

## Thermopolis Partners, LLC

45 E. Simpson Avenue  
Jackson Hole, WY 83001  
(307) 732-0514

[philip@fortunofunds.com](mailto:philip@fortunofunds.com)

[www.thermopolispartners.com](http://www.thermopolispartners.com)

February 1, 2013

This brochure provides information about the qualifications and business practices of Thermopolis Partners, LLC. If you have any questions about the contents of this brochure, please contact us at the telephone number and/or e-mail address above. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or any state securities authority.

Thermopolis Partners, LLC is a registered investment advisor. Registration of an investment advisor does not imply any level of skill or training. The verbal and written communications of an investment adviser provide you with information you need to determine whether to hire or retain the advisor.

Additional information about Thermopolis Partners, LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## Thermopolis Partners, LLC

---

**Our previous annual updating amendment dated March 15, 2012.**

**The amendment dated June 26, 2012**, was filed with the following material changes:

Item 4: As of May 31, 2012, we have \$17.3 million in discretionary assets under management.

Item 10: Added that Mr. Keller and Mr. Mullin are co-members of RAIF, LLC, and that Mr. Mullin is also the sole member of Marathon Resource Investments LLC, a registered investment adviser which acts as the general partner and investment manager to a pooled investment vehicle that invests in different securities than those recommended to our clients. We do not recommend investments in Marathon Resource Investments LLC's pooled investment vehicle.

**The amendment dated August 28, 2012**, was filed with the following material changes:

Item 4: As of September 1, 2012, we have \$13.4 million in discretionary assets under management.

Item 14: We may also engage solicitors to provide client or investor referrals. We have an arrangement in place to pay a solicitor, a broker dealer registered with FINRA, the SEC and a number of states, 35% of the management fees and 35% of the performance allocation we earn for managing the capital account for the investor that was referred. If you are referred by a solicitor, this practice will be disclosed in writing and we will comply with the requirements of Rule 206(4)-3, under the Investment Advisers Act of 1940, as amended, and any similar state rule or statute.

**The amendment dated October 18, 2012**, contained the following material changes:

We moved on October 1, 2012. We may now be reached at:

Thermopolis Partners, LLC  
45 E. Simpson Avenue  
Jackson Hole, WY 83001

**Our annual updating amendment dated February 1, 2013**, contained the following material changes:

References to Fortuno Capital Fund, L.P. have been updated to RAIEF ALPHA, LP, to reflect the name change of the Fund.

Item 4: Robert W. Mullin, Jr., was added as a Member of Thermopolis effective January 1, 2013.

Item 4: As of December 31, 2012, we have \$7.8 million in discretionary assets under management.

# ITEM 3

## TABLE OF CONTENTS

Item 1: Cover Sheet	
Item 2: Material Changes	
Item 3: Table of Contents	
Item 4: Advisory Business .....	1
Who we Are .....	1
Services We Offer .....	1
Assets Under Management .....	1
Item 5: Fees and Compensation .....	1
Fees and Compensation .....	1
General Disclosures .....	2
Other Costs Involved .....	3
Item 6: Performance-Based Fees and Side-By-Side Management .....	3
Item 7: Types of Clients .....	3
Item 8: Methods of Analysis, Investment Strategies and Risk of Loss .....	3
Item 9: Disciplinary Information .....	4
Item 10: Other Financial Industry Activities and Affiliations .....	4
Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading .....	4
Code of Ethics .....	4
Personal Trading for Associated Persons .....	5
Item 12: Brokerage Practices .....	5
Selection of Brokers .....	5
Aggregation of Orders .....	6
Soft Dollars .....	6
Item 13: Review of Accounts .....	8
Item 14: Client Referrals and Other Compensation .....	9
Item 15: Custody .....	9
Item 16: Investment Discretion .....	9
Item 17: Voting Client Securities .....	10
Item 18: Financial Information .....	10

## ITEM 4: ADVISORY BUSINESS

### Who we Are

Thermopolis Partners, LLC (referred to as “we,” “our,” “us,” or “Thermopolis”) has been registered as an investment advisor since March 2005. Our principal owners and officers are Philip W. Treick, Managing Member, James R. Keller, Jr., Member, and Robert W. Mullin, Jr., Member.

### Services We Offer

We provide investment services to RAIEF ALPHA, LP, an investment limited partnership (referred to as the “Fund”). In addition, we manage assets for clients who are not invested in the Fund (referred to as “you” or “client”).

We specialize in long/short public equity investments. Separately managed accounts are invested using the same guidelines as the pooled account.

