

**Item 1 – Cover Page**

**E CAPITAL MANAGEMENT L.P.**

**375 Park Avenue**

**Suite 2802**

**(212) 891-8600**

**February 29, 2012**

This brochure provides information about the qualifications and business practices of E Capital Management L.P. (the “Advisor”). If you have any questions about the contents of this brochure, please contact us at (212) 891-8625 or [eeeca@eeadvisors.com](mailto:eeeca@eeadvisors.com). 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.

The Advisor 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 which you assess to determine whether to hire or retain an adviser.

Additional information about the Advisor also is available on the SEC’s website at [www.Adviserinfo.sec.gov](http://www.Adviserinfo.sec.gov).

**Item 2 – Material Changes**

There have been no material changes to the information provided in the September 9, 2011 update of the previous form of this ADV Part 2.

We currently offer information about our qualifications and business practices to clients on at least an annual basis. Clients will also receive a summary of any material changes to this and subsequent brochures within 120 days of the close of our business’ fiscal year. We

may provide other periodic updated information about material changes as required. If necessary, we will provide you with a new brochure based on changes or new information, at any time, without charge.

Currently, our brochure may be requested by contacting our General Counsel, Tinika Brown, at (212) 891-8625 or [tbrown@eeadvisors.com](mailto:tbrown@eeadvisors.com).

Additional information about the Advisor is also available via the SEC's web site [www.Advisorinfo.sec.gov](http://www.Advisorinfo.sec.gov). The SEC's web site also provides information about any persons affiliated with the Advisor who are registered, or are required to be registered, as investment Advisor representatives of the Adviser.

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#### **Item 4 – Advisory Business**

The Advisor is a Delaware limited partnership, formed on June 18, 2001. E&E Capital Advisors LLC, a Delaware limited liability company (“EECA”), serves as the General Partner of the Advisor. The limited partners of the Advisor are Joel S. Ehrenkranz, Sanford B. Ehrenkranz, Roger A. Goldman, Amy G. Bermingham, Andrew Sommers, John B. Ehrenkranz and Patrick J. C. Shaw. Joel S. Ehrenkranz is the largest interest holder of the Advisor and is the only owner who owns over 25% of the Advisor. EECA is owned by the same individuals.

The Advisor acts as general partner to affiliated domestic investment vehicles (“Advisor Managed Funds”) (i) which are privately placed, (ii) which are not registered under the Investment Company Act of 1940, as amended, and (iii) which may or may not be continuously offered.

The Advisor generally does not provide investment advice about specific securities, but allocates client assets to pooled investment vehicles or separate accounts managed by professional specialized fund managers and trading advisors that utilize a broad range of investment strategies, as discussed in Item 8.

As of January 31, 2012, the Advisor managed on a discretionary basis approximately \$3.7 billion of assets invested in the Advisor Managed Funds.

#### **Item 5 – Fees and Compensation**

The Advisor charges a fee for serving as general partner of the Advisor Managed Funds. In the case of Advisor Managed Funds that make hedge fund investments, the Advisor charges the fund 1.0% to 1.5% per annum of the net asset value of assets under management (the “HF Management Fee”). In the case of Advisor Managed Funds that make private equity investments, the Advisor charges 0.5% to 1.0% of either committed capital or net invested capital, depending on the investment cycle stage and terms of each such fund (the “PE Management Fee” and, together with the HF Management Fee, the “Management Fees”). The Management Fees are non-negotiable but may be waived or reduced in the Advisor’s discretion.

HF Management Fees are calculated quarterly in advance and either deducted monthly or quarterly in arrears, depending on the fund. PE Management Fees are calculated annually in advance and deducted monthly in arrears.

Advisor Managed Funds invest in non-affiliated pooled investment vehicles managed by professional specialized fund managers that utilize a broad range of investment strategies ("Portfolio Funds") and in managed accounts. Assets invested in Portfolio Funds or in managed accounts are separately subject to management and/or incentive fees which may be imposed by those managers or entities directly and which are in addition to the Management Fees. The Advisor does not share in any such other fees.

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

The Advisor does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client).

Because the Advisor does not charge any performance-based fees, it does not anticipate conflicts of interest in connection with the side-by-side management of its accounts.

#### **Item 7 – Types of Clients**

The Advisor provides advisory services only to affiliated pooled investment vehicles which include the Advisor Managed Funds and any future investment pools formed by the Advisor.

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

Investing in securities involves a high degree of risk, including the risk that the entire amount invested may be lost. Clients should be prepared to bear this risk. While the Advisor does not provide investment advice about specific securities, it allocates Advisor Managed Fund assets on a discretionary basis to Portfolio Funds and managed accounts with the goal of creating a portfolio of investments that targets attractive rates of return.

The core strategies utilized by the Advisor and their attendant risks are discussed below. It should be noted, however, that the following disclosure is only intended to highlight the material risks associated with each investment strategy and is not a comprehensive disclosure of all risks associated with such strategies. The offering documents provided by the Advisor should be reviewed for a comprehensive discussion of all investment risks.

