

Arctic Blue Capital Limited

Part 2A of Form ADV

The Brochure

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United Kingdom

This brochure provides information about the qualifications and business practices of Arctic Blue Capital Ltd. (“ABC-UK” or the “Company”). If you have any questions about the contents of this brochure, please contact us at +44 207 292 1600. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about ABC-UK is also available on the SEC’s website at: www.adviserinfo.sec.gov.

Item 2. Material Changes

This brochure contains information about ABC-UK and there have been no material changes since the last brochure filed in 2018.

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Item 4. Advisory Business

Arctic Blue Capital Ltd. is an investment manager based in London, UK and was incorporated in England as a limited company on 18 March 2014. ABC-UK was seeded by the Stable group in June 2014. ABC-UK is 100% owned by ABC Management Ltd. (“ABC-KY”), a Cayman Islands exempt limited company. Ownership of ABC-KY is split between Inuksuk Holding Ltd, a Cayman Islands exempt limited company (majority owned by Jean Jacques Duhot, the CIO of ABC-UK) and H2O AM LLP, a UK registered asset management company. H2O is wholly owned by H2O AM Limited which is in turn wholly owned by H2O AM Holding SA, a Luxemburg-based holding company. H2O AM Holding SA is owned 50.01 percent by Natixis Investment Managers Participations 1, a French corporation, and 49.99 percent by its eighteen partners, including its 4 founding partners. H2O is an indirect subsidiary of Natixis Investment Managers (“NIM”), an international asset management group based in Paris, France. NIM is in turn owned by Natixis, a French investment banking and financial services firm. Natixis is principally owned by BPCE, France’s second largest banking group.

H2O provides Operational, Corporate Governance, Risk Monitoring, Marketing, Investor Relations functions and Compliance to ABC-UK as part of its strategic investment, enabling the ABC-UK investment team to focus on the Investment Management function, namely investing capital and day-to-day research and trading operations. ABC-UK has 2 full time investment team members, 1 internal Quantitative Analyst and 1 external Senior Quantitative Analyst, and is also supported by full time H2O team members, across the trading support, risk management, operations, corporate governance, legal, regulatory and compliance, and investor relations functions.

ABC-UK is the investment manager of the Arctic Blue Fund, as defined in Item 7, as well as several separately managed accounts. ABC-UK is registered with the U.S. Commodity Futures Trading Commission as CTA and CPO under the Commodity Exchange Act (“CEA”), as amended, and is a member of the National Futures Association (NFA ID 0493707). ABC-UK is also authorized and regulated by the Financial Conduct Authority (“FCA”) in the United Kingdom under Firm Reference No. 627404.

As of December 2018, ABC-UK had \$194,473,552 assets under management.

Item 5. Fees and Compensation

Arctic Blue Fund

The Fund will pay the Manager a monthly Management Fee equal to 1/12 of the below outlined Management Fee percentages per annum of the NAV, gross of accrued prior periods' Performance Fee, of the Investment Shares per each respective Class of Shares. The Management Fee will be calculated and payable monthly in arrears and detail as follows:

Share Class	Management Fee	Performance Fee	Approximate Retention Rate
Class A (1x)	1.5%	20%	66%
Class B (2x)	1.5%	20%	33%
Class C (3x)	1.5%	20%	0%
Class X (1x)	0.0%	0%	66%
Class Y (2x)	0.0%	0%	33%
Class Z (3x)	0.0%	0%	0%

Class B Shares are available for general subscription. Classes A and C are closed to new investors, with Classes X and Z closed to investment by new or existing investors. Class Y Shares and Master Fund Class H Shares are only available for subscription by (i) the Manager or any of its directors or employees, (ii) the Investment Manager or any of its members or employees, (iii) any person connected with any such person (including, without limitation, a trustee of a trust established by or for such a person), (iv) any company, partnership or other person or entity controlled by or which is the controller of any such persons, (v) any nominee of any of the foregoing, or (vi) any other person as the Directors may from time to time determine. The Directors shall determine, in their sole discretion, a person's eligibility to subscribe for or acquire Class Y Shares and Master Fund Class H Shares.

