a position to be limited in profitability or become unprofitable. Merger strategies can also be adversely affected by costs of borrowed funds, hedging issues, including the ability or inability to hedge and the attendant costs, and the strength of competing investors in the marketplace.

Certain Other Special Situation Investments. A Client may invest, from time to time, in companies that have declared, or are about to declare bankruptcy, that may be subject to investigation by federal or state agencies, including, but not limited to, the SEC, or that have substandard financial or other controls. There are significant business risks associated with such investments due to the inherently speculative nature of such investments, including, but not limited to, those described herein. Such companies may not provide regular financial results or other reports and as a result may not be compliant with the reporting requirements of the SEC,

NASDAQ or securities exchanges. Such non-compliance could result in a company's securities being suspended or delisted from NASDAQ or a securities exchange, which would likely have a negative effect on the price and liquidity of such securities. Such companies may also become involved in litigation as a result of their bankruptcy, investigation or substandard controls. In addition, results with respect to such investments may fluctuate from period to period. Accordingly, the results of a particular period will not necessarily be indicative of results which may be expected in future periods. Furthermore, the securities of such companies may be subject to significant price volatility, including steep declines in price upon the announcement of a bankruptcy, an investigation or a litigation.

Price Volatility. The prices of instruments in which a Client may invest can be highly volatile. Price movements of equities and the equity markets, forwards, futures and other derivative contracts in which a Client's assets may be invested are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events, policies and/or conflicts. A Client also is subject to the risk of the failure or closure of any of the exchanges on which its positions trade or of their clearinghouse.

Limitations on Hedging Strategies. Scopus may employ hedging techniques in connection with a Client's investment strategy. Such hedging strategies may utilize financial instruments such as forward contracts, options and interest rate swaps, caps and floors to seek to hedge against fluctuations in the relative values of a Client's portfolio positions. Hedging strategies may also include the use of market, industry or custom tailored indices and exchange traded funds, all of which may have limited liquidity, high transaction costs, and/or whose components may change. Hedging against a decline in the value of portfolio positions does not eliminate fluctuations in the values of portfolio positions or prevent losses if the values of such positions decline, but establishes other positions designed to gain from those same developments, thus moderating the decline in the portfolio positions' value. It is not a requirement or an objective of the Advisor that all positions be hedged and, for a variety of reasons, Scopus may not seek or be able to establish a sufficiently accurate correlation between hedging instruments and the portfolio holding or holdings sought to be hedged. Moreover, such strategies are intended to hedge against certain risks, but will not hedge against other risks, such as issuer risk, industry risk, market risk or catastrophic risk, any of which could be significant. There may be risks which are not identified, and therefore unhedged, or there may be risks where an efficient hedging strategy is unavailable. Such factors may prevent the Advisor from achieving the intended hedge or expose a Client to risk of loss.

It should be assumed, therefore, that a Client's portfolio may still be exposed to significant risks, including issuer, industry, sector and sub-sector risks, notwithstanding Scopus's intended hedging strategies. The use of hedging strategies may result in significant costs (which may reduce profitability), including increased transaction costs and premiums, and may result in the decline in value of a portfolio position. Hedging positions may lack liquidity and may be hard to exit and/or value. Such hedging transactions also limit the opportunity for gain if the value of the portfolio positions should increase. Moreover, it may not be possible for the Advisor to hedge against a fluctuation at a price sufficient to protect a Client's assets from the decline in value of the portfolio positions anticipated as a result of such fluctuations. For example, the cost of options is related, in part, to the degree of volatility of the underlying securities. Accordingly, options on highly volatile securities may be more expensive than options on other securities and of limited utility in hedging against fluctuations in those securities. In addition, if the Advisor analyzes market conditions incorrectly or employs a risk reduction strategy that does not correlate

well with a Client's investments, the risk reduction techniques employed by Scopus could result in a loss, regardless of whether the intent was to reduce risk or increase return. These risk reduction techniques may also increase the volatility of a Client and/or result in a loss if the prime broker or market counterparty to the transaction does not perform as promised. Scopus is not obligated to establish hedges for portfolio positions and may not do so. The costs of hedging may reduce the profitability of the position(s) sought to be hedged, and any hedging strategies may carry independent inherent risks themselves. There is no assurance that the Advisor's intended hedging strategies can necessarily be implemented or, if established, will necessarily succeed in eliminating and/or reducing the intended risk.