## **INVESTMENTS IN ADVISOR MANAGED FUNDS:**

**Multiple Levels of Fees and Expenses** – By investing in Portfolio Funds indirectly through an Advisor Managed Fund, the investor bears asset-based fees of both the Advisor Managed Fund and the Portfolio Fund as well as any performance-based fees of the Portfolio Funds. Thus, investors in the Advisor Managed Funds may be subject to higher operating expenses than if he or she invested in a Portfolio Fund directly.

**The Advisor Will Not Control the Portfolio Funds** – The Advisor does not and will not control the Portfolio Funds, and there can be no assurances that Portfolio Funds will be managed in a manner consistent with the Advisor Managed Fund's investment objective.

**Portfolio Funds May be Difficult to Value** - The valuation of the Advisor Managed Fund's investments in Portfolio Funds is ordinarily determined based upon valuations calculated by the Advisor based on information provided by the Portfolio Funds and their auditors. Although the Advisor reviews the valuation procedures used by the Portfolio Funds, the Advisor may not be able to confirm or review the accuracy of such valuations.

## **NON-EQUITY CORRELATED/ABSOLUTE RETURN:**

Non-equity correlated and/or absolute return strategies include hedged or event driven strategies that are used to achieve returns that are intended to have low correlation to equity market movements. These strategies include, but are not limited to distressed debt, hedged and unhedged credit, merger, statistical and capital structure arbitrage, market-neutral equity and macro and quantitative model driven strategies.

**Arbitrage and Market-Neutral Strategy Risks** - The success of an arbitrage or market neutral strategy depends on the ability of the Portfolio Fund Manager to identify overvalued and undervalued investment opportunities and to exploit price discrepancies in the capital markets. Identification and exploitation of the trading strategies to be pursued by the Portfolio Fund Managers involves uncertainty. No assurance can be given that the Portfolio Fund Manager will be able to identify correctly trading opportunities or exploit price discrepancies in the capital markets. A reduction in the pricing inefficiency of the markets in which the Portfolio Fund Manager invests will reduce the scope for the investment program of the Portfolio Fund. In the event that the perceived mispricings underlying the arbitrage positions of the Portfolio Fund Managers were to fail to converge toward, or were to diverge further from, relationships expected by the Portfolio Fund Manager, the Portfolio Funds may incur losses. The arbitrage strategies of the Portfolio Manager may result in greater portfolio turnover and, consequently, greater transaction costs for the Portfolio Funds. Investors in this strategy may be adversely affected by unforeseen events

involving such matters as changes in market liquidity, interest rates or the credit status of an issuer, forced redemptions of securities or acquisition proposals.

**Distressed Securities Risks** - A Portfolio Fund Manager, on behalf of a Portfolio Fund, may invest in distressed securities. These securities are in transition, out of favor, financially leveraged or troubled and may be or have recently been involved in major strategic actions such as a restructuring, bankruptcy, reorganization or liquidation. As a result, these securities are likely to be particularly risky investments although they also may offer the potential for correspondingly high returns. Such companies' securities may be considered speculative, and the ability of such companies to pay their debts on schedule could be affected by adverse interest rate movements, changes in the general economic climate, economic factors affecting a particular industry, or specific developments within such companies. In addition, there is no minimum credit standard that is a prerequisite to a Portfolio Fund's investment in any instrument, and a significant portion of the obligations and preferred stock in which a Portfolio Fund invests may be less than investment grade or unrated by a recognized ratings agency.

**Credit Related Risks** - Portfolio Funds may invest in corporate and government debt obligations. The market value of debt securities generally tends to decline as interest rates increase and, conversely, increases as interest rates decline. Debt obligations are subject to the risk of an issuer's inability to meet principal and interest payments on the obligations, i.e., credit risk. The Portfolio Fund Manager may actively expose the Portfolio Fund to credit risk. Additionally, the central banks and, in particular, the U.S. Federal Reserve, have recently taken unprecedented steps in an effort to resolve the recent "credit crisis." It is impossible to predict if, how, and to what extent the United States and other governments may further intervene in the credit markets. Such intervention may be contrary to what the Portfolio Fund Manager would predict from an "economically rational" perspective.

Certain Portfolio Fund Managers may also engage in short selling debt securities. Short selling involves selling securities which are not owned by the short seller and borrowing them for delivery to the purchaser, with an obligation to replace the borrowed securities at a later date. Short selling allows the investor to profit from a decline in market price to the extent such decline exceeds the transaction costs and the costs of borrowing the securities. The extent to which the Portfolio Fund engages in short sales will depend upon the Portfolio Fund Manager's investment strategy and opportunities. A short sale creates the risk of a theoretically unlimited loss, in that the price of the underlying security could theoretically increase without limit, thus increasing the cost to the Portfolio Fund of buying those securities to cover the short position. There can be no assurance that the Portfolio Fund will be able to maintain the ability to borrow securities sold short. In such cases, the Portfolio Fund can be "bought in" (i.e., forced to repurchase securities in the open market to

return to the lender). There also can be no assurance that the securities necessary to cover a short position will be available for purchase at or near prices quoted in the market. Purchasing securities to close out a short position can itself cause the price of the securities to rise further, thereby exacerbating the loss.

