



FORM ADV PART 2A* SEC-Required Brochure

March 2011

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*This brochure provides information about the qualifications and business practices of Algert Coldiron Investors, LLC. If you have any questions about the contents of this brochure, please contact us at telephone 415.675.7300. The information in this brochure has not been approved or verified by the U.S. Securities and Exchange Commission or by any state authority. Additional information about Algert Coldiron Investors, LLC is available on the SEC's website at www.advisorinfo.sec.gov.

MATERIAL CHANGES FROM PRIOR FORM ADV PART 2A

On July 31, 2010, the Securities and Exchange Commission (“SEC”) adopted revised rules regarding the format and content of the Form ADV Part 2 disclosure brochure. Pursuant to these revised rules, all SEC-registered investment advisors were required to prepare a new ADV Part 2 brochure that is presented in a narrative format and that addresses certain enumerated disclosure topics. Most of these topics were addressed in the Schedule F to Algert Coldiron Investors, LLC’s (sometimes, “ACI”, the “Firm” or “Advisor”) prior ADV Part II and have been re-stated here in a more identifiable and readable presentation.

This amended Form ADV Part 2 contains prior content from the Firm’s Form ADV Part II brochure statement as well as additional required information.

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1. ADVISORY BUSINESS

Registration Status -	Registered with the SEC on March 11, 2003 ¹
Principal Owners -	Kevin K. Coldiron and Peter M. Algert

ADVISORY SERVICES

ACI serves as the general partner and/or discretionary investment advisor to private investment funds. Currently, these private funds include the ACI GNP Fund LP, a Delaware limited partnership, and the ACI Multi-Strategy Market Neutral Master Fund, L.P., a Cayman limited partnership. The ACI Multi-Strategy Market Neutral Master Fund, L.P. is fed by two funds, the ACI Multi-Strategy Market Neutral Funds, L.P., a Delaware limited partnership (onshore) and the ACI Multi-Strategy Market Neutral Fund, Ltd. (offshore). The offshore fund is a Cayman corporation. ACI acts as general partner and investment manager to the Partnerships and solely as investment manager to the offshore funds. Collectively, all of the identified funds are referred to within this document as the “Funds”. ACI may decide to sponsor or manage additional private investment funds in the future.

Investments in the Funds are made available to individual qualified investor clients whose investment objectives and risk profile are consistent with those of the Funds. ACI restricts the number of investors and offers the interest in the Funds only through non-public transactions in order to maintain the Funds’ exemption from “investment company” status under the Investment Company Act of 1940, as amended.

In addition, ACI has several strategies (ACI U.S. Small Cap-Long Only, ACI Large Cap 130/30 and ACI International Small Cap) managed with investment manager and principal (ACI) capital.

Occasionally, the Firm will accept separately managed investment accounts.

Confidential Private Placement Memorandum

Prospective investors in the Funds should carefully read the confidential private placement memorandum and other offering documents for each Fund in which they invest. The memorandum contains a complete copy of the Fund’s limited partnership agreement and other important information. However, the memorandum should not be construed as legal or tax advice to the investor and investors are advised to consult with their own legal and financial advisors as to all matters concerning an investment in a Fund.

¹ “Registration” means only that the Firm meets the minimum requirements for registration as an investment advisor and does not imply that the SEC guarantees the quality of our services or recommends them.

The investment objectives of the Funds are to build portfolios of publicly traded investments that generate returns in excess of those realizable through other investments of similar risk and duration. There can be no assurance that these objectives will be achieved. Investments in the Funds are subject to significant risks and conflicts of interest, described in the Memorandum for each Fund.

ASSETS UNDER MANAGEMENT AS OF DECEMBER 31, 2010

Discretionary Assets - \$ 337,092,828

Non-Discretionary Assets - N/A

TERMINATION OF AGREEMENT

Investors in a pooled investment vehicle such as one of the Funds may be limited in their ability to terminate their participation. Investor withdrawal and termination limitations are established for each of the Funds and explained in the offering memorandum, subscription or limited partnership agreements for each of the Funds. These offering and subscription materials should be read carefully by each investor. Upon termination of any investor account, any prepaid, unearned fees will be promptly refunded and any earned unpaid fees will be due and payable.