Transaction Costs and Interest Expense. A Client's portfolio may be actively traded. As a result, a Client may have substantially higher transaction costs, such as brokerage commissions, relative to capital than other investment vehicles. In addition, the Client's use of leverage will make the Client subject to increased interest expenses. The interest charges to the Client will generally be based on variable interest rates which are subject to upward or downward movement and can fluctuate due to market changes and perceived credit risk, that are beyond the control of Scopus. These costs could potentially exceed the appreciation of one or more of a Client's positions, or the aggregate appreciation of all of a Client's positions, at any given time.

Strategy Restrictions. Certain Investors may be restricted from directly utilizing investment strategies of the type in which a Client may engage. These may include sales of "naked" options (those in which there is no position in the underlying security) or purchases of put and call options on stocks. Such Investors should consult their own advisors, counsel, and accountants.

Item 9: Disciplinary Information

There are no legal or disciplinary events that are material to a Client's evaluation of the business or management of Scopus.

Item 10: Other Financial Industry Activities and Affiliations

Alexander Mitchell is the primary owner and manager of Scopus and the managing member of the General Partner, which acts as general partner of Scopus Partners, L.P., Scopus Partners II, L.P. and Scopus Vista Partners, L.P. Mr. Mitchell is also a director of Scopus Fund Ltd. and Scopus Vista Fund Ltd.

The General Partner is a special purpose vehicle that looks to and relies upon Scopus's registration to the extent any of the General Partner's personnel engage in investment advisory activities. Principals, officers, authorized persons and employees of the General Partner are considered by Scopus as "persons associated with" it (as that term is defined in section 202(a)(17) of the Advisers Act). Personnel of the General Partner will be subject to Scopus's overall supervision and policies and procedures (including those relating to personal trading). The relevant books and records of the General Partner are the books and records of Scopus for purposes of Section 204 of the Advisers Act.

Conflicts of Interest

Scopus has investment responsibility for the Clients and such other investment vehicles and managed accounts as have been and may in the future be established from time to time by Scopus (collectively, the "**Scopus Accounts**"). Currently, the Funds generally employ substantially

similar investment strategies and utilize substantially similar investment strategies and techniques. As a result, the Funds invest in most, if not all, of the same securities. There are several possible conflicts of interest concerning any Scopus Accounts sharing a similar investment strategy. Additional conflicts of interest may arise if newly created Scopus Accounts have an investment strategy that differs from the Funds. The Advisor and Affiliated Parties (defined below) are subject to various actual and potential conflicts of interest in the course of managing the Funds, which should be considered by each prospective Investor, and include the following:

Conflicts with Scopus Accounts and Affiliated Parties. Scopus serves as the investment advisor to the Clients. Scopus, together with the General Partner and each of the General Partner's and Scopus's respective directors, members, partners, shareholders, officers, employees, agents and affiliates (collectively, the "**Affiliated Parties**") may have investment management responsibilities with respect to additional private investment vehicles, managed accounts and other clients and/or other entities in the future, the investment strategies and techniques of which may be similar to, or which may differ in any number of respects from, those of the Clients. Scopus or other Affiliated Parties may enter into other businesses and ventures. The existence of the Scopus Accounts and any future investment vehicles, accounts, other clients, other businesses and/or ventures, any or all of which may or may not be disclosed to Investors, creates a number of conflicts of interest, including the possibility that these additional responsibilities may diminish the time and resource commitments that Scopus and the other Affiliated Parties may allocate to the Clients. There may be a conflict of interest in the allocation of investment opportunities among the Scopus Accounts. For example, there may be instances where an investment opportunity is limited or the availability of an investment at an acceptable price may be limited. Scopus and its Affiliated Parties will attempt to allocate investment opportunities in a manner that is in the best interests of all the Scopus Accounts involved in light of the circumstances prevailing at that time and Scopus's and its Affiliated Parties' applicable fiduciary duties. Additionally, conflicts of interest may arise with respect to any different timing, trading or allocation of the same or different investments resulting from the management of any of the Scopus Accounts that may employ different investment strategies from the Clients.