The Net Asset Value of all Classes is expressed in U.S. Dollars.

A proportion of the assets attributable to Class A Shares, Class B Shares, Class X Shares and Class Y Shares will be retained by the Company (the approximate retention rates are outlined above) and held in cash or invested in short term cash and/or money market instruments or funds. The remaining portion of such assets will be invested in the Master Fund.

The respective proportions of assets retained and invested by the Company in the Master Fund in respect of the Class A Shares, the Class B Shares and the Class Y Shares will be re-balanced periodically (generally on a monthly basis) by way of subscriptions to and redemptions from the Master Fund in order to continue to expose the outlined approximate percentage of assets of the respective Classes to the performance of the Master Fund's portfolio. If the value of the respective proportions of assets retained by the Company increases or decreases significantly, re-balancing may occur during that month.

Cash held on deposit pursuant to the paragraph above will be co-mingled with the cash attributable to the other Classes of Investment Shares.

Substantially all of the assets attributable to the Class C Shares and Class Z Shares from time to time are invested by the Company in shares of the Master Fund and such Investment Shareholders are fully exposed to the performance of the Master Fund's portfolio from time to time.

In addition to the management fee, investors in the Arctic Blue Fund will also pay a pro rata share of the expenses of the feeder fund and master fund. These expenses will include all on-going and day to day administration and operating expenses incurred by the funds including, inter alia and without limitation, investment research, due diligence, travel, research and information services, the cost of insurance for the directors and officers of the funds, the cost of errors and omissions insurance, consultancy services, software expenses (including but not limited to risk and portfolio management software), data services and services from professional advisers, legal, booking, auditing, accounting, registration, licensing, listing, reports and tax information to investors and regulatory authorities and expenses for specialised administrative services, printing and duplication expenses, listing expenses and expenses relating thereto should they be incurred, mailing expenses, operational and investment related expenses, overhead expenses, the expenses of the offering of shares (including costs of preparing, reproducing, and disseminating offering materials and supplemental materials, and legal fees and costs related to those activities), expenses of governmental registrations, licensing and filing fees, governmental filing and general administration fees related to this offering. In addition, all expenses incurred directly or indirectly by ABC-UK in the exercise of its duties to the funds, including but not limited to marketing expenses, presentation expenses and investment related expenses, shall be paid by or reimbursed by the master fund.

The Fund may pay its costs directly or the Manager may advance such costs and be reimbursed by the Fund. The Manager may bear any of those costs out of its own assets or revenues, but its decision to do so as to some costs or for some periods will not obligate it to do so as to any other costs or to continue doing so for any other periods. The Fund and one or more other clients or accounts managed by the Manager and/or the Investment Manager may be obligated to bear or reimburse the Manager for some or all of a particular cost that benefits all of them. In such a case, the Manager may allocate the cost among all such entities, clients and accounts in such proportions as it may determine in its sole discretion.

For clarification, ABC-UK will be responsible for all of its own internal overhead and operating expenses including rent, personnel, furniture, hardware and all other expenses relating to the Manager that not included in the Fund expenses mentioned above.

Separately Managed Accounts

Clients with separately managed accounts may be charged an investment management fee based on a percentage of the AUM of the account in accordance with the investment management agreement. All management fees for separately managed accounts will be negotiated on a case-by-case basis.

Other Advisory Business

ABC-UK also provides consulting and global macro advisory services to a non-U.S. based investment wealth manager for a fee. This business relationship is separate and distinct from the investment advisory business for the clients.

