

Item 1 – Cover Page

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This brochure provides information about the qualifications and business practices of AC Investment Management, LLC (“ACIM” or “Adviser” or “Investment Manager”). If you have any questions regarding the contents of this brochure, please contact us at 212-245-8200 or via electronic mail, to Timothy A. Ward at TimW@acimfunds.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority. ACIM is a registered investment adviser. Registration of an investment adviser does not imply any level of skill or training. The oral and written communications of an adviser provide you with information with which you may determine to hire or retain an adviser. Additional information about ACIM is available on the SEC’s website at www.adviserinfo.sec.gov.

Item 2 – Material Changes

Item 2 of this brochure only covers material changes to the brochure since the last Form ADV Part 2A annual update that occurred on March 30, 2023.

The following individual, who previously qualified as a management person, is no longer listed as a Director of ACIM as it relates to its activities as a CPO: Ernest A. Scalamandre. The following individual, who had previously been noted as no longer being listed as a Director ACIM as it relates to its activities as a CPO, has returned to ACIM and qualifies as a management person once more: Philip R. Chapman. The following individual qualifies as a management person of ACIM as it relates to its activities as a CPO: Timothy A. Ward.

ACIM may provide other ongoing disclosure information about material changes as necessary and provide you with a new brochure as necessary based on changes or new information, at any time, without charge.

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Brochure Supplement(s)

Item 4 – Advisory Business

ACIM has been in business since February 2006 and started advising its first client in April 2006. ACIM offers the services described below to several private investment funds (each a “Fund” and collectively referred to as the “Funds”). The firm is principally owned in the majority by Ms. Daphne W. Scalamandre (“Scalamandre”). **As of March 27, 2024**, ACIM managed discretionary client assets valued at approximately **\$282,044,638** and manages no non-discretionary assets.

ACIM is filing a single Form ADV in reliance on the position expressed in the letter of the SEC staff to the American Bar Association, Business Law Section, dated January 18, 2012, regarding the Investment Advisers Act of 1940 – Section 203(a) and 208(d). Also included in this filing in reliance on this letter: Aurelian Capital GP, LLC the general partner of AGR Master, LP; Aurelian Holdings, LLC the general partner of Aurelian Plus, LLC; AC Energy Partners, LLC the general partner of AC Energy, LLC; and AC FTR, LLC the general partner of AC Energy, LLC.

Typically, ACIM provides investment advice to Funds formed as “master-feeder” structures which have a foreign entity (a Cayman Island exempt company) that “feeds” into a domestic entity (either a limited partnership or limited liability company) with the same investment strategy. These Funds serve as multi-manager portfolios for investors. The Funds are “Qualified Purchasers” as such definition is set forth in Section 3(c)(7) of the Investment Company Act of 1940, which generally requires investors to have a net worth greater than \$5,000,000. ACIM typically invests its client assets in investment vehicles trading in physical commodities and their related financial instruments, with a lesser emphasis on the equities and debt of companies. On an incidental basis, ACIM makes venture capital investments in sectors unrelated to physical commodities and their related financial instruments where ACIM has identified a venture capital portfolio company investment (each a “Portfolio Company” and collectively the “Portfolio Companies”) in which it may get involved in an active transformation with the belief that such involvement may generate a high level of return on investment. Investments are made through private funds or accounts managed by third-party managers and may also be made directly.

ACIM does not tailor its advisory services or investment objectives or strategies to the requests or needs of individual Fund investors. Investors are not permitted to restrict the Fund’s investments.

For a more detailed description of ACIM’s strategies and associated risks, please see the section titled Method of Analysis, Investment Strategies and Risk of Loss.

Item 5 – Fees and Compensation

ACIM receives fees for its investment management services. The fees are negotiable. The management fees are calculated by the Funds’ third-party administrator (NAV Fund Services (Cayman) Ltd.) and are accrued monthly in arrears. ACIM’s asset management fees are determined by the size of the Fund’s assets. The Funds’ management fee is currently one percent (1%) of assets under management. ACIM may also receive performance-based fees (or allocations) (generally referred to herein as performance fees). The current performance-based fee rate is currently ten percent (10%) and is paid quarterly in arrears based on the appreciation of the net asset value of each investor’s interest in the respective Fund. The performance fee is allocated automatically to the general partner at the end of each quarter if there is a profit. ACIM may reduce or eliminate management fees and/or performance fees with respect to any Fund investor in its sole discretion including investors that are members, principals, employees of ACIM or the general partner of a Fund or relatives of such persons and for certain large or strategic investors. Asset management fees and performance fees are calculated by the Funds’ third-party administrator.