The Advisor and the other Affiliated Parties have managed and may in the future manage assets for other advisory clients in the form of managed accounts. Managed accounts, as well as other investment funds, may have arrangements that afford such clients different terms than Investors in the Funds with respect to liquidity, fees and expenses, subscription rights, portfolio transparency and investment strategy. In addition, since such managed accounts and investment funds may have different liquidity rights than the Funds, to the extent such managed accounts and Funds hold the same securities, a withdrawal from such an account could adversely affect the Funds.

The Affiliated Parties may make and maintain investments in their own name or through other entities and may serve as an officer, director, employee, consultant, partner or stockholder of one or more investment funds, partnerships, securities firms or advisory firms. Such other entities or accounts may have investment objectives or may implement investment strategies similar or different to those of the Clients and may invest in the same securities as the Clients. In addition, the Affiliated Parties may, through other investments, including other investment funds, have interests in the securities in which Clients invest as well as interests in investments in which Clients do not invest. The Affiliated Parties may give advice or take action with respect to such other entities or accounts that differs from the advice given with respect to the Clients.

The General Partner of Scopus Vista Partners, L.P. may cause withdrawals to be made from such Fund at any time to cover operating or other expenses of Scopus or other expenses of the General Partner. Such withdrawals may create a resulting imbalance among the Scopus Accounts, such that investment allocations, purchases, sales and holdings may differ between Scopus Vista Partners, L.P. and the other Scopus Accounts. Such an imbalance may continue for an indefinite period.

Time Commitments. Scopus and the Affiliated Parties intend to devote so much of their time and effort to the affairs of the Clients as they each deem necessary. To the extent that Scopus and the Affiliated Parties have other business responsibilities, including managing the other Scopus Accounts, such commitments may have the effect of reducing the time that they devote to the affairs of a given Client.

Valuation and Other Matters. Although the operating agreement for the relevant Fund (or the investment management agreement) prescribes the method of valuing different types of Client investments, which generally involve current market price information, there may be investments as to which market price information may not be readily available. In such instances, Scopus may rely in good faith on alternative valuation methodologies, third parties, and/or consider other factors, in determining valuation. Such valuation affects reported Client performance, the calculation of incentive allocations (or fees) and management fees and the payment of redemption proceeds.

In general, the operating agreement for the relevant Fund provides the General Partner with broad discretion as to determination or resolution of a wide variety of matters, including economic and tax allocations, Investor withdrawals or redemptions, distributions and other issues, any of which could significantly affect a particular Investor or Investors.

Please note that Items 6 and Item 12 discuss Scopus's trade aggregation and allocation policy in more detail and discuss how Scopus seeks to minimize conflicts between Clients. Scopus has no other financial industry affiliations.

In addition, please note that Item 12 discusses Scopus's use of soft dollars with respect to brokerage and other services and the conflicts of interest that arise from such arrangements.

Scopus does not act in any capacity as a broker-dealer or a futures commission merchant. In addition, Scopus does not select or recommend other advisers for Clients. Scopus does not have any other relationships or arrangements that are material to its advisory business or to Clients that are required to be disclosed herein.