A Portfolio Fund may also utilize financial instruments, both for investment purposes and for risk management purposes in order to (i) protect against possible changes in the market value of the Portfolio Fund's investment portfolios resulting from fluctuations in the securities markets and changes in interest rates; (ii) protect the Portfolio Fund's unrealized gains in the value of the Portfolio Fund's investment portfolio; (iii) facilitate the sale of any such investments; (iv) enhance or preserve returns, spreads or gains on any investment in the Portfolio Fund's portfolio; (v) hedge the interest rate or currency exchange rate on any of the Portfolio Fund's liabilities or assets; (vi) protect against any increase in the price of any securities the Portfolio Fund anticipates purchasing at a later date or (vii) for any other reason that the Portfolio Fund Manager deems appropriate.

**Macro and Quantitative Model Risks** – Portfolio Funds may invest on an opportunistic basis, seeking to take advantage of trends in the market determined by macroeconomic analysis or quantitative models. These opportunistic strategies may rely on the ability of Portfolio Fund Managers to identify trends in the market and to invest in such trends before other market participants, and then sell before the trend ends or reverses. Flaws in a Portfolio Fund Manager's subjective opinions of market conditions or in the quantitative model relied on by such Portfolio Fund Manager could result in substantial losses for the Portfolio Fund. Even if the Portfolio Fund Manager's predictions are accurate, as market dynamics shift over time, a previously highly successful model or market view can become outdated or inaccurate, perhaps without the Portfolio fund Manager recognizing that fact before substantial losses are incurred.

## **HEDGED EQUITIES:**

Hedged equities include hedge fund structures used to deploy many different strategies involving long and short stock positions. Short positions are used as a component of long investing to reduce volatility and to seek attractive long-term returns.

**Risks Associated with Hedging** - While stocks and other equity securities have historically been a leading choice of long-term investors, they fluctuate in value, often based on factors unrelated to the value of the issuer of the securities, and such fluctuations can be pronounced. Changes in the value of investment securities held by a Portfolio Fund will result in changes in the value of an investor's interest in such Portfolio Fund.

Because different types of stocks tend to shift in and out of favor depending on market and economic conditions, the performance of a Portfolio Fund investing primarily in large capitalization stocks may be lower or higher than that of a Portfolio Fund investing primarily in smaller capitalization stocks. Moreover, the investment returns of a Portfolio Fund investing in stocks that emphasize particular investment characteristics, such as “value” or “growth,” may fluctuate independently from the broad stock market as represented by the S&P 500 Index, and may demonstrate greater volatility over short or extended periods relative to the broad market.

The success of the Portfolio Fund's hedging strategy will depend, in part, upon the Portfolio Fund Manager's ability to correctly assess the degree of correlation between the performance of the instruments used in the hedging strategy and the performance of the portfolio investments being hedged. Since the characteristics of many securities change as markets change or time passes, the success of the Portfolio Fund's hedging strategy will also be subject to the Portfolio Fund Manager's ability to continually recalculate, readjust and execute hedges in an efficient and timely manner. While the Portfolio Fund may enter into hedging transactions to seek to reduce risk, such transactions may result in a poorer overall performance for the Portfolio Fund than if it had not engaged in such hedging transactions. For a variety of reasons, the Portfolio Fund Manager may not seek to establish a perfect correlation between the hedging instruments utilized and the portfolio holdings being hedged. Such an imperfect correlation may prevent the Portfolio Fund from achieving the intended hedge or expose the Portfolio Fund to risk of loss. The Portfolio Fund Manager may not hedge against a particular risk because it does not regard the probability of the risk occurring to be sufficiently high as to justify the cost of the hedge, or because it does not foresee the occurrence of the risk. The successful utilization of hedging and risk management transactions requires skills complementary to those needed in the selection of the Portfolio Fund's portfolio holdings.

## **MANAGED EQUITIES:**

These positions include separately managed accounts or pooled vehicles that invest in equity securities to achieve market returns over a full cycle.

**Managed Account Allocation Risks** – Direct investments in managed accounts that use margin expose an investor to theoretically unlimited liability, and it is possible, if leverage is used, that the investor could lose more in a managed account than the investor had allocated to such managed account.

**Concentration and Volatility Risks** - Certain Portfolio Fund Managers with which the Advisor invests may acquire relatively large positions (based on the Portfolio Fund's total assets) in a small number of companies. As a result, a Portfolio Fund will be significantly affected by the performance of a relatively small number of issuers.