2. FEES AND COMPENSATION

ADVISORY FEES

For its services to the Funds, ACI receives a management fee payable monthly in advance at a rate of 0.0625% - 0.125% per month (0.75% - 1.5% per annum). The management fees are based on the net market value of the assets in the Funds as of the first day of the month. In addition, ACI receives an incentive allocation/fee based on the profit allocated to each investor (other than investors for whom ACI agrees at its sole discretion to vary the incentive allocation/fee) to the extent such profit exceeds any prior un-recouped losses. Incentive fees range from 0% - 20% of profits.

Although management fee and/or incentive fee rates payable to ACI by future investors will be negotiated when such persons and entities become investors, ACI generally expects those fees to be substantially the same as the rates set forth above. All incentive allocations/fees are made in a manner that complies with Rule 205-3 of the Investment Advisers Act of 1940, as amended.

The foregoing describes ACI's basic fee schedule; however, fees may be negotiable in certain limited circumstances and arrangements with any particular client may vary. The expenses of the Funds, including ACI's management fee and incentive allocation/fee, may constitute a higher percentage of average net assets than would be charged in other investment vehicles. The incentive allocation/fee may also create an incentive for ACI to cause a Fund to make investments that are riskier than it would

otherwise make. In addition, since ACI's incentive allocation/fee is calculated on a basis which includes unrealized appreciation of a fund's assets it may be greater than if such allocation were based solely on realized gains.

ACI does not advise individual investor clients as to the appropriateness of investing in the Funds, and ACI does not receive any compensation for doing so (except to the extent that ACI received advisory and other fees from the advisory services it provides to the Funds) or for selling interests in the Funds.

CUSTODIAN AND BROKERAGE FEES

Clients incur certain charges imposed by their custodians and other third parties such as custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Additionally, individual clients and the client Funds will incur charges by the executing broker-dealer in the form of brokerage commissions and transaction fees on the investment transactions entered into for their account(s). All of these charges, fees and commissions are in addition to ACI's investment management fee.

3. PERFORMANCE-BASED FEES

ACI receives performance-based fees as described above in Item 2 under Advisory Fees.

4. TYPES OF CLIENTS

The client Funds generally accept subscriptions only from accredited investors and investors that are eligible to enter into a performance fee arrangement under the Investment Advisors Act of 1940, as amended, as applicable. In addition, investors are required to make representations concerning their investment sophistication, financial condition and ability to bear risk of loss of their entire investment. ACI may waive all or part of any admission standard within its sole discretion and in accordance with applicable regulations.

Our separately managed account clients may include individuals and their trusts or estates, charitable organizations, pension and profit sharing plans, and corporations or other business entities. The minimum initial purchase for investment in Funds managed by ACI is \$1,000,000, although this minimum may be waived at the discretion of ACI. The minimum amount required to open an individually managed account is negotiated on a deal-by-deal basis.

As a result of the minimum requirements, ACI's services may not be appropriate for everyone. Other investment advisors may provide somewhat similar services for lower compensation, although still others may charge more for similar services.

5. METHODS OF ANALYSIS, INVESTMENT STRATEGIES, RISK OF LOSS

METHODS OF ANALYSIS

Depending upon the client Fund and the type of investment, ACI utilizes a combination of fundamental and technical analysis. Fundamental analysis involves analyzing real data, including overall economic and company-specific information available to determine the value of a particular investment. Technical analysis involves analyzing statistics provided by market activity such as past prices and volume to identify patterns that can be used to predict future activity. In performing these analyses, the Firm consults third-party research materials, company annual reports and other regulatory filings as appropriate. ACI may also review corporate activities as part of its analysis.

INVESTMENT STRATEGY

ACI's investment strategy is based upon its findings that behavioral biases of investors along with constraints and competing incentives of institutional money managers create opportunities for profitable, risk-controlled equity trading. Identifying these opportunities requires expertise across multiple disciplines, in particular accounting, valuation, behavioral economics, and empirical finance. ACI uses its expertise in these areas to create quantitative models that rank the relative attractiveness of each stock in its investment universe. These rankings are combined with estimates of risk and trading costs to construct a highly diversified, risk-controlled long/short portfolio. The objective of this portfolio is to produce long-term capital appreciation while maintaining very low net exposure to the overall market, individual industry groups, and other proxies of systematic risk, such as measures of value, growth, book leverage and size.

Multi Strategy Market Neutral

This strategy's emphasis is on small- and micro-cap names with over 50% of its gross exposure outside of the U.S. utilizing a global universe of approximately 8,000 companies. The goal is limited net exposure to sectors and industries and an average holding period of 6-9 months. Goals of the strategy include a net return of Libor plus 5-6% per year with a volatility of 3-5% per year with limited correlation to equity market, industry or style index returns.