For the Fund, our investments are tailored to comply with the investment guidelines disclosed in the offering materials for the Fund. Each potential investor in the Fund receives a complete set of offering materials prior to investing in the Fund.

### Assets Under Management

As of December 31, 2012, we have \$7.8 million in discretionary assets under management. We do not manage assets on a non-discretionary basis.

## ITEM 5: FEES AND COMPENSATION

### Fees and Compensation

#### RAIEF ALPHA, LP

For managing the Fund we receive both an asset-based fee and an incentive allocation. The asset-based fee is 1.5% per year, billed in monthly installments. This fee is billed monthly in advance, based on the value of the assets under management as of the first day of the month. The incentive allocation is calculated as of December 31 each year. When profits for the current period exceed the unrecouped net losses for prior periods, we will receive an incentive allocation of 20% of the profits generated. Solely for purposes of computing this fee, net profits and net losses include unrealized gains and losses. If you withdraw capital from the Fund, the incentive allocation for the amount withdrawn will be calculated as of the withdrawal date.

For investors who do not meet the minimum requirements to pay an incentive allocation, we will charge an asset-based fee of 3%, with no incentive allocation. This asset-based fee will be billed on the same schedule as disclosed above.

Investors in the Fund may make withdrawals as of the last day of any calendar quarter by giving us 30 days written notice.

### Separately Managed Accounts

Our fees with separately managed accounts are negotiated with each client. Typically, we receive both an asset-based fee and an incentive fee. The asset-based fee ranges from 1% to 2.5% per year, billed on a monthly or quarterly basis as negotiated with the client. This fee is billed in advance, based on the value of the assets under management as of the first day of the period. The incentive fee is calculated as of December 31 each year. When profits for the current period exceed the unrecouped net losses for prior periods, we will receive an incentive fee of up to % of the profits generated. Solely for purposes of computing this fee, net profits and net losses include unrealized gains and losses. If you withdraw capital from your account, the incentive fee for the amount withdrawn will be calculated as of the withdrawal date.

We will not manage money on a separate account basis for clients who are not qualified to pay an incentive fee.

Criteria used to negotiate fees on separate accounts result from complexity and partnership resources needed to provide the client with a viable solution to their need.

You may terminate our management of your separate account by providing 30 days written notice. We will calculate our fees due through the date of termination and deduct those fees directly from your account. In the event we cannot access your account to make the withdrawal, we will send you an invoice and request that a check be provided for payment.

For separately managed accounts, we require that you provide authorization for us to deduct our fees directly from your investment account. Important information about the deduction of management fees:

- You must provide authorization for us to pull fees by initialing the appropriate section of our investment management agreement.
- You will receive a statement from your custodian which shows your holdings.
- You are responsible for reviewing the accuracy of the fees being billed, as the custodian will not do so.

### General Disclosures

In order to pay an incentive allocation/fee you must meet certain requirements. Effective September 19, 2011, typically, you must meet one of the following criteria:

- You have a net worth (or together with your spouse have a net worth) of at least \$2 million.
- You have at least \$1,000,000 invested with us.

Investors and clients with initial contributions prior to September 19, 2011, may continue to rely on the exemption available at the time of initial investment.

Our client agreement and the subscription documents for the Fund provide additional qualifications standards. All incentive allocations/fees will be made in a manner that complies with Rule 205-3 of the Investment Advisers Act of 1940, as amended from time to time.

Incentive allocation/fee arrangements could create an incentive for us to make investments that are riskier or more speculative than would be the case in the absence of the arrangement. In some circumstances, we may receive increased compensation as a result of unrealized appreciation as well as realized gains.

## Other Costs Involved

In addition to our advisory fees shown above, expenses associated with making investments on behalf of the Fund will also be incurred. These fees include:

- mutual fund loads (if applicable). These charges are paid to brokers as a form of commission.
- management fees for ETFs and mutual funds. These are fees charged by the managers of the ETF or mutual fund and are a portion of the expenses of the ETF or mutual fund.
- brokerage costs and transaction fees for any securities or fixed income trades. These are generally charged by your custodian and/or executing broker.
- direct research costs such as travel to visit companies and/or investment conferences.

Additional information about brokerage costs and services is provided in “Item 12: Brokerage Practices.”

## ITEM 6: PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

We receive an incentive allocation for the Fund and an incentive fee for all separately managed accounts.

## ITEM 7: TYPES OF CLIENTS

We provide investment advice to the Fund, which is a pooled investment vehicle. Our separately managed accounts are typically high net worth individuals, family offices and foundations.