ACIM will comply with Rule 205-3 of the Investment Advisers Act of 1940 with respect to performance-based fees. Each investor is asked to have his/her attorney review the contractual agreement that specifies

terms and conditions of the negotiated business arrangement. Either party may terminate the contract by notifying the other party in writing in advance of termination.

Any investment-related costs and other expenses common to a Fund and any other clients managed by the Adviser or its affiliates generally are incurred at the Fund level and borne by the Fund's investors pro rata in proportion to the size of the investment made by each investor. These costs and expenses are in addition to the asset management and performance-based fee assessed to a Fund by ACIM.

Also in addition to the asset management and performance-based fee assessed to a Fund by ACIM, each Fund bears all costs and expenses directly related to its investment program, including the compensation of managers of investment vehicles in which a Fund invests, other costs associated with specific investment transactions affected or positions held for a Fund's account including all fees and costs of the purchase of and the sale of interests in all investments of a Fund; underwriting and private placements; brokerage commissions; custody fees and any withholding or transfer taxes imposed on the Fund. The Fund also bears all out-of-pocket costs of the administration of a Fund, including accounting, audit and legal expenses, research and research-related expenses, and costs associated with reporting and providing information to existing and prospective Fund investors. A Fund's operator may, however, in its sole discretion, choose to absorb any such expenses incurred on behalf of the Fund. The above list and description of costs and investments that a Fund may bear is not complete. Thus, investors should refer to the offering document for each Fund for a complete description and list of costs and expenses that each Fund may bear.

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

ACIM has entered into performance-based fee arrangements with the Funds it manages. The Adviser will structure any performance-based fee arrangement subject to Section 205(a)(1) of the Investment Advisers Act of 1940 in accordance with the available exemptions thereunder, including the exemption set forth in Rule 205-3 as applicable. Performance-based fee arrangements may create an incentive for the Adviser to recommend investments which may be riskier or more speculative than those which would be recommended under a different fee arrangement. Such fee arrangements also create an incentive to favor higher fee paying client accounts over other client accounts in the allocation of investment opportunities. Third-party managers selected by ACIM to manage Fund assets may also have performance fees with respect to funds they manage. These performance compensation arrangements may create an incentive for those managers to effect transactions for a Fund's account that are particularly risky or speculative. ACIM has procedures designed and implemented to ensure that all clients are treated fairly and equally, subject to their investment objectives and restrictions, and to prevent these conflict from influencing ACIM's allocation of investment opportunities among clients.

The Funds' attempt to achieve their objective by allocating to various fundamentally based investment strategies (collectively, all such underlying strategies, whether managed by an "in-house" manager or an independent manager, the "Investment Strategies"). These strategies are managed both by proprietary "in-house" managers employed by the Investment Manager (AC Investment Management, LLC) or its affiliates ("Affiliated Portfolio Managers"), and third-party managers that are independent from the Investment Manager ("Independent Portfolio Managers," and collectively with the Affiliated Portfolio Managers, "Portfolio Managers"). An Affiliated Portfolio Manager will be generally be given trading discretion over a portion of the Funds' assets in order to execute a defined Investment Strategy, and will be entitled to trade without the prior knowledge of, or approval from, the Principal. The Funds' other direct investment activity will generally be considered "Direct Investments" as described in more detail below. Traditionally, the Investment Strategies seek to exploit definable inefficiencies and opportunities in a variety of financial and physical markets related to commodities, natural resources and their related instruments.

The Investment Manager generally allocates capital to Portfolio Managers and Direct Investments indirectly through other affiliated private pooled investment vehicles or special purpose vehicles (which may be wholly-owned by the Funds or co-owned with other Investment Strategies managed or controlled by the Investment Manager or the General Partner or co-owned with affiliates of the Investment Manager or the General Partner or third parties) managed or controlled by the Investment Manager or its affiliates ("Intermediate Vehicles") and Intermediate Vehicles may in turn allocate capital through other Intermediate

Vehicles. For the avoidance of doubt, the Intermediate Vehicles may also have other investors, including other investment vehicles managed by the Investment Manager and its affiliates.

Two of the Intermediate Vehicles through which capital is allocated are AGR Trading, LLC, a Delaware limited liability company (the "Trading LLC"), and AGR Trading SPC (the "Trading SPC" and, together with the Trading LLC, the "Trading Vehicles"), a Cayman Islands exempted company registered as a segregated portfolio company under the Companies Act (Revised) of the Cayman Islands (as amended from time to time).