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

Code of Ethics

Scopus has adopted a Code of Ethics which is applicable to all of its partners, officers, directors (and any other person occupying a similar status or performing a similar function), employees and any other person who provides advice on behalf of Scopus and is subject to Scopus's supervision and control (collectively referred to as "**Covered Persons**"). The Code of Ethics was adopted pursuant to Rule 204A-1 of the Advisers Act and establishes guidelines for professional conduct, particularly with respect to potential conflicts of interest (*e.g.*, gifts and entertainment

expenses), media policies and policies with respect to political contributions. All Covered Persons are required to sign and acknowledge their receipt of the Code of Ethics upon commencement of employment and at least annually thereafter.

In addition, Scopus has adopted the Employee Investment Policy, which addresses personal trading procedures, including pre-clearance and reporting obligations, and generally limits the extent to which Covered Persons may maintain discretionary personal brokerage accounts for the purpose of trading equity securities, options on equities, futures, or commodities, but permits a Covered Person with a pre-existing investment to liquidate such investment, provided such sale is pre-cleared by the Chief Compliance Officer (“CCO”). Covered Persons may not acquire securities for their own account in a new public offering (IPOs or follow-ons) of equity, equity linked and corporate debt securities registered with the SEC. Covered Persons must also obtain pre-approval from the CCO before engaging in any outside business activities or private placements. Each Covered Person also is required to acknowledge that he or she has received, understands and has complied with the Employee Investment Policy upon commencement of employment and at least annually thereafter. These limitations and pre-clearance requirements generally do not apply to certain accounts of Covered Persons including: (i) managed accounts maintained by the employee where the employee has granted full investment discretion to an outside broker-dealer, investment manager or adviser, trust company or trustee, or bank; (ii) personal securities accounts of the employee which invest solely in open ended investment companies (*e.g.*, any publicly traded mutual fund) and which account, by its explicit terms, can only be used to purchase shares in mutual funds and money market funds; (iii) the purchase or sale of U.S. government, U.S. government agency securities and municipal securities; (iv) 401(k) or 529 accounts or plans which are not under the employee’s control, or where control is limited to the selection of mutual funds; or (v) personal securities accounts of the employee by which under its explicit terms can only be used for the purchase of securities under an Employee Stock Ownership Plan account, profit sharing or dividend reinvestment plan.

A copy of the Code of Ethics and the Employee Investment Policy is available to Clients or prospective clients by submitting a request to the CCO, Daniel Fried at (212) 251-3295 or danf@scopusfund.com.

Participation in Client Transactions

Scopus will not affect any principal or agency cross transactions for Client accounts. Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory client. An agency cross transaction is defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser, acts as broker for both the advisory client and for another person on the other side of the transaction. Agency cross transactions may arise where an adviser is dually registered as a broker-dealer or has an affiliated broker-dealer.

However, purchase and sale transactions (including swaps) may be effected between the Clients subject to the following guidelines: (i) such transactions will be effected for cash consideration at the current market price of the particular securities, and (ii) no extraordinary brokerage commissions or fees (*i.e.*, except for customary transfer fees or commissions) or other remuneration will be paid in connection with any such transaction, as disclosed to Investors in the applicable Offering Materials.

Privacy Policy and Procedures

Scopus is committed to maintaining the confidentiality, integrity and security of its investor's personal information. It is Scopus's policy to collect only information necessary or relevant to its management business and use only legitimate means to collect such information. Scopus does not disclose any non-public personal information about current or former Investors to anyone except for servicing and processing transactions and as required by law. Scopus restricts access to non-public personal information about Investors to those employees with a legitimate business need for the information. Scopus maintains security practices, such as physical, electronic, and procedural safeguards, to guard investor's non-public personal information.

The Privacy Policy and Procedures is available to Clients or prospective clients by submitting a request to the CCO, Daniel Fried at (212) 251-3295 or danf@scopusfund.com.