GNP Strategy

Utilizing the same investment universe as Multi Strategy Market Neutral, this strategy's emphasis is on a significantly more concentrated portfolio of higher risk names, yet more liquid positions. Goals of the strategy include a net return of Libor plus 8-10% per year with a volatility of 7-10% per year with limited correlation to equity market, industry or style index returns.

U.S. Small Cap-Long Only Strategy

This strategy is comprised of a diversified portfolio of around 200 positions with active bets on sector and industries controlled to approximately 3% of the portfolio. The maximum individual position size is approximately 5% with a one year average holding period. The current benchmark used is the S&P 600 but the strategy can be easily tailored to use the Russell 2000 or other small cap indices. The strategy uses a proprietary universe of approximately 1,350 U.S. small cap stocks. Strategy goals are to exceed the U.S. small cap benchmark by 4-5% per year with a tracking error of 4%. The current benchmark is the S&P 600 but the strategy is easily tailored to use the Russell 2000 or other small cap indices.

U.S. Large Cap 130/30

The target exposures of the strategy are 130% long and 30% short positions with a beta of approximately one benchmarked to the S&P 500 Index. The strategy is comprised of a diversified portfolio - approximately 300 long and 100 short positions with limited active bets on size, sector and industries. This strategy uses a proprietary universe of approximately 1,500 U.S. large and mid cap stocks with a minimum market capitalization of approximately \$1 billion. Goals are to exceed the S&P 500 Total Return Index by 3-4% per year with an active risk of 3-4% per year. The current benchmark is the S&P 500 but the strategy is easily tailored to use the Russell 2000 or other small cap indices.

ACI International Small Cap

A diversified portfolio with approximately 300 holdings with typical active industry/country exposures at approximately 1-2% and a nine-month average holding period. The strategy utilizes a Global ex-U.S. universe of approximately 2000 companies. The goals are to exceed the MSCI EAFE Small Cap index by 4-5% per year with volatility of approximately 5% per year.

INVESTMENT RISKS

Prospective investors should carefully read the confidential private placement memorandum (the "Memorandum") for each fund in which they intend to invest. The Memorandum contains a complete copy of the Fund's limited partnership agreement and other important information. However, the Memorandum should not be construed as legal or tax advice to the investor and investors are advised to consult with their own legal and financial advisors as to all matters concerning an investment in a Fund.

The investment objectives of the Funds are to build portfolios of public investments that generate returns in excess of those realizable through other investments of similar risk and duration. There can be no assurance that these objectives will be achieved. Investments in the funds are subject to significant risks and conflicts of interest, described in the Memorandum for each Fund.

All securities investments carry risk, including the risk that an investor may lose a part or all of his or her initial investment. Risk refers to the uncertainty that the actual return the investor realizes could differ from the expected return. Risks may be systematic, referring to factors that affect the returns on all comparable investments and that affect the market as a whole. Systematic risks include market risk, interest rate risk, reinvestment rate risk, purchasing power risk and exchange rate risk. Unsystematic risks depend on factors that are unique to the specific investment security. These risks include business risk and financial risk.

General Economic and Market Conditions - The success of the Strategies' investments may be affected by general economic and market conditions, such as interest rates, availability of credit, inflation rates, economic uncertainty, changes in laws, developments in governmental regulation and national and international political circumstances. These factors may affect the success of the businesses in which the Strategies' portfolio companies are engaged as well as the markets for the securities the Strategies hold. Unexpected volatility or illiquidity could impair the Strategies' profitability or result in losses.

Non-U.S. Investments - The Strategies may invest a significant portion of their assets in securities of non-U.S. companies and/or securities denominated in currencies other than U.S. dollars. These may include securities issued by companies in, and traded in, so-called "emerging markets." Non-U.S. investing will subject the Strategies to certain risks not typically associated with investing in securities in the United States. The following discussion sets forth some of the more significant risks associated with this type of investing.

Characteristics of Non-U.S. Securities Markets - The Strategies generally buy and sell securities on the principal stock exchange or over-the-counter market of the country in which the principal offices of the issuer of the security are located. Some non-U.S. stock markets may not be as developed or efficient as those in the United States and may be more volatile than the U.S. markets. In particular, there is generally less government supervision and regulation of non-U.S. exchanges, brokers and listed companies than there is in the United States. Further, as compared with trading volumes in U.S. markets, trading volumes in non-U.S. markets are usually lower and therefore are characterized by less liquidity and more rapid and erratic price fluctuations. Commissions for trades on non-U.S. stock exchanges are generally higher than negotiated commissions on U.S. exchanges, and custody expenses are generally higher as well. Settlement practices for transactions in non-U.S. markets may involve delays beyond periods customary in the United States, and the Strategies may be required to borrow Strategies or securities to satisfy its obligations arising out of other transactions. In addition, there could be more "failed settlements," which can result in losses to the Strategies.