Although the Advisor will not permit more than 25% of the net asset value of an E&E Fund (determined at the time of an investment) to be invested in the investment program of any single Portfolio Fund Manager, a significant amount of the E&E Fund's assets could still be invested with a limited number of Portfolio Fund Managers and a limited number of Portfolio Funds. As a result, the E&E Fund will be more vulnerable to events affecting a single Portfolio Fund Manager's investment choices and management style. Furthermore, because the E&E Fund invests in a limited number of Portfolio Funds, the E&E Fund will be more vulnerable to under-performance of a particular Portfolio Fund than a fund investing in a larger number of funds. Therefore, profitability of the E&E Fund could be significantly affected by the under-performance of a limited number of Portfolio Fund Managers and Portfolio Funds.

## **ASIA HEDGED EQUITIES:**

Long and short equity managers investing in Asian markets including India, China, Korea and other countries.

**Risks Associated with Geographic Concentration in Asian Markets.** Targeting specific geographic regions could hurt the performance of a fund or cause the fund's performance to be more volatile than a more geographically diversified fund. Investment performance will be closely tied to economic, regulatory and political conditions within a relatively small number of countries or regions. These conditions could create additional investment risks

which include but are not limited to: i) potentially unfavorable amendments to foreign exchange regulations and tax laws applicable to direct investments by non-resident investors in equity and debt securities of domestic companies, ii) the continuation of significant volatility in Asian securities markets, iii) the lack of regulatory oversight in certain Asian countries with respect to fraudulent and unfair trading practices, iv) the risk of adverse fluctuations in the exchange rate between the currency of the locale of the foreign exchange and U.S. dollars which could result in a loss of potential profits if a Portfolio Fund is not appropriately hedged, v) less publicly available information about companies as a result of less stringent disclosure and accounting standards and vi) the imposition of currency controls by an Asian government which may negatively impact performance and liquidity in a Portfolio Fund by preventing capital to be removed from a country.

#### **PRIVATE EQUITY/REAL ESTATE RISKS:**

Investments in a group of private equity and real estate Portfolio Funds that are diversified in terms of sector and geographic focus to achieve returns in excess of public market returns.

**Nature of Private Equity Investments** - Certain of the portfolio companies in which Portfolio Funds invest may experience financial or operating difficulties that may never be overcome. Portfolio Funds may utilize highly speculative investment techniques, including a significant amount of leverage, highly concentrated portfolios, workouts and startups and control positions. These techniques may expose the Portfolio Funds to an increased risk of exposure to portfolio company liabilities and lender claims as well as vulnerability to the unfavorable performance of one or a small number of investments.

In addition, portfolio companies of Portfolio Funds may be in an early stage of development, may not have a proven operating plan or history, may be operating at a loss or have significant variations in operating results, may rely on a few key individuals, may be engaged in a rapidly changing business with products subject to a substantial risk of obsolescence, may have limited or no influence in the companies in which they invest, may face intense competition from other companies, may require substantial additional capital to support their operations to finance expansion or to maintain their competitive position or may otherwise have a weak financial condition.

**Real Estate Risks Generally** - The Portfolio Funds' investments will be subject to the risks inherent in the ownership of real estate assets such as general and local economic conditions, the supply and demand for properties, the financial resources of tenants, changes in building, environmental and other laws, changes in real property tax rates, changes in interest rates and the availability of mortgage funds which may render the sale or refinancing of properties difficult or impracticable, negative developments in the business economy that depress travel activity, environmental liabilities, uninsured casualties, acts of God and other factors which are beyond the control of the investment managers/general partners of the Portfolio Funds.

**Economic, Political and Legal Risks** - The Portfolio Fund Managers are expected to make investments in various global markets, both developed and developing. The economies of individual countries may differ with respect to growth of gross domestic product or gross national product, rate of inflation, interest rate environment, capital reinvestment, resource self-sufficiency and balance of payments position. Investors should note that each country has different standards of regulation with respect to matters such as government approval requirements, insider trading rules, restrictions on market manipulation, shareholder proxy requirements and timely disclosure of information. In addition, reporting, accounting and auditing standards of different countries vary, and little information may be available to investors in securities or other assets of issuers. Other potential risks that could have an adverse effect on investments include (depending on the country involved) nationalization, expropriation, confiscatory taxation, negative diplomatic developments and political or social instability. In addition, the laws of various countries governing business organizations, bankruptcy and insolvency may make legal action difficult and provide little, if any, legal protection for investors, including the Portfolio Funds.

**Unpredictability of Distributions** - Return of capital and realization of gains, if any, on investments will be unpredictable and will generally occur only upon the distribution or other disposition by the Portfolio Funds of their holdings, which may not occur (if at all) until several years after the Portfolio Funds' initial investments or the Advisor Managed Funds' investment in such Portfolio Funds. In addition, Portfolio Funds may distribute securities in kind that are illiquid. Investors should not expect significant distributions, if any, for a period of years after their investment in the Advisor Managed Fund is made.