Item 6. Performance Based Fees and Side-by-Side Management

Arctic Blue Fund

The Manager will also receive an annual Performance Fee which will be calculated on a Series-by-Series basis in respect of each twelve-month period, ending on 31 December in each year (each, a “Calculation Period”) in an amount equal to the above outlined Performance Fee percentages per annum of the appreciation of each Series’ Net Asset Value, if any, during such period with respect to the Investment Shares per each respective Class of Shares. For a description of the manner in which the Performance Fee is borne by the Investment Shares, please refer to the offering memorandum.

The Master Fund does not pay additional Management Fees or Performance Fees.

Investors should note the following:

- (i) fees due to the Manager shall be paid not later than the tenth (10th) day following the relevant Valuation Day;
- (ii) the Performance Fee is subject to adjustment upon completion of the relevant audit for the Calculation Period and thus each year the Manager shall, if so requested by the Directors, acting in consultation with the Administrator and/or Auditor and/or other professional advisors as they shall consider suitable, retain such amount of the Performance Fee as the Directors shall determine until the Fund’s audit has been completed and in the event that the Performance Fees paid to the Manager are shown by the completed audit to have been too high, the Manager shall payback any overpayment to the Fund;
- (iii) similarly, each year, the Fund may retain such amount of the Performance Fee as the Directors, acting in consultation with the Administrator and/or Auditor and/or other professional advisors, consider suitable until the Fund’s audit has been completed, and in the event that the Performance Fees paid to the Manager are shown by the completed audit to have been too low, the Fund shall pay to the Manager such sum as shall be necessary to ensure the Performance Fee has been paid in full; and
- (iv) the Manager will be reimbursed by the Master Fund for all reasonable out-of-pocket expenses properly incurred in the performance of its services under the relevant agreement.

Separately Managed Accounts

Clients with separately managed accounts may also pay a performance fee in addition to, or in lieu of, the investment management fee as outlined in the investment management agreements. Performance incentives to be charged to separately managed account clients will be negotiated on a case-by-case basis.

These fees may create an incentive for ABC-UK to make investments on behalf of clients that are riskier or more speculative than would be the case in the absence of such an arrangement. In some cases, a client that does not pay a performance fee or incentive allocation may pursue a similar investment strategy as clients who do pay such fees. In those cases, the incentive fee arrangements may also create an incentive for ABC-UK to favor the incentive fee paying accounts over accounts that are assessed an asset based fee only.

ABC-UK maintains an allocation policy and procedures designed to ensure that allocations are made on a fair and equitable basis. As far as practicable, where two or more clients are equally suited to a type of investment opportunity and able and willing to participate, ABC-UK will allocate such investment equitably in order to ensure that each client has equal access to the same quality and quantity of the investment opportunities that are deemed appropriate for the investment strategy implemented by multiple clients.

Certain clients and investors may receive a fee rebate as negotiated in side letters due to size of client or investors in the fund and timing of investment.

Item 7. Types of Clients

The Arctic Blue Fund

ABC-UK provides investment advisory services to a private fund structured in a Master-Feeder structure and domiciled in the Cayman Islands. The Arctic Blue Offshore Feeder Ltd. and the Arctic Blue Master Fund Ltd. (collectively the “Arctic Blue Fund”) have been founded and registered with the Cayman Islands Monetary Authority under Section 4(3) of the Mutual Funds law (2009 revision). The fund structure was launched on 1 December 2015. The Fund currently has multiple USD share classes open to subscriptions, but may add additional currency share classes in the future.

Dealing for subscriptions is monthly (at month-end) with 2 business days’ notice required. The minimum initial investment is \$1,000,000. There are no subscription fees charged. The minimum subsequent investment is \$100,000, and the minimum holding for shares, by an investor is \$1,000,000 or such other amount as the directors may determine in their sole discretion.

In the event that a transfer by any investor (other than a transfer where there is no change of beneficial ownership) results in the minimum holding of that investor falling below the minimum holding level, the Directors reserve the right either: (i) to refuse to register the relevant transfer; or (ii) to register the relevant transfer and compulsorily redeem all of the remaining Investment Shares of that investor.