Portfolio Manager Accounts. In addition to a performance-based profits allocation or fee, with respect to Portfolio Managers Accounts ("PM Accounts") that are in the form of separately managed accounts or single-investor Strategies, instead of paying an asset-based management fee, the Investment Manager may agree to have the Funds or the Intermediate Vehicle pay a Portfolio Manager, an amount, typically based on a budget approved by the Investment Manager, as payment or reimbursement of overhead and operating costs and expenses of a Portfolio Manager (including an Affiliated Portfolio Manager) which may be more or less than the actual overhead and operating costs and expenses incurred by a Portfolio Manager. The payment of such budgeted amounts may exceed typical asset-based management fees for similar services. The budgeted amounts are provided to the Funds' third-party Administrator by the Investment Manager and the Funds' third-party Administrator is not responsible for verifying these amounts which are borne by the Funds.

The payment of a budgeted amount instead of the payment of an asset-based management fee is the typical structure employed by the Trading Strategies (as defined above) for compensating Portfolio Managers in addition to the performance-based profits allocation or fee based on net profits of the PM Account. Portfolio Managers who have an approved budget include in the budget an amount that is in essence a salary. This is a sum that is usually not treated as an advance. Affiliated PMs also receive a true salary and benefits, which may be treated as an advance against their profits. However, and to reiterate, there usually is no "carryback" or "clawback" of losses to permit recouping of profit interests from prior years. Because Affiliated Portfolio Managers are typically engaged at the Trading Vehicle (level , they are also paid a budgeted amount rather than the asset-based management fee, in which case, such amounts are ultimately paid to the Investment Manager (for example for reimbursement for compensation, office space and other overhead expenses of the Investment Manager allocated to those Portfolio Managers as determined by the Investment Manager). The Investment Manager benefits from such reimbursements to the extent that such payments otherwise reduce the overhead and operating costs of the Investment Manager (for example, in cases where Affiliated Portfolio Managers subleases a portion of the Investment Manager's office space or participate in plans or benefits offered by the Investment Manager) because the Investment Manager does not have to pay such amounts out of the Management Fee, if applicable. Similarly, the Investment Manager benefits from the Funds' payment of the performance-based compensation paid to Affiliated Portfolio Managers, because the Investment Manager does not have to pay such amounts out of the Management Fee and the Management Fee is not reduced by such amounts (other than to the extent such expenses and performance-based compensation reduce the net assets on which the Management Fee is calculated). This arrangement incentivizes the Investment Manager to allocate the Funds' capital to Affiliated Portfolio Managers rather than Independent Portfolio Managers.

Item 7 – Types of Clients

ACIM offers its services to several private investment funds (the "Funds").

The underlying investors in the Funds, while not considered clients of ACIM under the Investment Advisers Act of 1940, are persons that are "accredited investors" within the meaning of Regulation D of the Securities Act of 1933, as amended and "qualified purchasers" under Section 2(a)(51) of the Investment Company Act of 1940. The Funds, investing in commodity futures, claim an exemption under 4.7 of the Commodity Exchange Act ("CEA"), which requires investors to be "Qualified Eligible Persons" under 4.7(a)(2) of the CEA, which in short means individuals must be accredited investors, Qualified Eligible Persons and Qualified Purchasers.

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

Investing in securities involves risk of loss that clients should be prepared to bear.

Methods of Analysis and Investment Strategies

Core Commodity Sector Investment

ACIM, subject to certain limitations and with regard to its core business, directs investments to third-party managers that may pursue a variety of different strategies in the commodity sector. ACIM does not intend to borrow funds to leverage any investments with these managers. These managers, however, most likely will employ varying degrees of leverage.

In addition, the Investment Manager may select Portfolio Managers who trade or invest in underlying economic models, mostly equity or debt instruments with links to natural resources. The Investment Manager attempts to select Portfolio Managers that are disciplined and utilize requisite infrastructure in research and risk management tools.

The Funds' seek to benefit from discretionary trading and investments in a broad spectrum of commodities and natural resources, among other things. Individual markets may include, but are not limited to:

- Power - natural gas, regional electricity prices, coal;
- Crude oil - sweet, sour, heavy, including related by-products, diesel, jet fuel, heating oil, gas oil, unleaded gas;
- Agricultural - wheat, soybeans, corn, cotton;
- Softs - coffee, cocoa, sugar, orange juice, dairy products;
- Meats - live and feeder cattle, lean hogs, pork bellies;
- Base metals - copper, aluminum, lead, zinc;
- Precious metals - gold, silver, platinum, palladium; and
- Emerging resource related instruments - weather derivatives, emission credits, cargo ship rates, water.

The Funds' focus may include, but are not limited to, Investment Strategies trading in physical commodities and their related financial instruments, with a lesser emphasis on corporate securities engaged in a commodity business. Notwithstanding the foregoing, the Investment Manager may allocate capital across Direct Investments and Investment Strategies in its sole and absolute discretion.

Strategies employed generally include four distinct sub-strategies: inter-commodity trading, intra-commodity trading, fundamental directional investing and agency/market making activities.