**Investments Longer than Term; Illiquid Investments** - An investment in the Advisor Managed Fund requires a long-term commitment with no certainty of return. The Portfolio Funds are likely to require several years to invest their capital commitments and each investment is likely to take at least several years to mature to a point where it can be disposed of by the Portfolio Funds, if ever. The Portfolio Funds typically make investments

that are subject to legal or other restrictions on transfer or for which no liquid market exists. The Portfolio Funds may not be able to sell such investments when they desire to do so or to realize what they perceive to be their fair value in the event of a sale.

**Leverage** - It is expected that certain investments made by the Portfolio Funds will utilize a leveraged capital structure, in which case a third party would be entitled to cash flow generated by such investments prior to the Advisor Managed Fund receiving a return. While such leverage may increase returns on the funds available for investment by the Portfolio Funds, it also will increase the risk of loss as the leveraged capital structures of such companies will increase exposure of these companies to adverse economic factors such as rising interest rates, reduced cash flows, fluctuations in exchange rates, inflation, downturns in the economy or deterioration in the condition of the company or its industry. If a Portfolio Fund defaults on secured indebtedness, the lender may foreclose on the underlying investment and the Portfolio Fund could lose its entire interest in such investment. In addition, recourse debt, which the Portfolio Funds reserve the right to obtain, may subject other assets of the Portfolio Fund and the Advisor Managed Funds' investment to risk of loss.

**Financial Market Fluctuations** - General fluctuations in the market prices of securities may affect the value of the investments that will be held by the Portfolio Funds or their ability to dispose of investments through a public offering. Instability in securities markets may also increase the risks inherent in the Portfolio Funds' investments. The ability of the companies in which the Portfolio Funds invest to refinance debt securities or credit facilities may depend on the ability to sell new securities in the debt and equity markets, to borrow from banks or otherwise.

**Possible Lack of Diversification** - The Portfolio Funds may participate in a limited number of investments and, as a consequence, the aggregate return of a Portfolio Fund may be substantially adversely affected by the unfavorable performance of even a single investment. Investors have no assurance as to the degree of diversification in a Portfolio Fund's investments, either by geographic region or asset type.

**Control Positions** - The Portfolio Funds in which the Advisor Managed Funds invest may take control positions in companies. The exercise of control over a company imposes additional risks of liability for environmental damage, product defects, failure to supervise management, violation of governmental regulations and other types of liability in which the limited liability generally characteristic of business operations may be ignored. If these liabilities were to occur, the Advisor Managed Funds would likely suffer losses on its investments. The exercise of control over a company can also substantially restrict the

ability of the Portfolio Fund to dispose of the position at such time as it otherwise would have if it did not control the company.

**Currency Exchange Risk Exposure of the Portfolio Funds** - Certain of the Portfolio Funds and their investments may be denominated in currencies other than U.S. dollars. These investments involve special risks and may be significantly affected by changes in currency exchange risks and the costs of converting, or ability to convert, between the various currencies involved. The Advisor will not have influence over the creation or implementation of strategies, if any, that managers of the Portfolio Funds use to protect the economic value of their investments against currency exchange rate fluctuations, and there can be no assurance that any such strategy will be successful.

#### **Item 9 – Disciplinary Information Relating to the Advisor**

Neither the Advisor nor its employees have been involved in any legal or disciplinary events in the past ten years that would be material to a client’s evaluation of the Advisor or its personnel.

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

The Advisor is not actively engaged in any business activity other than providing investment advice. However, all of the Advisor’s limited partners (with the exception of John B. Ehrenkranz) are also attorneys and are separately partners of Ehrenkranz & Ehrenkranz LLP (the “Law Firm”), a law firm and affiliate of the Advisor. Two of the seven limited partners of the Advisor devote substantially all of their business time representing the clients of the Law Firm. The other five limited partners of the Advisor devote a majority of their business time to providing investment advisory services to the Advisor Managed Funds, Advisory Clients (as defined below), and other funds managed by affiliates of the Advisor.

The Advisor’s general partner is a commodity pool operator and SEC registered investment advisor.

Neither the Advisor nor any of its related persons: (i) directly or indirectly compensates any person for client referrals or (ii) has any arrangements, oral or in writing, in which the Advisor or such related person is paid cash by, or receives some economic benefit from, a non-client in connection with giving advice to clients.

## **Item 11 – Code of Ethics**

The Advisor has adopted a Code of Ethics for all supervised persons of the firm describing its high standard of business conduct, and fiduciary duty to its clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All supervised persons of the Advisor must acknowledge the terms of the Code of Ethics annually, or as amended.

In some instances, certain clients of an affiliate of the Advisor (“Advisory Clients”) may be affiliated with Portfolio Funds held by the Advisor Managed Funds. All investments by an Advisor Managed Fund into such Portfolio Funds are made on a discretionary basis, however, certain partners of the Advisor may be excluded from participating from such investment decisions if such partner’s relationship with such affiliated Advisory Client could be deemed to influence such partner’s ability to be impartial. Based on current investments in Portfolio Funds affiliated with an Advisory Client, the affiliation between certain Advisory Clients and Portfolio Funds does not currently present a material financial conflict of interest. The Advisor would disclose the existence of any material financial conflict in the event that such a conflict should arise.