Less Company Information and Regulation - Generally, there is less publicly available information about non-U.S. companies than there is about U.S. companies. This may make it more difficult for ACI to keep informed of corporate action that may affect the price of a particular security. Further, many countries lack uniform accounting, auditing and financial reporting standards, practices and requirements. These factors can make it difficult to analyze and compare the performance of non-U.S. companies.

Currency Fluctuation - Some of the Strategies' investments may be denominated in non-U.S. currencies. A change in value of any such currency against the U.S. dollar will cause a corresponding change in the U.S. dollar value of the Strategies' investments that are denominated in that currency. Those changes may affect the Strategies' income and profitability. Certain countries maintain the value of their currencies at artificially high levels relative to the value of the U.S. dollar. This practice may result in sudden and large adjustments in a currency's value, potentially resulting in losses to foreign investors, such as the Strategies. The Strategies may enter into currency hedging transactions to attempt to reduce their currency exposure (although it may not always be practicable to do so). These techniques may reduce but will not eliminate the risk of loss due to unfavorable currency fluctuations, and they may limit any potential gain that might result from favorable currency fluctuations. Certain countries restrict conversion of their currency into foreign currencies, including the U.S. dollar, and for some currencies, there is no significant foreign exchange market.

Restrictions on Investment and Repatriation - Certain countries impose restrictions and controls regarding investment by foreigners. Among other things, they may require that proposed investments be preapproved by regulatory authorities or impose limits on the amount or types of securities that may be held by foreigners or on the types of companies in which foreigners may invest. These restrictions may at times limit or preclude the Strategies' investments in certain countries and may increase the Strategies' costs and expenses. Foreign investors may, in some cases, be permitted to invest indirectly in certain countries through investment Strategies that have been specifically authorized for that purpose. However, because those countries grant only a limited number of authorizations, units or shares in most of the authorized investment Strategies may at times trade at a substantial premium over the value of their underlying assets. There can be no certainty that these premiums will be maintained, and if the restrictions on direct foreign investment in the relevant country were significantly liberalized, premiums might be reduced, eliminated altogether or turned into a discount. In addition, certain countries impose restrictions and controls on the repatriation of investment income and capital. ACI may cause the Strategies to use swaps or other derivatives to obtain exposure to certain non-U.S. markets or securities.

Political and Economic Instability - Many non-U.S. economies are less stable than the U.S. economy, due to, among other things, volatile internal political environments, less stable monetary systems and/or external political risks. Some governments participate in their economies in ways that can have a significant effect on securities prices, such

as through ownership of private companies or the enactment of certain regulations. The economies of certain countries depend heavily on international trade and can be adversely affected by the enactment of trade barriers or changes in the economic conditions of their trading partners. In some countries, especially developing or emerging countries, political or diplomatic developments could lead to programs that would adversely affect investments by U.S. persons, such as confiscatory taxation or expropriation.

Withholding Taxes - Dividend and interest payments on certain non-U.S. securities the Strategies may own may be subject to foreign withholding taxes, which would reduce the Strategies' profit.

Currency Hedging - Because a core component of the Strategies' investment strategy is investing in non-U.S. securities or securities traded in currencies other than U.S. dollars, the Strategies may seek to hedge its exposure to currency fluctuations. Hedging activities involve transaction costs that can reduce the Strategies' returns. Moreover, hedging may not always be effective. In addition to trading in futures contracts on currencies (subject to the conditions described above), the Strategies may enter into foreign currency forward contracts (agreements to exchange one currency for another at a future date). These contracts involve a risk of loss if the Strategies fail to predict accurately the direction of currency exchange rates. For example, the Strategies may experience a loss if they increase their exposure to a foreign currency and that currency's value in relation to the U.S. dollar subsequently falls. In addition, forward contracts are not guaranteed by an exchange or clearinghouse. Therefore, a default by the forward contract counterparty may result in a loss to the Strategies for the value of unrealized profits on the contract or for the difference between the value of its commitments, if any, for purchase or sale at the current currency exchange rate and the value of those commitments at the forward contract exchange rate.