- Fundamental Directional Investing - the most prominent strategy, directional investing involves utilizing fundamental analysis to determine price movements;
- Inter-Commodity - strategies focus on one commodity either from a delivery point price differential (basis trading) future price point (forward curve) or different grade of commodity;
- Intra-Commodity - strategies focus on the relationships between different yet related commodities. For example, natural gas versus electricity, crude oil versus heating oil and corn versus wheat; and
- Market Making Activities - strategies focus on the agency business of trading commodities, including dealing in physical markets between suppliers and users of raw materials.

The Investment Manager analyzes the interaction between financially traded products and the underlying physical markets (including sub-markets). It seeks to identify the risks and opportunities afforded to managers in the developing sub-markets, including carbon emissions, weather, shipping and water. The Investment Manager's investment process involves developing and nurturing close relationships with commercial participants, agency dealers, fund managers and advisors. The Investment Manager attempts

to select Portfolio Managers that are disciplined and utilize requisite infrastructure in research and risk management tools.

The identity and number of Portfolio Managers of the Investment Strategies may change over time. The Investment Manager may withdraw from or invest in different Investment Strategies without prior notice to or consent from investors. The Investment Manager reserves the right to alter or modify some or all of the Fund's investment program in light of available investment opportunities and to take advantage of changing market conditions, where the Investment Manager concludes that such alterations or modifications are consistent with the Fund's objective.

The Investment Manager also expects to invest the Funds' assets in assets unrelated to commodities and other energy markets. The Funds' investments can at times include passive and controlling equity investments in operating companies, real estate and real estate related assets, debt instruments, and any other asset or investment that the Investment Manager, in its sole discretion, believes to be appropriate.

Qualitative aspects include, but are not limited to:

- Identifying dedicated strategies that ACIM believes have a distinct informational gathering or deciphering edge;
- Dedicated and driven management with a track record of success in previous endeavors, with a focus on integrity, honesty and professionalism;
- Risk management disciplines that are consistently applied;
- Broad industry endorsement, from peers, brokers, current and former employees;
- Management with a clear business model/plan, including future growth plans, assets under management and human resources, succession plans, infrastructure, and funding;
- Significant back-office infrastructure with an absence of conflicts of interest, including reporting, regulatory compliance, and trade processing; and
- Reputable and significant third-party service providers, including independent accounting, prime brokerage, legal, and audit.

Quantitative aspects include, but are not limited to:

- Performance relative to peers and benchmarks;
- Risk exposures, style drift, and negative performance periods;
- Performance in context of net exposures, sub-sector returns;
- Position sizing, style and strategy mix, and sector mix;
- Correlations with other managers in conjunction with full, partial or detailed portfolio review;
- Correlations with relevant benchmarks; and
- Leverage and margin to equity ratios in the context of the portfolio volatility.

On-going due diligence:

- Revalidate each of the six (6) principal characteristics (clear business model/plan; dedicated strategies with an edge; driven management; disciplined risk managers; reputable service providers; back office infrastructure);
- Utilize risk models with a focus on adhering to our initial mandate of capital preservation;
- When available, risk controls analyze daily/monthly liquidity, daily exposure reports, with continual monitoring of risk/reward parameters; and
- In the event a manager violates one (1) of the principles, they are placed on a watch list and likely terminated.

Venture Capital Investments

ACIM, subject to certain limitations and with respect to any venture capital investments, sources a Portfolio Company through pre-existing relationships of ACIM's principals. ACIM then considers, to the extent applicable for a particular investment by a Fund, factors such as:

- The quality of the management team and its background and experience;
- The location of existing and future business opportunities;
- Competitive landscape for the business;
- Competition to complete the applicable investment;
- The ability to finance an investment in or acquisition of the company or asset;
- Probability of closing;
- The ability to enhance value through growth and other business initiatives;
- The opportunities for exiting the business; and
- Expected return on investment.

Considering these and other factors allows ACIM to more fully evaluate whether a particular investment is suitable for a Fund.

ACIM subjects prospective portfolio companies to a thorough due diligence process that in addition to the due diligence conducted directly by ACIM employees and other personnel, will often include, at the applicable Fund's expense, outside third party advisors having suitable legal, financial, tax, accounting, market, industry, sector, operational or investigatory expertise. ACIM seeks to identify on behalf of the Funds not only the potential for growth and value creation, but also the challenges to achieving that potential.

ACIM's decision-making process includes input from relevant ACIM employees and personnel before being presented for final approval to Timothy A. Ward.

ACIM generally seeks to become actively involved in its Funds' investments in order to seek the sort of rapid and transformational changes that ACIM often believes is possible for its Funds' investments. For each Portfolio Company of each of the Funds, ACIM seeks to work closely with the Portfolio Company's management team to implement a strategic growth plan, increase operating cash flows and build long-term equity value.