Because the Advisor does not make securities recommendations to clients, the Advisor does not anticipate that the personal trading practices of supervised persons will materially conflict with the best interest of the Advisor Managed Funds. The Code of Ethics is designed to assure that the personal securities transactions of the Advisor’s related persons will not violate insider trading laws. Under the Code of Ethics, certain securities have been designated as restricted, based upon a determination that a related person of the Advisor either has material nonpublic information about an issuer or has a relationship with insiders of the issuer that is highly likely to result in such supervised person obtaining material nonpublic information. In addition, the Code of Ethics requires pre-clearance of any purchase of interests in private placements and initial public offerings. Employee trading is monitored on a quarterly basis under the Code of Ethics to reasonably prevent insider trading.

The Code of Ethics requires all supervised persons to devote their full time and efforts to the Advisor’s business unless certain outside activities have been approved by the Chief Compliance Officer and the Chief Operating Officer. In addition, no supervised person may make use of either his or her position as an employee or information acquired during employment, or make personal investments in a manner that may create a conflict, or the appearance of a conflict, between the employee’s personal interests and the interests of the

Advisor or the Advisor Managed Funds.

In certain situations, an investment opportunity may be suitable for more than one Advisor Managed Fund. In making allocation decisions among Advisor Managed Funds, the Advisor will take into account a number of factors including, but not limited to, investment objectives, leverage parameters, volatility objectives, rate of return objectives, tax position, liquidity requirements and whether an allocation to a particular Advisor Managed Fund will have a material impact on its overall portfolio. Application of these and other considerations may result in different allocation decisions depending on the particular facts and circumstances in existence at the time the allocations are made and may or may not result in a *pro rata* allocation of limited investment capacity among all Advisor Managed Funds.

A copy of the Advisor's Code of Ethics may be requested by contacting its General Counsel, Tinika Brown, at [tbrown@eeadvisors.com](mailto:tbrown@eeadvisors.com).

## **Item 12 – Brokerage Practices**

The Advisor does not recommend broker dealer services to clients.

## **Item 13 – Review of Accounts**

Five of the limited partners of the Advisor ("Investment Committee Members") generally meet on a weekly basis or more frequently to review the Advisor Managed Funds and Portfolio Funds. As part of this review, the Investment Committee Members analyze several factors including, but not limited to, the weighting of different investments as well as the sector and geographic allocation of such assets and organizational issues. Investment decisions relating to the portfolios of Advisor Managed Funds are determined at weekly meeting of the Investment Committee Members.

With respect to Advisor Managed Funds that invest in Portfolio Funds that invest primarily in marketable securities, the Advisor generally provides the investors in such funds with reports containing the status of the fund on a quarterly basis. These reports include information relating to the estimated performance of the overall fund, the estimated capital account balance for each investor and information regarding the investor's contributions and withdrawals from the fund. Investors may elect to receive this type of information monthly.

With respect to Advisor Managed Funds that invest in Portfolio Funds that primarily invest in non-marketable securities, the Advisor generally provides the investors in such funds reports that may include, among other things, information on investments made by the Portfolio Funds, sales by the Portfolio Funds and general return information with respect to sales made by the Portfolio Funds. These reports are usually provided quarterly, but may be provided monthly at the request of the investor.

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

The Advisor does not receive any economic benefit from non-clients for providing investment advice or other advisory services to clients. The Advisor does not provide compensation to any person for client referrals.

#### **Item 15 – Custody**

The Advisor is deemed to have custody of the assets of the Advisor Managed Funds since the Advisor has the power to withdraw funds or securities from the Advisor Managed Funds' accounts and has access and legal ownership of Advisor Managed Funds' securities. The beneficial owners of the Advisor Managed Funds will receive audited financial statements prepared in accordance with U.S. general accepted accounting standards within 180 days of each Advisor Managed Funds' fiscal year end.

#### **Item 16 – Investment Discretion**

The Advisor has discretionary authority to manage the investments of the Advisor Managed Funds in its capacity as general partner of those funds. The partnership agreements or other constituent documents of the Advisor Managed Funds grant the Advisor the right, power and authority to undertake on behalf of such Advisor Managed Fund all actions that, in the Advisor's sole judgment, are necessary to manage and control the day-to-day business of such Advisor Managed Fund.

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

The Advisor does not vote proxies on behalf of the Advisor Managed Funds.

The Advisor does, however, submit or withhold consent on behalf of the Advisor Managed Funds with respect to certain actions or amendments to offering terms proposed by the managers of the Portfolio Funds. Each proposed amendment or action ("Proposal") is

reviewed by the Chief Compliance Officer and presented by the Chief Compliance Officer to one or more of the Advisor's investment committee members. If deemed necessary, the Proposal is discussed among the investment committee members and the agreed upon course of action is communicated to the Chief Compliance Officer. The Chief Compliance Officer submits the decision to the Portfolio Fund manager and maintains a log that records each Proposal received and the Advisor's response.