Use of Leverage - The Strategies may leverage their investment positions by borrowing funds and securities from securities brokers or dealers, banks or other financial intermediaries, and it may also use derivatives to leverage their capital, as discussed below. Leverage increases both the possibilities for profit and the risk of loss. Borrowings (and in some cases guarantees of performance of the Strategies obligations) will usually be from (and, in the case of guarantees, to) securities brokers or dealers (primarily the Strategies' Prime Brokers—see "Brokerage and Transactional Practices") and will typically be secured by the Strategies' securities and other assets. Under certain circumstances, a lending broker or dealer may demand an increase in the collateral that secures the Strategies' obligations, and if the Strategies are unable to provide additional collateral, the broker or dealer could liquidate assets held in the Strategies' account to satisfy the Strategies' obligations. Liquidation in that manner could have extremely adverse consequences to the Strategies, including sales at disadvantageous times and prices and the acceleration of tax consequences.

Hedging, Generally - Hedging strategies in general are usually intended to limit or reduce investment risk, but they can also be expected to involve transaction costs and may inherently limit or reduce the potential for profit.

Short Selling - The Strategies will sell securities short as a regular part of their investing activities or for hedging purposes. In a short sale, the Strategies sell securities they do not own, in the hope that the market price will decline and that the Strategies will be able to buy replacement securities later at a lower price. To accomplish this, the Strategies borrow the securities from a broker or other third party. They “close” the position by “returning” the security (buying a replacement security on behalf of the lender). The obligation to replace the borrowed securities does not typically have a specified “maturity” date and the lender generally may require replacement of the securities whenever it chooses. A short sale theoretically involves the risk of unlimited loss: the price at which the Strategies must buy “replacement” securities could increase without limit. As collateral for its replacement obligation, the Strategies are generally required to leave a certain amount of cash and/or securities with the broker that effected the transactions and, if the amount of the Strategies’ liability increases due to increases in the security’s price or decreases in the value of the existing collateral, deliver an additional amount of cash or other collateral upon the lender’s request. The lenders for the Strategies’ short sales will ordinarily be the Strategies’ Prime Brokers, and some of the Strategies’ assets will ordinarily serve as collateral. Therefore, if the value of the collateral were to become inadequate to secure the Strategies’ obligations under its short positions, it is unlikely that the Strategies would be able to provide additional collateral. If that were to occur, the Prime Broker would likely cause the Strategies to “buy in” or “close” some or all of its short positions, likely at a time and on terms that are adverse to the Strategies. There can be no assurance that the Strategies will not experience losses on short positions or that they will have long positions that appreciate in value enough to offset any such losses.

Risk of Derivatives, Generally - The Strategies may trade and invest in a variety of derivative instruments, including swaps. Derivatives are financial instruments or arrangements, the risk and return of which are related to changes in the reference rates, indices or the value of securities or other assets. They can provide a form of “leverage” in that they permit the Strategies to speculate on fluctuations in the reference rates, indices or prices of securities or other assets while investing only a small percentage of the value of those assets. Trading and investing in derivatives can be highly speculative and can entail risks that are greater than the risks of investing directly in securities or other assets. Prices of equity derivatives are generally more volatile than indices, rates or asset prices on which they are based. A change in the rates or indices or a change in the market price of the assets underlying a derivative will cause a much greater relative change in the price of the derivative. The Strategies’ ability to profit or avoid risk through trading or investing in derivatives will depend largely on ACI’s ability to assess the probability and magnitude of future changes in the underlying reference rates, indices or asset prices.

Small Capitalization Securities - The Strategies may invest a substantial portion of their assets (either directly or through derivative securities) in securities of companies with relatively small market capitalizations. While ACI believes these securities can provide significant potential for appreciation, they can involve higher risks in some respects than investments in securities of larger companies. For example, prices of small-capitalization and even some medium-capitalization securities are often more volatile than prices of large-capitalization securities and the risk of bankruptcy or insolvency of many smaller companies (with the attendant losses to investors) is higher than for larger, “blue-chip” companies. In addition, due to thin trading in some small-capitalization securities, an investment in those securities may be considered illiquid. These factors may cause unexpected decreases in the value of the Strategies’ portfolio.