ACIM seeks to assess likely exit routes prior to investment but, given the rapidly changing nature of markets, maintains a flexible approach to exit throughout the life of an investment. ACIM focuses on building Portfolio Companies with professional management and strong growth prospects in order to position Portfolio Companies to attract maximum interest at exit.

The Funds' attempt to achieve their objective by allocating to various fundamentally based investment strategies (collectively, all such underlying strategies, whether managed by an "in-house" manager or an independent manager, the "Investment Strategies"). These strategies are managed both by proprietary "in-house" managers employed by the Investment Manager or its affiliates ("Affiliated Portfolio Managers"), and third-party managers that are independent from the Investment Manager ("Independent Portfolio Managers," and collectively with the Affiliated Portfolio Managers, "Portfolio Managers"). An Affiliated Portfolio Manager will be generally be given trading discretion over a portion of the Funds' assets in order to execute a defined Investment Strategy, and will be entitled to trade without the prior knowledge of, or approval from, the Principal. The Funds' other direct investment activity will generally be considered "Direct Investments" as described in more detail below. Traditionally, the Investment Strategies seek to exploit definable inefficiencies and opportunities in a variety of financial and physical markets related to commodities, natural resources and their related instruments.

Risks

It is possible that some of the investment vehicles and direct investments selected by ACIM will not meet all of the above criteria, and that some or all of the investments selected by ACIM will not perform as anticipated. The summary above is based upon numerous assumptions and opinions of ACIM concerning world financial markets and other matters, the accuracy of which cannot be assured. There can be no assurance that the Fund's investment strategy will achieve profitable results, and results may vary substantially over time. Past performance of the Fund or that of ACIM or its affiliates is not indicative of future results of the Fund. Investors risk the loss of their entire investment.

The risks below are summaries of the material risks of ACIM's primary investment strategies. For more detailed information regarding each Fund's risks refer to the Fund's offering memorandum.

Commodity Futures and Physical Commodities

Commodity interest prices are highly volatile. Price movements for commodity interests are influenced by, among other things: changing supply and demand relationships; weather; agricultural, trade, fiscal, monetary, and exchange control programs and policies of governments; United States ("U.S.") and foreign political and economic events and policies; changes in national and international interest rates and rates of inflation; currency devaluations and revaluations; and emotions of the marketplace. None of these factors can be controlled by ACIM.

Commodity futures trading is also highly leveraged. The leverage in futures trading comes from the minimal amount of margin necessary to purchase a futures contract. Normally, the amount of margin funds necessary to be deposited with a futures broker in order to enter into a futures contract position is between three percent (3%) and ten percent (10%) of the total value of the contract but can be more or less. A relatively small movement in the price of a contract can produce a loss that is equal to or substantially greater than the margin deposit.

Foreign Securities

Foreign equity securities involve risks in addition to those associated with domestic investments. These risks include adverse legal, political, or economic developments. Since the economies of foreign countries generally are heavily dependent upon international trade, trade barriers, and exchange controls may adversely affect companies located in such countries. Because the securities purchased in a foreign market may be denominated or quoted in currencies other than the U.S. dollar, changes in foreign currency exchange rates may affect the value of securities in the portfolio of a Fund. ACIM does not enter into transactions for clients designed to hedge against currency fluctuation. Funds, and thus investors in the Funds, may also incur costs in connection with conversions from various currencies.

Conflicts of Interest Involving Managers

Third-party managers may engage in other forms of related and unrelated activities in addition to advising investment vehicles in which the Funds invest. They may also make investments in securities for their proprietary or related accounts. Activities such as these could detract from the time a manager devotes to the affairs of the investment vehicle in which the Funds invest. In addition, certain of the managers may engage affiliated entities to furnish brokerage services to the investment vehicle, and others may themselves provide market-making services, including those of counterparty in stock and over-the-counter transactions. As a result, in such instances the choice of broker, market-maker or counterparty and the level of commissions or other fees paid for such services (including the size of any mark-up imposed by a counterparty) may not have been made at arm's length.

Absence of Regulation Concerning Investment Vehicles

Investment vehicles in which the Funds invest, and their respective managers, are subject to varying levels of regulation. Hedge funds are not registered as investment companies under the Investment Company Act

of 1940 and their managers often are not registered as investment advisers under the Investment Advisers Act of 1940 or as commodity pool operators or commodity trading advisors under the CEA, with the consequence that many of the protections afforded to investors by those laws are not applicable. Similarly, certain investments in funds and accounts formed and operated outside the U.S. may not be subject to comprehensive government regulation. The managers of such investment vehicles may not be covered by insurance or by fidelity bonding. In addition, the Fund generally has no control over the selection of the custodians of the assets of such investment vehicles, which also may be subject to a lesser degree of government supervision or regulation than commercial banks, trust companies or securities dealers conducting business within the U.S.