#### **Item 18 – Financial Information**

This section is not applicable to the Advisor.

## **Item 19-23 – Brochure Supplements**

JOEL S. EHRENKRANZ  
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February 29, 2012

**This Brochure Supplement provides information about Joel S. Ehrenkranz and is included as part of the Advisor’s Brochure. You should have received a copy of that Brochure. Please contact our General Counsel, Tinika Brown, at (212) 891-8625 if you did not receive the other portions of the Advisor’s Brochure or if you have any questions about the contents of this supplement.**

**Additional information about Joel S. Ehrenkranz is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

**Item 19-2 – Educational Background and Business Experience**

**Joel S. Ehrenkranz**

Date of Birth: 3/25/35

University of Pennsylvania (Wharton)  
Philadelphia, PA - BS, Economics 1956; MBA 1957

New York University School of Law  
New York, NY - LLB 1961; LLM 1964

Ehrenkranz & Ehrenkranz LLP (an affiliate of Advisor)  
375 Park Avenue  
New York, NY 10152  
Senior Partner - 1966 to Present

### **Item 19-3 – Disciplinary Information Relating to Supervised Persons**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. No information is applicable to this Item.

### **Item 19-4 – Other Business Activities of Supervised Persons**

No information is applicable to this Item.

### **Item 19-5 – Additional Compensation of Supervised Persons**

No information is applicable to this Item.

### **Item 19-6 – Supervision**

The owners of the Advisor, and not its employees, provide investment advice to Advisory Clients. Although the advisory activities of such supervised persons are not directly monitored, each supervised person receives annual training on their fiduciary duty to clients as well as the Advisor's standards of business conduct as described in the Code of Ethics. Supervised persons are required to report any suspected violation of the Code of Ethics to the Chief Compliance Officer and are required to make an annual attestation that they have complied with the Code of Ethics.

Any written marketing or performance related client communications must be reviewed and approved by the Chief Compliance Officer and/or the Chief Operating Officer to ensure compliance with guidelines for advertising promulgated under the Investment Advisors Act of 1940.

The Chief Compliance Officer, Tinika Brown, can be reached at (212) 891-8625. The Chief Operating Officer, Steven Davidson, can be reached at (212) 801-2306.

**Item 20-1 –**

**SANFORD B. EHRENKRANZ**  
**E CAPITAL MANAGEMENT L.P. (the “Advisor”)**  
**375 Park Avenue**  
**Suite 2802**  
**(212) 891-8600**  
**February 29, 2012**

**This Brochure Supplement provides information about Sanford B. Ehrenkranz and is included as part of the Advisor’s Brochure. You should have received a copy of that Brochure. Please contact our General Counsel, Tinika Brown, at (212) 891-8625 if you did not receive the other portions of the Advisor’s Brochure or if you have any questions about the contents of this supplement.**

**Additional information about Sanford B. Ehrenkranz is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

**Item 20-2 – Educational Background and Business Experience**

**Sanford B. Ehrenkranz**

**Date of Birth: 3/24/39**

University of Pennsylvania  
Philadelphia, PA - BS, Economics 1960

Harvard Law School  
Cambridge, MA - LLB 1963

Ehrenkranz & Ehrenkranz LLP (an affiliate of Advisor)  
375 Park Avenue  
New York, NY 10152  
Senior Partner – 1966 to Present

**Item 20-3 – Disciplinary Information Relating to Supervised Persons**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. No information is applicable to this Item.

**Item 20-4 – Other Business Activities of Supervised Persons**

No information is applicable to this Item.

**Item 20-5 – Additional Compensation of Supervised Persons**

No information is applicable to this Item.

**Item 20-6 – Supervision**

The owners of the Advisor, and not its employees, provide investment advice to Advisory Clients. Although the advisory activities of such supervised persons are not directly monitored, each supervised person receives annual training on their fiduciary duty to clients as well as the Advisor's standards of business conduct as described in the Code of Ethics. Supervised persons are required to report any suspected violation of the Code of Ethics to the Chief Compliance Officer and are required to make an annual attestation that they have complied with the Code of Ethics.

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The Chief Compliance Officer, Tinika Brown, can be reached at (212) 891-8625. The Chief Operating Officer, Steven Davidson, can be reached at (212) 801-2306.

**Item 21-1 –**

**ANDREW SOMMERS**  
**E CAPITAL MANAGEMENT L.P. (the “Advisor”)**  
**375 Park Avenue**  
**Suite 2802**  
**(212) 891-8600**  
**February 29, 2012**

**This Brochure Supplement provides information about Andrew Sommers and is included as part of the Advisor’s Brochure. You should have received a copy of that Brochure. Please contact our General Counsel, Tinika Brown, at (212) 891-8625 if you did not receive the other portions of the Advisor’s Brochure or if you have any questions about the contents of this supplement.**

**Additional information about Andrew Sommers is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

**Item 21-2 – Educational Background and Business Experience**

**Andrew Sommers**

Date of Birth: 4/13/69

University of Michigan  
Ann Arbor, MI - BBA, Finance 1991

Columbia University  
New York, NY - JD 1994

Ehrenkranz & Ehrenkranz LLP (an affiliate of Advisor)  
375 Park Avenue  
New York, NY 10152  
Partner – 2001 to Present  
Associate - 1997 to 2000

**Item 21-3 – Disciplinary Information Relating to Supervised Persons**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. No information is applicable to this Item.