Item 12: Brokerage Practices

As an adviser and a fiduciary to its Clients, Scopus requires that Clients' interests must always be placed first and foremost, that trading practices and procedures prohibit unfair trading practices and seek to disclose and avoid any actual or potential conflicts of interest or resolve such conflicts in the Clients' favor. Scopus has adopted policies and procedures to meet its fiduciary responsibilities and to ensure its trading practices are fair to all Clients and that no Client is advantaged or disadvantaged over any other.

Scopus has full discretionary authority to determine the securities to be bought and sold, the amount and price of those securities, the brokers or dealers to be used for a particular transaction, and the commissions paid. Scopus's authority is limited by its own internal policies and procedures and each Client's investment guidelines.

Best Execution

Scopus will seek to obtain "best execution" for Client transactions, which generally means Scopus executes investment transactions in a manner such that a Client's total costs or proceeds in each transaction are most favorable under the circumstances. The concept of "best execution" should not, and is not, determined by "lowest possible commission costs," but by best "qualitative execution." Consequently, brokers are selected primarily on the basis of their execution capability and trading expertise consistent with the effective execution of the transaction.

In determining the broker or dealer to be used and the commission rates to be paid, Scopus considers the full range and quality of their services including, among other things, the utility and reliability of brokerage services (including special execution and block positioning capabilities and performance), financial responsibility and investment information, responsiveness, clearance, settlement and custodial services and research services provided by such brokers or dealers, in addition to certain other services as described below. Accordingly, the commissions charged by any such broker or dealer may be greater than the amount another firm might charge if Scopus determines in good faith that the amount of such commissions is reasonable in relation to the value of the brokerage services and research information provided by such brokers or dealers.

Although Scopus may have an incentive to select or recommend a broker or dealer based on its interest in receiving the research or other products and services, Scopus seeks to obtain best

execution and, consistent with the requirements of best execution, brokerage commissions may be directed to brokers, dealers or other parties, either directly or indirectly, in recognition of, among other things, investment research and information furnished as well as for services rendered in the execution of orders by such brokers, or dealers. By allocating transactions in this manner, Scopus is able to supplement its research and analysis with the views and information of brokerage and other firms.

Research and Other Soft Dollar Benefits

Section 28(e) of the Securities Exchange Act of 1934, as amended (the “**Exchange Act**”) provides a safe harbor that allows investment managers with discretionary authority over client accounts to pay more than the lowest possible commission in order to obtain “brokerage and research services” without breaching their fiduciary duties to clients. Research services within the Section 28(e) safe harbor generally include, among other things, advice, analyses, reports, publications and writings that furnish advice as to the value of investments, the advisability of investing in, purchasing or selling investments, and the availability of investments, as well as analyses and reports concerning issuers, industries, securities, economic factors and trends, portfolio strategy and the performance of accounts which Scopus determines constitute advice, analysis or reports. Research services also may include, among other things, market data such as stock quotes, last sale prices, trading volumes and financial and economic data, pre-trade and post-trade analytics, software and other products that depend on market information to generate market research (including research on optimal execution venues and trading strategies), raw data which Scopus can use to prepare its own research analytics, conferences and seminars related to research discussions, meetings with corporate executives to obtain reports on, among other things, the performance of a company, publications targeted at a narrow audience, including, without limitation, publications which are directed to readers with specialized interests in particular products, industries or issuers, and software that provides analyses of investment portfolios. Research services and information may be in written, oral or electronic formats. Research services may be provided by third parties or may be proprietary to a broker or dealer.

Brokerage services that meet a “temporal standard” are eligible under the Section 28(e) safe harbor. Under the “temporal standard,” brokerage begins when an investment manager communicates with a broker or dealer for the purpose of transmitting an order for execution and ends when funds or investments are delivered or credited to the advised client. Using this standard, the following items are, without limitation, examples of eligible brokerage services: clearance, settlement and custody services in connection with trades effected by the broker or dealer, post-trade services incidental to executing a transaction, comparison services that are required by SEC or self-regulatory organization rules, such as the use of electronic confirmation and affirmation of institutional trades, communications services related to execution, clearing and settlement of investment transactions, trading software to route orders to market centers, software that provides algorithmic trading strategies and software used to transmit orders to direct market access systems.