The Arctic Blue Fund is available to U.S. persons who are “Eligible Investors” under NFA regulations, and who are also Tax-Exempt under IRS regulations, qualify as “accredited investors” under Regulation D and who also meet the definition of “qualified purchasers” under the Investment Company Act of 1940.

Separately Managed Accounts

ABC-UK also provides investment management services to institutional investors. For a separately managed account, the minimum trading notional is USD\$10,000,000.

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

Investment Management

The ABC-UK investment team consists of three members: Mr. Jean Jacques Duhot, CIO, an external Senior Quantitative Analyst and a Trading Analyst.

All investment research, trading strategy development and trading execution is performed by the ABC-UK investment team. Only Mr. Jean Jacques Duhot has ultimate responsibility for putting on and taking off risk. In addition to Mr. Jean Jacques Duhot, the Trading Analyst has limited discretion to trade for the fund.

The Firm pursues two investment strategies: the Arctic Blue Original Strategy (“Original Strategy”), which is a systematic, commodity-focused strategy trading a diversified portfolio of breakout, trend, and reversal models. The Firm uses a suite of trading models which employ diversified signal processing techniques to adapt to changing market conditions aimed at capturing different types and durations of moves. The most critical trigger for the Firm’s models’ positioning is the phase off rising volatility. The strategy is designed to identify when rising volatility is associated with directional momentum and declining volatility is factored into adaptive money management rules leading the strategy exposure to decline as the risk reward factors become less attractive. The investment objective of the strategy is to provide client and investors with positive returns, targeting returns of 10% on 9% volatility in its unlevered form. There is no guarantee, however, that these targets will be met.

Subject to the investment restrictions and guidelines set out in the OM for the Arctic Blue Fund, ABC-UK aims to provide positive returns by investing in ten investment products (five commodity futures, three commodity ETFs, dollar index futures and volatility index futures) across three models. However, investors in the funds should be aware that the investment objective, investment technique and strategy and/or investment policy of the Arctic Blue Fund may be changed or varied by the directors, in consultation with ABC-UK, without prior approval by, or notice to, the investors.

The Firm also pursues the Atlanterra Strategy, which is a systematic equity dynamic hedge strategy, trading 59 global Equity ETFs through a diversified portfolio of breakout, trend and reversal models. The Atlanterra Strategy models work on the same principles as the Original Strategy and are implemented on US & International Equity Indices plus US Sectors, including both long and short signals, using US Listed ETF denominated in USD. The strategy is directional with price and volatility being the only two data inputs. The firm was also appointed, by H2O AM LLP, as sub-investment manager of the Arctic Blue Atlanterra fund, a sub-fund in H2O Global Strategies ICAV.

All client portfolios have a low trading frequency and an average holding period of 9-12 weeks. There is no directional bias for any model. All models may take long or short positions. Capital is

allocated to each model based on the risk profile and the volatility of the returns and is designed to have maximize the probability of multiple models performing positively simultaneously.

The Arctic Blue Fund is managed on a purely discretionary basis. Investors in the fund are not permitted to place any investment restrictions or objectives on the manager.

Clients with separately managed accounts may be permitted to place investment restrictions or objectives on the investment of its account, provided that the restrictions and objectives do not impact ABC-UK's ability to implement its strategy. All restrictions and mandates will be documented in the Investment Management Agreement with clients.

Risk Management

As mentioned above, H2O Risk team has ultimate responsibility for risk oversight and ensures risk is within the defined parameters. The team has the authority to instruct any position to be closed, should risk levels be breached. A daily risk and P&L report is distributed electronically on week days to the full risk monitoring and operations team. Additionally, the Risk Committee meets on a monthly basis to review the evolution of all risk levels during the prior weeks' trading. The Risk Committee is chaired by Jean Jacques Duhot and comprised of him other members of ABC-UK and H2O. In addition to a discussion on trading activity during the week, risk level evolution is discussed irrespective of there having been any breaches.