**Item 21-4 – Other Business Activities of Supervised Persons**

No information is applicable to this Item.

**Item 21-5 – Additional Compensation of Supervised Persons**

No information is applicable to this Item.

**Item 21-6 – Supervision**

The owners of the Advisor, and not its employees, provide investment advice to Advisory Clients. Although the advisory activities of such supervised persons are not directly monitored, each supervised person receives annual training on their fiduciary duty to clients as well as the Advisor's standards of business conduct as described in the Code of Ethics. Supervised persons are required to report any suspected violation of the Code of Ethics to the Chief Compliance Officer and are required to make an annual attestation that they have complied with the Code of Ethics.

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The Chief Compliance Officer, Tinika Brown, can be reached at (212) 891-8625. The Chief Operating Officer, Steven Davidson, can be reached at (212) 801-2306.

**Item 22-1 –**

**JOHN B. EHRENKRANZ**  
**E CAPITAL MANAGEMENT L.P. (the “Advisor”)**  
**375 Park Avenue**  
**Suite 2802**  
**(212) 891-8600**  
**February 29, 2012**

**This Brochure Supplement provides information about John B. Ehrenkranz and is included as part of the Advisor’s Brochure. You should have received a copy of that Brochure. Please contact our General Counsel, Tinika Brown, at (212) 891-8625 if you did not receive the other portions of the Advisor’s Brochure or if you have any questions about the contents of this supplement.**

**Additional information about John B. Ehrenkranz is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

**Item 22-2 – Educational Background and Business Experience**

**John B. Ehrenkranz**

Date of Birth 5/11/65

Brown University  
Providence, RI - BA 1987

University of Pennsylvania (Wharton)  
Philadelphia, PA - MBA 1991

Morgan Stanley Capital Partners  
1585 Broadway  
New York, NY 10036  
Managing Director 1996-2004

E & E Capital Advisors LLC (an affiliate of Advisor)  
375 Park Avenue  
New York, NY 10152  
Chief Investment Officer – 2004 to Present

**Item 22-3 – Disciplinary Information Relating to Supervised Persons**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. No information is applicable to this Item.

**Item 22-4 – Other Business Activities of Supervised Persons**

No information is applicable to this Item.

**Item 22-5 – Additional Compensation of Supervised Persons**

No information is applicable to this Item.

**Item 22-6 – Supervision**

The owners of the Advisor, and not its employees, provide investment advice to Advisory Clients. Although the advisory activities of such supervised persons are not directly monitored, each supervised person receives annual training on their fiduciary duty to clients as well as the Advisor's standards of business conduct as described in the Code of Ethics. Supervised persons are required to report any suspected violation of the Code of Ethics to the Chief Compliance Officer and are required to make an annual attestation that they have complied with the Code of Ethics.

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The Chief Compliance Officer, Tinika Brown, can be reached at (212) 891-8625. The Chief Operating Officer, Steven Davidson, can be reached at (212) 801-2306.

**Item 23-1 –**

**PATRICK J.C. SHAW**  
**E CAPITAL MANAGEMENT L.P. (the “Advisor”)**  
**375 Park Avenue**  
**Suite 2802**  
**(212) 891-8600**  
**February 29, 2012**

**This Brochure Supplement provides information about Patrick J.C. Shaw and is included as part of the Advisor’s Brochure. You should have received a copy of that Brochure. Please contact our General Counsel, Tinika Brown, at (212) 891-8625 if you did not receive the other portions of the Advisor’s Brochure or if you have any questions about the contents of this supplement.**

**Additional information about Patrick J.C. Shaw is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

**Item 23-2 – Educational Background and Business Experience**

**Patrick J. C. Shaw**

Date of Birth 11/16/69

Colgate University  
Hamilton, NY – BA 1992

Northwestern University School of Law  
Chicago, IL – JD 1998

Ehrenkranz & Ehrenkranz LLP (an affiliate of Advisor)  
375 Park Avenue  
New York, NY 10152

Partner – 2007- Present  
Associate – 2004 to 2007

Simpson Thacher & Bartlett  
425 Lexington Avenue  
New York, NY  
Associate – 2000 to 2004

### **Item 23-3 – Disciplinary Information Relating to Supervised Persons**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. No information is applicable to this Item.

### **Item 23-4 – Other Business Activities of Supervised Persons**

No information is applicable to this Item.

### **Item 23-5 – Additional Compensation of Supervised Persons**

No information is applicable to this Item.

### **Item 23-6 – Supervision**

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