Counterparty and Settlement Risk - To the extent the Strategies enter into over-the-counter derivative contracts or transactions (*i.e.*, transactions in options, swaps or other derivatives that are not cleared through the facilities of an exchange or clearing organization such as the Options Clearing Corporation). They may be exposed to the risk of default by its counterparty or to settlement difficulties. This risk may be materially greater than default or settlement risks involved in standardized and exchange-traded transactions. The latter are generally backed by clearing organizations’ guarantees, are generally marked to market daily, and intermediaries are generally subject to settlement and segregation and minimum capital requirements. Transactions directly with a counterparty generally do not benefit from those protections and expose each party to a greater risk of the other’s default. Although a broker or dealer or other counterparty may collateralize its obligations to the Strategies by segregating assets and identifying them on its records as assets of the Strategies, those or similar arrangements may not always be adequate to protect the Strategies if the counterparty were to become insolvent and, even if they are, the Strategies could expect delays in receiving the benefit of the derivative or other contract.

Limited Liquidity of Some Investments - The Strategies may invest in securities that, while they are publicly traded, are relatively illiquid. That may be because a security is thinly traded or because the Strategies’ position in a security is large in relation to the overall market for the security. The Strategies may own securities that are relatively liquid when acquired but that become illiquid thereafter. The Strategies may not be able to liquidate illiquid securities positions if the need were to arise; rapid sales of such securities could depress the market value of those securities, reducing the Strategies’ profits, or increasing losses, in the positions. The value assigned to illiquid securities (including thinly traded securities) and large blocks of securities for purposes of determining profits and losses may differ from the value the Strategies are ultimately able to realize on those securities.

New Issues - Although ACI does not currently intend to cause the Strategies to do so, the Strategies may in the future invest in “new issues”—initial public offerings of equity securities. Investors who are “restricted” under the rules of FINRA would be limited in

the amount of profits (if any) that they could be allocated from new issues in which the Strategies may invest or prohibited entirely from participating in a new issue. To the extent an Investor were deemed “restricted,” an investment in the Strategies could produce lower performance than that experienced by investors who were not deemed restricted. Any Investor who does not provide the Strategies with information sufficient to show that the Investor is not restricted would be presumed to be restricted.

Portfolio Turnover - The Strategies may have higher portfolio turnover than other investment Strategies. If that occurs, the brokerage commissions incurred by the Strategies may be higher than those incurred by strategies with a lower portfolio turnover rate.

Insolvency of Brokers and Others - The Strategies are subject to the risk that a brokerage firm that executes its trades, the clearing firms that such brokers use, the clearing houses of which such clearing firms are members or other counterparties to transactions may fail. To the extent the Strategies buy securities from or sell securities to non-U.S. broker-dealers or other institutions, hold a portion of their assets through non-U.S. subcustodians, or places assets with non-U.S. entities as collateral in connection with transactions in derivatives or margin borrowings, the risks relating to potential insolvencies or failures of such entities may be greater than if the Strategies dealt only with U.S. institutions.

6. DISCIPLINARY INFORMATION

ACI has no disciplinary history and consequently, is not subject to any disciplinary disclosures.

7. OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

ACI is an independent investment advisor, unaffiliated with any other financial institution or securities dealer or issuer. Although we may refer our clients to other professionals such as attorneys or accountants for estate planning, tax or other matters, neither the Firm nor its principals or employees are affiliated with any law or accountancy firm.

8. CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

From time to time, ACI may cause clients (including the client Funds) to buy a security in which ACI or an associated person has an ownership position, or ACI or an associated person of ACI may purchase a security of the same class as securities held in a client’s account through its investment in affiliated Funds. It is ACI’s policy not to permit associated persons to trade through its investment in affiliated Funds in a manner that takes advantage of price movements caused by clients’ transactions.

Upon commencement of employment at ACI, employees are not allowed to acquire new positions in publicly traded equities in their personal accounts. Employees are allowed to sell out of equity positions which were acquired prior to beginning employment with ACI upon receiving written approval from the Compliance Officer. It is ACI policy that recommended investment opportunities are offered first to its clients before its employees may act on them. ACI prohibits trading on the basis of inside information and trading ahead of customer orders.

Clients may request a copy of ACI's Code of Ethics policy at any time.

9. BROKERAGE PRACTICES

BEST EXECUTION

ACI is not obligated to obtain the best net price or lowest brokerage commission on any particular transaction. Rather federal law requires investment managers to use their reasonable best efforts to obtain the most favorable execution for each transaction executed on behalf of client accounts. In selecting executing broker-dealers, ACI's primary objective is to obtain best execution while minimizing overall trading costs. Trade decisions are generally based on expected holding periods of multiple months and therefore are released slowly to the market over several days. Hence ACI employs multiple brokers in each geographic region to help mask trades that span days.