Scopus has used and intends to continue to use soft dollars to pay for products or services that provide administrative or other non-research assistance to Scopus or its affiliates that fall outside of the Section 28(e) safe harbor. Conduct outside the safe harbor afforded by Section 28(e) is subject to the applicable standards of fiduciary duty under applicable law and the Advisers Act. Each investor in the Funds, by executing the subscription documents relating to acquiring an interest in the particular Fund(s), specifically authorizes the Fund to engage in “soft” dollar commission arrangements with qualified brokers.

Scopus also intends to allocate brokerage to broker-dealers that pay all or part of certain expenses that would otherwise be borne by Clients, such as its research fees and its legal, audit, tax, accounting, administrative and organizational expenses, or by its affiliates, or on the basis of broker-dealers' agreements to otherwise furnish the same to Scopus, its affiliates or Clients. Such research, related services and expenses, may include, but not be limited to, written information and analyses concerning specific securities, companies or sectors; market, financial and economic studies and forecasts; financial publications; statistic and pricing services, as well as discussions with research personnel, along with hardware, software, databases and other technological, technical and telecommunication services (including wireless services), lines and equipment utilized in the investment management process (including updates, modifications, improvements, maintenance, offsite or onsite backup, repairs and replacements), facilitation of meetings with company management, participation in conferences, office space and facilities, and research related travel and entertainment expenses.

In addition to the above services, a broker may provide Scopus or its affiliates with office space, equipment and services including, but not limited to, the following: a license to access and use office space(s) and equipment; ancillary office services and amenities; occupancy costs related to data management, investor records and other data storage, recovery and protection; equipment and office space related to disaster recovery and other business continuity arrangements; computer equipment; telephone equipment; access to computer and telephone network(s); telephone, data, and internet connections and transmission services; hardware, software and services; trade order management systems; use of furniture and appliances; use of technical and office personnel; portfolio management and accounting equipment, software, applications and services; risk management, including technology, software, support, programming, screening and reporting; research databases and services; utilities; office supplies, data and records management; mail services; facilitation of research and market data subscriptions and services; consultation services; costs and expenses incurred with respect to preliminary preparation and instruction for registration (including, but not limited to, a review of internal controls and reporting procedures, preparing a compliance manual, instituting new policies and procedures, and reviewing marketing materials); registration fees; costs and expenses related to compliance testing and reporting; and investor referrals. Some of the services may or may not be reimbursed and may be provided at, below, or above market cost to Scopus and/or its affiliates. The provision of office space and related services to Scopus may be a factor when Scopus selects its prime broker and/or brokers for the execution of portfolio transactions for Clients. It should be noted, however, that these items are not tied to the level of commission business that is generated by Clients and such items may or may not be paid for through "soft" or commission dollars. Although Scopus generally believes that Clients will benefit from many of the services obtained with soft dollars generated by the Clients' portfolio transactions, a particular Client may not benefit exclusively and it may be impractical or impossible to quantify an economic benefit, if any, or to segregate the value of the services being provided to each Client. The Clients may also derive direct or indirect benefits from some or all of these services, particularly to the extent that Scopus uses "soft" or commission dollars to pay for expenses that Clients may otherwise be required to pay. Scopus allocates "soft" dollars and other benefits among Clients; however, on account of the foregoing and other factors, "soft" dollars and other benefits may be difficult to quantify and are not necessarily managed or allocated proportionately to Clients which may have actually generated such "soft" dollars or other benefits. In addition to Clients, Scopus may also manage separately managed accounts that may have different policies in place for use of soft dollars.