Investment Risks

Below is a general discussion of the most likely risks to impact the investment strategy implemented by ABC-UK. For a full discussion of all possible risks associated with the strategy, clients and investors should consult the OM for the Arctic Blue Fund.

Risk of Loss

An investment in the strategy involves a high degree of risk, including the risk that the entire amount invested may be lost. The strategy will invest in and actively trade financial instruments using a variety of investment techniques with significant risk characteristics, including the risks arising from the volatility of the currency and fixed income markets, the risks of borrowing, the risks arising from leverage associated with trading in the currencies and over-the-counter derivatives markets, the illiquidity of derivative instruments and the risk of loss from counterparty defaults. No guarantee or representation is made that the investment program will be successful or that the strategy's returns will exhibit low correlation with an investor's traditional securities portfolio. The strategy may utilise such investment techniques as margin transactions, leverage, derivatives trading and futures and forward contracts, which practices can involve substantial volatility and can, in certain circumstances, substantially increase the adverse impact to which the strategy's investment portfolio may be subject. Prospective clients and investors should consider the following additional factors in determining whether an investment in the strategy is a suitable investment:

Dependence on Key Individuals

ABC-UK will make all decisions with respect to the allocation of the strategy's assets and with respect to the trading activities of the strategy and thus the success of the strategy depends upon the ability of the directors or partners of ABC-UK and ABC-KY to develop and implement investment strategies that achieve the strategy's investment objective. Clients and investors will be dependent on ABC-UK's judgment and abilities and those of the ABC-KY to the extent of their duties and there is no assurance that ABC-UK will be successful. Accordingly, no person should purchase shares in the Arctic Blue Fund or open an account unless it is willing to entrust all aspects to the trading activities of the strategy to ABC-UK. If ABC-UK were to become unable to participate in the management or the investment of the strategy's assets, the consequence to the strategy could be material and adverse and could lead to the premature termination of the strategy. Investors will have no authority to take part in the management of the strategy or to make day to day investment decisions on behalf of the strategy.

General Investment and Trading Risks

All investments present the risk of loss of capital. Such investments are subject to investment-specific price fluctuations as well as to macro-economic, market and industry-specific conditions including, but not limited to, national and international economic conditions, domestic and international financial policies and performance, conditions affecting particular investments such as the financial viability of national and international politics and governmental events and changes in income tax laws. ABC-UK believes that the strategy's investment policy moderates this risk through a careful selection of securities and other financial instruments and strategies. No guarantee can be made that the trading of the strategy will be successful. The strategy's investment policy may utilise investment techniques which can, in certain circumstances, maximise any losses.

Availability of Investment Strategies

The success of the strategy's investment activities will depend on trading algorithms. The algorithms employed will react to signals, but there is no guarantee that market conditions will be such as to trigger such signals which may result in limited trading and lead to high portfolio and product concentration. No assurance can be given that the algorithmic trading employed in respect of the strategy will be successful.

Market Liquidity

The strategy may invest some or part of its assets in investments which may be illiquid, due to a relatively inactive market or due to legal or contractual restrictions on their resale. This can make it difficult to acquire or dispose of these investments at the prices quoted on the various exchanges and over the-counter and the market prices, if any, for these investments may be volatile and may not be readily ascertainable. At times it may be difficult to obtain price quotes at all. Therefore the strategy may be adversely affected by a decrease in market liquidity for the securities in which it invests and this may impair the strategy's ability to adjust its positions and it may experience adverse price movements upon liquidation of its investments. The strategy may not be able to sell these investments when it desires to do so or to realise what it perceives to be their fair value in event of a sale. In addition, the sale of such assets often requires more time and results in higher brokerage charges or dealer discounts and other selling expenses than does the sale of investments which are eligible for trading on an exchange or for which there is an active over-the-counter

market. The size of the strategy's positions may magnify the effect of a decrease in market liquidity for such instruments. An investment in the strategy is suitable only for certain sophisticated investors who do not require immediate liquidity for their investments.