Within each region, ACI measures broker performance using the implementation shortfall method. This method compares trade prices and commission to a pre-trade strike prices, typically the prior nights close, and charges an opportunity cost for any unfilled shares. This is benchmarked against our own measure of expected implementation shortfall and scores brokers based on their performance relative to the expected cost. Qualitative factors such as the reliability of the broker's systems and trading platform may also have an impact on our desire to trade with a broker, though this is less important than realized implementation shortfall. Based upon this evaluation, ACI may execute client trades through broker-dealers that charge fees that are higher than the lowest available fees.

SOFT DOLLAR ARRANGEMENTS AND POTENTIAL CONFLICTS

ACI is not a party to formal agreements whereby, in exchange for directing commissionable trades to a broker-dealer, it receives research or brokerage services, known as "soft dollar" services and research, from that broker or allows the broker to pay for such research or services on its behalf. The Firm suspended its use of soft dollar arrangements in April 2007.

"Soft dollars" refers to the use of brokerage commissions on client trades to pay for the soft dollar research or brokerage services received. Soft dollar research and services may include among others, economic and market information, portfolio strategy advice, proxy voting services, industry and company comments, technical data,

recommendations, research conferences, general reports, periodical subscription fees, consultations, performance measurement data, on-line pricing, news wire charges, quotation services, computer hardware and software.

Although ACI does not formally participate in soft dollar arrangements, it may, on occasion, be the recipient of unsolicited research or discounts on software and other services. These discounts are generally offered to all firms who fit a common profile and ACI is not offered such discounts because of a particular event or request. Such discounts are accepted with the intent to benefit all clients and the value of these discounts is not considered in the process of selecting securities to purchase for client accounts. ACI routinely reviews the amount and nature of the research products and services provided by brokers.

AGGREGATION OF TRADES AND POTENTIAL CONFLICTS

ACI may combine transaction orders on behalf of multiple clients and allocate the securities or proceeds on an average price basis among the various participants in the transactions. ACI and/or its associated persons may participate in such aggregated orders.

The Firm employs the following general trade aggregation and allocation policies:

- If one of the Funds is an affiliate:
 - If >25% of a Fund's assets come from ACI employees, it is considered an affiliate of ACI. Therefore, any trade allocations would need to be done in such a way that benefits the other Fund in order to comply with SEC rules.
 - Any crosses must be stripped out of a combined tradelist and executed with separate brokers. The trades for the affiliate Fund must be completed before the other Fund's tradelist can go out.
- If one of the Funds is considered Plan assets:
 - If >25% of a Fund's assets come from ERISA investors, trade allocations need to be done in such a way that benefits that Fund in order to comply with Department of Labor rules.
 - Any crosses must be stripped out of a combined tradelist and executed with separate brokers. The trades for the Fund that is not considered Plan assets must be completed before the Plan asset fund's tradelist can go out.
- If a Fund is neither an affiliate nor Plan assets:
 - Any crosses would be loaded into a single tradelist and executed by a single broker at the midpoint.

In all three scenarios, trades going in the same direction on any given day should be executed in one single combined tradelist by the same broker to avoid the appearance of impropriety.

While ACI believes combining transaction orders in this way should, over time, be advantageous to all participants, in particular cases the average price could be less advantageous to a particular client than if such client had been the only client effecting the transaction or had completed its transaction before the other participants. There may be circumstances in which transactions on behalf of ACI or its associated persons may not, under certain laws and regulations, be combined with those of some of ACI's other clients. In such cases, neither ACI nor any associated person will effect transactions in a security on the same day as clients until after the clients' transactions have been executed.

Whenever trades are allocated by a single broker to different Funds, the price paid by each Fund is the average price of the order. Transaction costs are allocated to each Fund account on a pro rata basis, based upon the ratio of the amount of particular issue of securities allocated to the account to the overall amount of the security purchased. It is our policy that trades are not allocated in any manner that favors one group of clients over another over time. Client transactions may be aggregated according to custodial relationship in consideration of "trade away" charges that may be imposed if trades are directed to a non-custodial broker-dealer for execution. Aggregated trades placed with different executing brokers may be priced differently.