Leverage

The Funds and certain investment vehicles in which the Funds invest may trade on margin, engage in other forms of borrowing to finance their operations and use other forms of financial leverage. The level of interest rates and the rates at which the Funds or investment vehicles can borrow will affect the operating results of the Funds or those investment vehicles. Fluctuations in the market value of the portfolio of a heavily leveraged investment vehicle can have a disproportionately large effect in relation to the capital of that investment vehicle. Any event which may adversely affect the value of positions held by an investment vehicle could significantly affect the net asset value of the Funds.

Derivatives

Derivative instruments include futures, options, swaps, structured investments and other instruments and contracts that are derived from, or the value of which is related to, one or more underlying investments, financial benchmarks, currencies or indices. Derivatives allow an investor to hedge or speculate upon the price movements of particular investments at a fraction of the cost of investing in the underlying asset. The value of a derivative depends largely upon price movements in the underlying asset. Therefore, many of the risks applicable to trading the underlying asset are also applicable to derivatives of such asset. However, there are a number of other risks associated with derivatives trading. For example, because many derivatives are “leveraged,” and thus provide significantly more market exposure than the money paid or deposited when the transaction is entered into, a relatively small adverse market movement can not only result in the loss of the entire investment, but may also expose a Fund to the possibility of a loss exceeding the original amount invested. Derivatives may also expose investors to liquidity risk, as there may not be a liquid market within which to close or dispose of outstanding derivatives contracts. The counterparty risk lies with each party with whom the Fund or investment vehicles in which the Funds invest contract for the purpose of making derivative investments. In the event of a counterparty’s default, the Funds or the investment vehicles will only rank as unsecured creditors and risk the loss of all or a portion of the amounts they are contractually entitled to receive.

Energy Market Risk

The Fund and investment vehicles in which the Funds invest may have significant investments in the energy markets, through investments in derivative instruments, physical commodities, or other investments. Energy markets may be subject to short-term volatility due to a variety of factors, including weather, international political and economic developments, breakdowns in the facilities for the production, storage or transport of energy and energy-related products, acts of terrorism, changes in government regulation, and sudden changes in fuel prices. The Funds may be affected to a greater extent by any of these developments than would be the case with a more diversified portfolio of investments.

Concentration of Investments

ACIM has broad discretion over the Funds’ investment programs and may choose to allocate substantial portions of Funds’ assets to an investment vehicle or to a particular security. It is the intention of ACIM to allocate the capital of each Fund in a manner that will provide for diversification among investment strategies, managers and securities. There can be no assurance, however, that the third-party managers of investment vehicles and/or ACIM will not take substantial positions in the same security at the same time.

Such an occurrence may tend to result in more rapid changes in ACIM's portfolios, upward or downward, than would be the case with greater diversification, with the result that a loss in any such position could have a material adverse impact on each Fund's capital. Managers may also make similar market timing decisions and asset allocation decisions between equity securities and cash equivalents or some combination of these and other strategies.

Hedging Transactions

The Adviser will, from time to time, employ various hedging techniques to attempt to reduce the risk of an outright purchase of an investment or highly speculative investments in securities. There remains a substantial risk, however, that hedging techniques may not always be effective in limiting losses. If the Adviser analyzes market conditions incorrectly or employs a strategy that does not correlate well with portfolios' investments, the hedging techniques could result in a loss, regardless of whether the intent was to reduce risk or increase return. Further, a specific hedge may not be available with respect to a particular investment and even if available, may not perfectly match the position which is sought to be hedged. These hedging techniques may also increase the volatility of client portfolios; may involve a small investment of cash relative to the magnitude of the risk assumed; or result in a loss if the other party to the transaction does not perform as promised.

Small to Medium Capitalization Companies

ACIM may invest a portion of Fund assets in the stocks of companies with small to medium-sized market capitalizations. While ACIM believes these investments often provide significant potential for appreciation, those stocks, particularly smaller-capitalization stocks, involve higher risks in some respects than do investments in stocks of larger companies. For example, prices of such stocks are often more volatile than prices of large-capitalization stocks. In addition, due to thin trading in some such stocks, an investment in these stocks may be more illiquid than that of larger capitalization stocks.

Illiquid and Long-Term Investments

Although a Fund's investments in its Portfolio Companies may occasionally generate some current income, the return of capital and the realization of gains, if any, from an investment generally will occur upon the partial or complete disposition of such investment. While an investment may be disposed of at any time, it is not generally expected that this will occur for a number of years after the investment is made.