Exchange Rate Fluctuations: Currency Considerations

Client and investor assets may be invested in securities denominated in other currencies and any income or capital received will be denominated in the local currency of investment. Accordingly, changes in currency exchange rates (to the extent unhedged) will affect the value of the Master Fund's portfolio and the unrealised appreciation or depreciation of investments. Further, the client or investor may incur costs in connection with conversions between various currencies. Currency exchange dealers realise a profit based on the difference between the prices at which they are buying and selling various currencies. Thus, a dealer normally will offer to sell currency to a client or investor at one rate, while offering a lesser rate of exchange should the client or investor desire immediately to resell the currency to the dealer. The client or investor will conduct its currency exchange transactions either on a spot (i.e. cash) basis at the spot rate prevailing in the currency exchange market or through entering into forward or options contracts to purchase or sell non-Dollar currencies. It is anticipated that most of the client or investor's currency exchange transactions will occur at the time securities are purchased and will be executed through the local broker or custodian acting for the client or investor.

Leverage and Financing Risk

Although the ABC-UK does not intend to employ leverage for investment purposes, it may, at its discretion, use leverage when trading derivatives as part of its overall risk management. The amount of borrowings and other forms of leverage which a client or investor may have outstanding at any time may be substantial in relation to its capital. While leverage presents opportunities for increasing a client or investor's total return, it has the effect of potentially increasing losses as well. Accordingly, any event which adversely affects the value of an investment by a client or investor would be magnified to the extent a client or investor is leveraged. The cumulative effect of the use of leverage by a client or investor in a market that moves adversely to a client or investor's investments could result in a substantial loss to a client or investor which would be greater than if a client or investor were not leveraged.

In general, the use of short-term margin borrowings results in certain additional risks to a client or investor. For example, should the securities pledged to brokers to secure a client or investor's margin accounts decline in value, a client or investor could be subject to a "margin call", pursuant to which a client or investor must either deposit additional funds or securities with the broker, or suffer mandatory liquidation of the pledged securities to compensate for the decline in value. In the event of a sudden drop in the value of a client or investor's assets, a client or investor might not be able to liquidate assets quickly enough to satisfy their margin requirements.

Trading in Futures

The strategy may invest and trade in futures. A futures contract is an agreement between two parties which obligates the purchaser of a futures contract to buy and the seller of a futures contract to sell a security or basket of securities or other instruments for a set price on a future date. The risk of loss in trading futures can be substantial. If the strategy purchases a future it may sustain a total loss of the initial margin funds and any additional funds deposited with a broker to

establish and maintain its position in the future. If the market moves against the strategy's position, the strategy may be required to deposit a substantial amount of additional margin funds in order to maintain its position. The placement of contingent or stop orders by the strategy will not necessarily limit its losses to the intended amounts, as market conditions may make it impossible for such orders to be executed. There can be no assurance that, at all times, a liquid market will exist for offsetting a futures contract that the strategy has bought or sold. This could be the case if, for example, a futures price has increased or decreased by the maximum allowable daily limit and there is no one presently willing to buy the futures contract the strategy wants to sell or sell the futures contract the strategy wants to buy. The high degree of leverage that can be used in trading futures can lead to large losses.

Item 9. Disciplinary Information

Neither ABC-UK nor its employees or affiliates have been involved in any legal or disciplinary events which would be material to a client's evaluation of the company or its personnel.

Item 10. Other Financial Industry Activities and Affiliations

1. As mentioned previously, ABC-UK is owned 100% by ABC-KY, which is also the manager to the Arctic Blue Fund. ABC-KY has appointed ABC-UK as the investment manager.

ABC-UK is registered with the U.S. Commodity Futures Trading Commission as CTA and CPO under the Commodity Exchange Act (“CEA”), as amended, and is a member of the National Futures Association (NFA ID 0493707).