ALLOCATION OF OPPORTUNITIES AND POTENTIAL CONFLICTS

Because we manage more than one client account, there may be a conflict of interest related to the allocation of investment opportunities among all accounts managed by the Firm. We attempt to resolve all such conflicts in a manner that is generally fair to all of clients over time. We may give advice and take action with respect to any of our clients that may differ from advice given or the timing or nature of action taken with respect to any other client based upon individual client circumstances. It is our policy, to the greatest extent practicable, to allocate investment opportunities over a period of time on a fair and equitable basis relative to all clients. The Firm is not obligated to acquire for any client account any security that the Firm or its owners, officers, employees or affiliated persons may acquire for their own accounts or for the account of any other client, if in the discretion of the portfolio managers, based upon the client's financial condition and investment objectives and guidelines, it is not practical or desirable to acquire a position in such security for that account.

10. REVIEW OF ACCOUNTS

The Firm's research and implementation personnel devote substantially all of their time to the management of the Funds. Portfolio reviews focus on performance of a position compared to its industry and in light of general economic and market trends. The portfolios are monitored continuously as to individual security position and diversification levels, cash equivalent positions, other position limits, industry, country and sector weightings and adherence to investment guidelines. The back office conducts weekly and monthly reviews of the portfolios to reconcile holding to the prime brokers and fund administrator.

ACI provides limited partners and investors with monthly performance reports and narratives. Additionally, all partners and investors receive audited financial statements annually.

11. CLIENT REFERRALS AND OTHER COMPENSATION

ACI does not pay referral fees to any third party firms or individuals for recommending the Firm to prospective clients, nor is the Firm or its employees paid referral fees by any third party for referring clients to their businesses. We do not direct brokerage transactions to any broker-dealer in exchange for receiving client referrals.

ACI employees are not paid “sales awards” or other prizes for referring clients to the Firm.

12. CUSTODY OF CLIENT ASSETS

ACI does not maintain physical possession or custody of any fund or investor assets or securities. Custody of the assets of each Fund is maintained under clearing broker arrangements with one or more clearing brokers or banks selected by ACI, in its sole discretion (the “custodian”). Written notice of the identity of each client Fund’s prime broker/qualified custodian is provided to each new investor in the applicable fund’s offering memorandum. ACI enters into a disbursement procedures agreement with each Fund’s custodian, which restricts the custodian from making any fee or allocation payments to ACI or its affiliates from any account maintained by the custodian unless specified requirements are met.

The Funds of which ACI is general partner or investment advisor have “prime brokerage” arrangements with registered broker-dealers (“Prime Brokers”). Under these arrangements, the Prime Brokers, among other things:

1. Arrange for the receipt and delivery of securities bought, sold borrowed and lent;
2. Make and receive payments for securities;
3. Maintain custody of cash and securities;
4. Tender securities in connection with tender offers, exchange offers, mergers or other corporate reorganizations; and
5. Provide detailed portfolio and related reports.

ACI may cause the Funds or other clients to pay for custodial and related services.

13. INVESTMENT DISCRETION

ACI has full trading and investment authority over client and client Fund assets under its management. Subject to the Firm's investment strategy and the client's or Fund's investment objectives, our portfolio managers are given full discretion to determine:

1. Types of investments;
2. Which securities to buy;
3. Which securities to sell;
4. The timing of any buys or sells;
5. The amount of securities to buy or sell; and
6. The broker-dealer to be used in the transaction

In most cases, ACI has complete discretion over the selection of brokers and dealers ("broker/dealers") to execute securities transaction for its clients and the negotiation of compensation arrangements with such broker/dealers. In addition to using broker/dealers acting as principal (such as market makers for over the counter securities) at prices that include markups or markdowns, and may buy securities from underwriters or broker/dealers in public offering at prices that includes compensation to the underwriters or broker/dealers.

14. VOTING CLIENT SECURITIES

ACI's investment strategy emphasizes (among other criteria) the creation of a diversified market-neutral portfolio of equity securities. This investment style does not, for the most part, contemplate the holding of securities for long-term appreciation or influencing the development and maintenance of successful business strategies of corporate issuers. Rather, it contemplates selecting securities primarily on the basis of quantitative criteria and, in most cases, holding the securities for relatively short periods of less than a year. ACI has determined that it is in the best interest of the Funds to have a third party, Glass Lewis & Co., perform our proxy voting.

Policies and procedures of Glass Lewis can be found on their website at:
<http://www.glasslewis.com/solutions/proxypaper.php>.

15. STATEMENT OF FINANCIAL INFORMATION

ACI does not require or solicit prepayment of its management fees from clients six months or more in advance. There are no adverse conditions related to the Firm's finances that are likely to impair our ability to meet our contractual commitments to our clients. The Firm has not been the subject of a bankruptcy filing in the last ten years.