Investment in Junior Securities

A Fund's investments in Portfolio Companies will consist primarily of securities issued by privately held companies, and operating results in a specific period will be difficult to predict. Generally, there will be no readily available market for a substantial number of a Fund's investments and, consequently, most of a Fund's investments will be difficult to value. In general, there will be no collateral to protect an investment once made.

Minority or Joint Venture Investments

Each Fund may hold a minority interest in Certain Portfolio companies and, therefore, may have a limited ability to protect its position against adverse decisions taken by the majority interest holders.

Bridge Financings

From time to time, a Fund may lend to portfolio companies on a short-term, secured or unsecured basis in anticipation of a future issuance of equity or long-term debt securities or other refinancing. Such bridge loans would typically be convertible into a more permanent, long-term security. However, for reasons not always in a Fund's control, such issuance of long-term securities or other refinancing may not occur and

such bridge loans may remain outstanding. In such event, the interest rate on such loans may not adequately reflect the risk associated with the unsecured position taken by a Fund.

Item 9 – Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of the Adviser or the integrity of its management. ACIM has no applicable disciplinary information.

Item 10 – Other Financial Industry Activities and Affiliations

Aurelian Capital GP, LLC (“Aurelian GP”) is the general partner of AGR Master, LP. Aurelian Holdings, LLC is the general partner of Aurelian Plus, LLC. Aurelian GP owns a partnership interest issued in each domestic Fund. Aurelian Capital, Ltd. is the investment manager of Aurelian Global Resources, Ltd., and the manager of AC Macro, Ltd. AC Energy Partners, LLC is the investment manager of AC Energy, LLC. AC FTR, LLC is the general partner of AC Energy, LLC.

ACIM, directly or through an affiliated entity, participates in the investments of these Funds pro-rata based upon a capital account in the domestic (master) entity and receives from these Funds an incentive allocation equal to a percentage of the net realized and unrealized appreciation allocated to the capital accounts of each investor in the Fund as of the end of each calendar quarter, subject to certain adjustments. In addition, ACIM may receive a management fee from each domestic (master) entity and each offshore (feeder) entity.

ACIM is registered with the Commodity Futures Trading Commission (“CFTC”) as a commodity pool operator (“CPO”). The following individuals, which qualify as management persons, are registered as associated persons of ACIM as it relates to its activities as a CPO: Timothy A. Ward. The following individuals, which also qualify as management persons, are listed as principals of ACIM as it relates to its activities as a CPO: Timothy A. Ward and Philip R. Chapman. AC FTR, LLC (the general partner of AC Energy, LLC) is registered with the CFTC as a CPO.

Item 11 – Code of Ethics

ACIM has adopted a code of ethics and professional standards and guidelines designed to detect and prevent prohibited acts and mitigate potential conflicts of interest between ACIM or its employees or affiliates and any client of ACIM. ACIM has adopted procedures reasonably necessary to prevent its access persons from violating its Code of Ethics (the “Code”). The Code requires all access persons to submit reports of all applicable brokerage accounts and holdings. No access person may acquire a security in an initial public offering or private securities sale without the written consent of the Managing Member of ACIM. Violations of the code by an access person may result in various sanctions, including possible termination. However, clients should be aware that no set of rules or procedures could possibly anticipate or relieve all potential conflicts.

Item 12 – Brokerage Practices

Subject to applicable investment policies set forth in the Funds’ offering documents, there is no limitation on ACIM’s authority to determine, without obtaining specific investor consent, securities (which for discussion purposes herein shall include futures contracts and other similar financial instruments) to be bought and sold and the amount of such securities to be bought and sold, the executing broker(s) to be used (on a give-up basis), the commission rate to be paid, or the markets on which the transactions will be executed. In placing portfolio transactions, ACIM will seek to obtain the best execution for the Funds. The selection of brokers for transactions in securities is generally made by ACIM in accordance with a ranking of brokers determined by ACIM. Such ranking is based upon a variety of factors, including: available prices and rates of brokerage commissions, the size and type of transaction, research, the nature and character of the markets for the security to be purchased or sold; reliability and financial responsibility of the broker; the execution efficiency and financial condition of the broker; the brokerage execution services rendered on a continuing basis; and other services provided by the broker. ACIM negotiates with each of these

brokers in an attempt to obtain the lowest available commission on behalf of the client, without sacrificing the quality of the execution services. ACIM also considers the overall quality of execution, the broker's responsiveness to ACIM, and the other services provided by the broker.