2. The following “Commodity Pools” (as defined by the CFTC and the NFA) are associated with the ABC-UK structure and are registered as such:
 - Arctic Blue Offshore Feeder Ltd. (Pool ID P113819)
 - Arctic Blue Master Fund Ltd. (Pool ID P113820)
3. As mentioned previously, H2O is an indirect owner of ABC-UK and also provides operations and back office support to ABC-UK.

On October 4, 2017, the Financial Conduct Authority of the United Kingdom (the “FCA”) approved the acquisition of the Investment Manager, Arctic Blue Capital Ltd, by H2O Asset Management LLP (“H2O”) from Stable Asset Management Ltd. The acquisition was finalised on November 17, 2017.

4. ABC -UK is, by delegation of the Board of Directors of the Arctic Blue Fund (see Commodity Pools, above), appointed Commodity Pool Operator of the ABC-UK related Commodity Pools. Practically speaking, under current regulations this means that the Commodity Pool Operator for the ABC-UK related Commodity Pools will have a lower reporting requirement as long as the requirements of CFTC Regulation 4.7b are satisfied. This regulation does not, however, provide exemption from registration.

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

ABC-UK has adopted a Code of Ethics in accordance with Rule 204A-1 of the Investment Advisers Act which, among other things, contains provisions designed to (i) prevent improper personal trading by employees; (ii) prevent improper use of material, non-public information about securities recommendations made by ABC-UK or securities holdings of advisory clients and (iii) identify conflicts of interest, including monitoring of gifts and pay-to-play issues that could arise due to political donations by ABC-UK or its personnel.

In addition, incorporated into the Code of Ethics by reference is ABC-UK's "Personal Account Dealing Policy". All employees are requested to sign the Code of Ethics and Personal Account Dealing Policy which is then submitted to the Compliance team. In addition to requiring the pre-clearance of all Initial Public Offerings and Private Placements, the Personal Account Dealing Policy imposes an outright ban on any products traded by ABC-UK. Furthermore, the Personal Account Dealing Policy also requires quarterly transaction reports and annual holdings reports in accordance with the Rule. Attestations of all employees' compliance with the Code of Ethics and Personal Account Dealing Policy are collected on an annual basis.

A copy of the PAD policy may be requested from ABC-UK.

Item 12. Brokerage Practices

Best Execution and Directed Brokerage

Societe Generale (formerly Newedge) USA LLC has been appointed Clearing Broker to the managed accounts and the Arctic Blue Fund. In their capacity as brokers, they may execute purchase and sale orders for the clients, and, clear and settle such orders executed by other brokers.

Subject to any specific instructions given by clients, when placing orders on their behalf, the Firm will take all reasonable steps to obtain the best possible result for them by taking into account the following execution factors:

- price;
- costs;
- speed;
- likelihood of execution;
- settlement;
- order size;
- nature;
- venue; and
- any other relevant consideration.

Best execution applies to all financial instrument types, although “execution factors” should be considered and applied as appropriate to different instruments depending on the irrelative importance. In the majority of cases, the Firm would typically expect that the most significant issue to be taken into account will be the total consideration to be paid or received in each case such that there will be greater weight on the price and costs associated with each trade. However, there will be occasions when other factors may be more important or relevant and, as discretionary managers, the Firm may use its judgement and experience to give greater prominence to them.

Annually (or when material change occurs to investment strategy of the Arctic Blue Fund or other client, or the Firm’s ability to obtain the best possible results for its client(s)) the policy will be formerly reviewed in line with the Firm’s execution arrangements considering whether the approved brokers and/or execution venues are providing the best possible result for all client(s). This review also takes account of broker concentration and commission split between brokers.

Separately managed account clients may appoint their own clearing or execution brokers to be used for transactions. In those circumstances ABC-UK will monitor the execution obtained and inform the client if the Firm believes that the selected broker(s) are not providing best execution.