The relationships with broker-dealers that provide soft dollar services to Scopus and its affiliates may create a conflict of interest in using the services of those broker-dealers to execute a Client's portfolio transactions. The brokerage fees paid by a Client account benefits the other Client accounts at the expense of the one, to the extent that soft dollars are used to pay the expenses that may not be otherwise reimbursable by Scopus. Scopus believes that these relationships are beneficial to it and the Clients, but the Client account trades executed through these firms may or may not be at the best price otherwise available. Prospective investors and Clients who consider such soft dollar practices material to their investment decision should consult with the Advisor.

Brokerage for Client Referrals

Scopus does not suggest brokers or dealers to Clients

Directed Brokerage

Scopus does not have any directed brokerage arrangements.

Aggregation

Scopus may seek to combine orders for Client accounts. While Scopus generally believes combining orders will be advantageous to participants because it allows Scopus to execute transactions in a more timely, equitable, and efficient manner and seek to reduce overall commission charges to Client accounts, in some cases the price could be less advantageous to one Client than if orders had not been combined. In cases of limited availability of a security, or because of differing capital availability, tax considerations, investment guidelines or other factors each Client may not necessarily participate in all of the same transactions. In general, if Scopus has determined to purchase or sell a security at the same time for more than one of its Clients, orders placed by Scopus for such security on behalf of such Client will be aggregated, and if the orders are filled at several different prices, through multiple trades in a single day, a weighted average price will be calculated for all such trades and all such participating accounts will receive the weighted average price and will share the transaction costs on a *pro rata* basis.

Allocation

Scopus endeavors to design, implement and consistently apply procedures, including detailed allocation procedures, to ensure that, over time, all proprietary accounts, affiliated accounts, or any particular Client or group of Clients are treated fairly and equitably, including, if applicable, with respect to allocations of initial public offerings (if applicable) and private placements, and to prevent conflicts from unduly influencing the allocation of investment opportunities among the Client accounts. Further, Scopus periodically performs allocation reviews or tests in an effort to monitor compliance with its allocation policy and to ensure that each Client is treated fairly and equitably and in compliance with such Client's guidelines and objectives.

Please refer to Item 6 above for a description of the procedures Scopus has developed that are designed and implemented to ensure that all Clients are treated fairly and equally, and to prevent conflicts from influencing the allocation of investment opportunities among Clients.

Trade Errors

It is Scopus's policy that due care be taken in making, implementing and reporting investment decisions, and related administrative actions, on behalf of Clients. This includes seeking to avoid mistakes and errors in executing, settling and reporting transactions. Nevertheless, there is a risk that such mistakes or errors may occur. Scopus makes every effort to correct each error as soon as possible upon its discovery.

Resolution of a trade error is handled on a case-by-case basis. Any gain due to a trade error generally will be credited to the Client. Except with respect to any trade error that is the result of gross negligence, as determined by Scopus in good faith, Scopus may determine that it is appropriate for the affected Client to bear the losses from such trade error (rather than being reimbursed for such losses by Scopus).

Item 13: Review of Accounts

Review of Accounts

The Funds are reviewed and reconciled on a regular basis to assure that the structure and individual securities held are suitable and consistent with each Fund's objectives and strategies. In addition, personnel in Scopus's operations department also monitor the Funds to help ensure conformity with investment objectives and guidelines. Scopus engages in active management and frequent transactions for Clients and, accordingly, reviews its transactions, positions and cash balances on a regular basis.

In addition, Scopus has engaged an independent administrator to prepare monthly unaudited reports reviewing each Fund's performance for the month.

Reporting

Investors in the Funds receive, at a minimum and on an annual basis, the audited financial statements of their particular Fund with respect to the previous fiscal year. These statements are prepared by an independent auditor and are generally distributed within 120 days after Scopus's fiscal year end. In addition, Investors in the Funds generally receive net asset value updates and performance reports on a monthly basis. Exposure reports with attribution analysis are generally provided on a quarterly basis.