In addition, subject to ACIM obligations to seek best execution, ACIM may consider referrals of investors in selecting brokers. ACIM may pay higher prices for the purchase of securities from or accept lower prices for the sale of securities to brokerage firms that provide it with such investment and research information or to pay higher commissions to such firms if ACIM determines such prices or commissions are reasonable in relation to the overall services provided. Research services furnished by brokers may include written information and analyses concerning specific securities, companies or sectors; market, financial and economic studies and forecasts; statistics and pricing or appraisal services; discussions with research personnel; and invitations to attend conferences or meetings with management or industry consultants. ACIM is not required to weigh any of these factors equally. ACIM's fee is not reduced as a consequence of the receipt of such supplemental research information. Research services provided by broker-dealers used by each client may be utilized by ACIM or its affiliates in connection with its investment services for other client accounts. Since commission rates in the U.S. are negotiable, selecting brokers on the basis of considerations which are not limited to applicable commission rates may at times result in higher transaction costs than would otherwise be obtainable.

The above notwithstanding, it is ACIM's current policy not to use "soft dollars" generated by Funds to pay for third-party research and non-research related services. The term "soft dollars" refers to the receipt by an investment manager of products and services provided by brokers, without any cash payment by the investment manager, based on the volume of revenues generated from brokerage commissions for transactions executed for clients of the investment manager. The products and services available from brokers include both internally generated items (such as research reports prepared by employees of the broker) as well as items acquired by the broker from third parties (such as quotation equipment). Section 28(e) of the United States Securities Exchange Act of 1934 provides a "safe harbor" to investment managers who use "soft dollars" generated by their advised accounts to obtain investment research and brokerage services that provide lawful and appropriate assistance to investment managers in the performance of investment decision-making responsibilities. It is the policy of ACIM not to use "soft dollars" generated by Funds to pay for the costs and expenses of operation of ACIM. The use of brokerage commissions to obtain investment research services and to pay for the administrative costs and expenses of ACIM would create a conflict of interest between ACIM and the Funds, because the Funds pay for such products and services that are not exclusively for the benefit of the Fund and that may be primarily or exclusively for the benefit of ACIM.

Item 13 – Review of Accounts

ACIM reviews Fund holdings on a daily basis. In addition, Timothy A. Ward has regular conversations with third-party sub-advisers or managers regarding their performance and investment activity. Prior to allocating assets to a third-party sub-adviser or manager, ACIM conducts quantitative and qualitative review of such manager. Timothy A. Ward or an employee of Timothy A. Ward and/or ACIM reviews, on a monthly basis, the performance of a sub-adviser or manager allocated assets to ensure that the investment activity is within the stated objectives and risk guidelines.

ACIM provides Fund investors a monthly letter stating the previous month's unaudited results along with ACIM's comments on significant market or investment developments relating to ACIM-sponsored private Fund holdings. In addition, ACIM sends each investor at least on a quarterly basis, an account statement reflecting the net asset value of Fund(s) in which an investor has an interest and the ownership interest of possessed by the client. ACIM makes an effort to ensure that, one hundred eighty (180) days after the end of each fiscal year, each investor in a Fund is furnished with certified audited financial statements of the respective Fund and to provide to investors any Fund-related tax information necessary for the preparation of the investors' income tax returns.

Item 14 – Client Referrals and Other Compensation

ACIM may agree to share a portion of the management fees or net new profits otherwise allocable to it with persons who introduce clients to ACIM or a subscriber to ACIM-managed private Fund. Any commissions and/or placement fees will only be paid to persons who are registered as a broker-dealer under the Securities Act of 1934 or appropriately exempt therefrom.

Item 15 – Custody

ACIM only has custody by virtue that it can direct debit fees for the Funds it manages. Neither ACIM nor its affiliates take physical custody of any client assets. Funds' prime brokers have custody, and the Fund's administrator provides reports to investors as discussed. Pursuant to Rule 206(4)-2 of the Investment Advisers Act of 1940, as amended, ACIM satisfies its custody obligations by ensuring that all Funds are audited as required by the rule and that investors in the Funds receive the financial statements resulting from such audits as required.

Item 16 – Investment Discretion

ACIM receives discretionary authority from Funds at the outset of an advisory relationship to select the identity and amount of securities and other investments to be bought or sold. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client. Investment guidelines and restrictions must be provided to ACIM in writing.

Item 17 – Voting Client Securities

As a matter of firm policy and practice, and given the nature of the investments made on behalf of client accounts, ACIM does not vote proxies on behalf of advisory clients. ACIM generally invests in commodities and in other investments through separately-managed accounts and private funds. These types of investments either typically have no proxies and/or ACIM is not responsible for voting proxies with respect to investments. To obtain a copy of ACIM's proxy voting policies, please contact Timothy A. Ward at TimW@acimfunds.com.

Item 18 – Financial Information

A registered investment adviser is required to provide you with certain financial information or disclosures about its financial condition. ACIM has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.