Trade Aggregation and Allocation

The ABC-UK may manage other portfolios and expects that the Arctic Blue Fund and other portfolios it manages will, from time to time, purchase or sell the same securities. ABC-UK may

aggregate orders for the purchase or sale of securities on behalf of the Arctic Blue Fund with orders on behalf of other portfolios that ABC-UK manages. Securities purchased or proceeds of securities sold through aggregated orders are allocated to the account of each portfolio managed by ABC-UK that bought or sold such securities at the average execution price. If less than the total of the aggregated orders is executed, purchased securities or proceeds will generally be allocated pro rata among the participating portfolios in proportion to their planned participation in the aggregated orders. Such trade splits and allocations are automatized according to pre-defined rules.

Trade Errors

ABC-UK maintains a trade error policy which requires that all errors must be communicated to the management and closed out / rectified as soon as practically possible. If the error is discovered after a market has shut, or if the trading period is illiquid (over-night or electronic market), the decision on whether to close the error will be at the discretion of the CIO. The clients will be responsible for the cost of any trade errors, as disclosed in the relevant offering documents and client agreements. If trade error results in a gain, the clients will be entitled to the gains.

Soft Dollars/Commission Sharing Agreements

ABC-UK may execute transactions with or through a broker with whom the Firm has arrangements under which that broker will from time to time provide to or procure for ABC-UK goods, services or other benefits, such as research and advisory services, the nature of which are such that their provision will assist in the provision of investment services to clients, but may be used by ABC-UK in connection with transactions in which particular clients may not participate. Any such arrangements shall provide for best execution in accordance with ABC-UK's execution policy. At the time of the filing, ABC-UK does not currently engage in commission sharing or soft dollar arrangements.

Item 13. Review of Accounts

ABC-UK's investment staff reviews client portfolios on an ongoing and continuous basis. Furthermore, the Risk Committee conducts formal portfolio reviews on a periodic basis as discussed in Item 8 above.

ABC-UK believes in offering complete transparency on all key aspects of the strategy's performance attribution and positions to clients and investors. All investors are sent an estimated monthly NAV announcement following month close, and they will also receive the monthly investor letter containing the final NAV, performance statistics and a portfolio manager commentary.

In addition, portfolio themes are discussed with investors on a monthly basis as well as reported on the monthly report, including how these themes changed throughout the month. A report quantifying some key risk metrics of the strategy is available upon demand. Timeliness of reporting: We aim to provide the reports as soon as practically possible.

Item 14. Client Referrals and Other Compensation

ABC-KY compensates a placement agent for introducing new investors that commit capital. In addition, ABC-UK may compensate other entities for soliciting non-U.S. clients and non-U.S. investors on its behalf.

Item 15. Custody

Neither ABC-UK nor any of its affiliates takes physical custody over any client assets. Furthermore, as an offshore investment manager to an offshore fund, ABC-UK is not obligated to comply with the Custody Rule under the Investment Advisers Act. Nonetheless, as a best practice, the Arctic Blue Fund will be audited on an annual basis and the financial statements of the feeder fund and the master fund will be prepared in accordance with US GAAP and distributed to all investors in the funds.

Item 16. Investment Discretion

ABC-UK manages client portfolios using a systematic trading strategy. Therefore, all client accounts will be managed on a fully discretionary basis.

Item 17. Voting Client Securities

While the majority of the investments traded by ABC-UK on behalf of clients are commodities futures, ABC-UK does engage in the management of certain securities which may solicit proxies. Therefore, there may be occasions on which ABC-UK receives a proxy voting ballot for an investment held in clients' accounts. It is ABC-UK's policy to vote proxies in the best interest of ABC-UK's clients. ABC-UK has implemented a proxy voting policy which addresses any conflicts of interest which may arise in the proxy voting process, as well as establishing guidelines of how ABC-UK will evaluate the votes and requiring records to be kept. For a list of proxies voted by the adviser or a copy of the proxy voting policy, please contact the number on the front of this brochure.

Item 18. Financial Information

ABC-UK has never filed for bankruptcy and is not aware of any financial condition that is expected to affect its ability to manage client accounts.