Item 14: Client Referrals and Other Compensation

Scopus does not have any arrangements, oral or in writing, through which it is paid cash by or receives some economic benefit (including commissions, equipment or non-research services) from a non-client in connection with giving advice to Clients. In addition, Scopus does not currently compensate third parties, including brokers and dealers, and placement agents and others, in connection with the solicitation of prospective clients and investors. However, it is possible that in the future Scopus may pay third parties a fee or compensation for the referral of an investor or a client. Any marketing fee or commission in connection with any investor referral activities, including ongoing payments, will be paid solely by Scopus and not by the Funds or the referred investor. To the extent applicable, such solicitation arrangements will seek to conform to Rule 206(4)-3 under the Advisers Act. In general, as may be required by applicable law, any

solicitors, underwriters, brokers, dealers or finders engaged by Scopus to assist in the offering of interests in the Funds will be registered as a broker-dealer.

Item 15: Custody

Securities and investment transactions for a Client generally are executed by brokers or dealers or other parties selected by Scopus, in its sole discretion. With respect to Funds, Scopus may be deemed to have custody of Fund assets pursuant to Rule 206(4)-2 promulgated under the Advisers Act (the “**Custody Rule**”). Scopus seeks to satisfy the requirements of the Custody Rule with respect to Funds by engaging an independent public accountant registered with, and regularly examined by, the Public Company Accounting Oversight Board to conduct annual financial audits of such Funds prepared in accordance with U.S. Generally Accepted Accounting Principles and delivering the audited financial statements directly to Investors in such Funds. The CCO shall ensure that the Funds’ audited financials are delivered to all Investors (within 120 days of the relevant Fund’s fiscal year end).

Item 16: Investment Discretion

Scopus provides investment advisory services on a discretionary basis to Clients. This means that Scopus has the authority to determine (i) the securities to be purchased and sold for the Client (subject to restrictions on its activities set forth in the applicable investment management agreement and any written investment guidelines) and (ii) the amount of securities to be purchased or sold for the Client, in each case without notice to consulting with or seeking the consent of the Client prior to engaging in such transactions.

Scopus has been granted discretionary authority to manage the assets of the Funds pursuant to their operating agreements and Offering Materials. Mr. Mitchell, as the portfolio manager of each of the Funds, is responsible for the management of the Funds’ investment portfolios. To enable Scopus to exercise fully its discretion, Scopus is generally authorized to act on such Client’s behalf in all matters necessary or incidental to trading for and servicing the assets over which Scopus is given investment discretion.

Item 17: Voting Client Securities

Scopus acknowledges its fiduciary obligation to vote proxies on behalf of those Client accounts that have delegated proxy voting authority to Scopus (“**Proxy Clients**”). Scopus seeks to vote proxies solely in the best interests of Proxy Clients, consistent with their investment objectives. Scopus has adopted proxy voting policies and procedures in accordance with Rule 206(4)-6 under the Advisers Act. The Investors in the Fund may not direct voting of proxies.

Scopus uses Broadridge, a third-party proxy voting service which links to the applicable prime broker’s website. Scopus has created parameters and voting rules within the Broadridge system and all proxies will be voted by Scopus (via Broadridge) in accordance with those parameters and rules. Broadridge will maintain a list of all proxies received and how they were voted. The CCO will conduct a periodic review of Broadridge to ensure that proxies are properly voted and maintained. Scopus also generally follows the guidance of Glass Lewis & Co., an independent provider of global proxy research and voting recommendations.

A Client or prospective client may obtain a copy of Scopus's proxy voting policies and procedures, as well as a record of all proxy votes made by making a request in writing to the CCO, Daniel Fried at (212) 251-3295 or danf@scopusfund.com.

Item 18: Financial Information

Scopus does not believe that it has any financial commitment that materially impairs its ability to meet contractual and fiduciary commitments to Clients. Scopus has not been the subject of a bankruptcy proceeding within the past 10 years.