Generally investors in the Fund are required to maintain a minimum of \$500,000 invested with the Fund. We require a minimum investment commitment of \$10,000,000 to manage assets in a separate account. These minimums may be waived at our sole discretion.

## ITEM 8: METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

We primarily use cash on cash return analysis to determine the attractiveness of a given investment. For companies that are more junior or in a rapid growth phase, we determine whether the company is trading at a significant discount to the present value of future net cash flows.

The material risks involved in determining cash on cash returns are varied. We are attempting to predict values that will occur in the future, so upward interest rates volatility is a risk, equity market dislocations which can effect overall liquidity is a risk and items specific to the company and its products such as product demand, competitors, substitution and obsolescence are risks as well. The material risks involved in analyzing junior / fast growing companies include all the above and inadequate cash flow generation which can lead to dilutive equity issuance and or debt burden. Geologic risk is also present in the case of mining and resource extraction companies.

Resource based equities incorporate commodity price risk. Underlying commodity price volatility can be extreme. The source of this volatility is related to a number of factors such as general interest rate policies, currency values, sovereign risk, global GDP growth and inflation expectations.

All investments involve different degrees of risk. You should be aware of your risk tolerance level and financial situations at all times. We cannot guarantee the successful performance of an investment and we are expressly prohibited from guaranteeing accounts against losses arising from market conditions.

## ITEM 9: DISCIPLINARY INFORMATION

Registered investment advisors are required to disclose any material facts regarding any legal or disciplinary actions that would be material to your evaluation of the investment advisor and each investment advisor representative providing investment advice to you. We have no information of this type to report.

## ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

As a registered investment advisor, we are required to disclose when we, or any of our principals, have any other financial industry affiliations.

Philip Treick is also a Managing Member of RAIF, LLC, a registered investment advisor of which Mr. Keller and Mr. Mullin are co-members. RAIF, LLC acts as the general partner and investment advisor to RAEIF, L.P., a pooled investment vehicle. Thermopolis has no arrangement under which it or a related person recommends or selects other investment advisers for its clients and receives compensation directly or indirectly from those advisers that creates a material conflict of interest with any Thermopolis client.

Mr. Mullin is also the sole member of Marathon Resource Investments LLC, a registered investment adviser which acts as the general partner and investment manager to a pooled investment vehicle that invests in different securities than those recommended to our clients. We do not recommend investments in Marathon Resource Investments LLC's pooled investment vehicle.

## ITEM 11: CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

### Code of Ethics

We have adopted a set of enforceable guidelines (Code of Ethics), which describes unacceptable conduct by Thermopolis and our associated persons. Summarized, this Code of Ethics prohibits us from:

- placing our interests before yours,
- using non public information gathered when providing services to you for our own gains, or
- engaging in any act, practice or course of business that is, or might be considered, fraudulent, deceptive, manipulative, or in violation of any applicable law, rule or regulation of a governmental agency.

Please contact us if you would like to receive a full copy of this Code of Ethics.

## Personal Trading for Associated Persons

We may buy or sell some of same securities for you that we already hold in our personal account. We may also buy for our personal account some of the same securities that you already hold in your account. Our associated persons may also invest directly in the Fund. It is our policy not to permit our associated persons (or their immediate relatives) to trade in a way that takes advantage of price movements caused by your transactions.

We may restrict trading for a particular security for our accounts or those of our associated person if there is a pending trade in that security in a client account. Trades for our accounts (and those of our associated persons) will be placed at least one business day after client trades have been completed. We may receive a better or worse price than that received by the client.

Thermopolis and our associated persons may purchase or sell specific securities for their own account based on personal investment considerations without regard to whether the purchase or sale of such security is appropriate for clients.

All persons associated with us are required to report all personal securities transactions to us quarterly.

We are the general partner of, and investment advisor to, the Fund. We do not expect to be engaged to advise investors as to the appropriateness of investing in the Fund, and we will not receive any compensation for doing so, or for selling interests in the Fund.

## ITEM 12: BROKERAGE PRACTICES

### Selection of Brokers

In selecting brokers to execute portfolio transactions, we make a good faith judgment of about which broker would be appropriate. We take into consideration not only the available prices and rates of brokerage commissions, but also other relevant factors that may include (without limitation):

- the execution capabilities of the broker/dealer,
- research (including economic forecasts, investment strategy advice, fundamental and technical advice on individual securities, valuation advice and market analysis),
- custodial and other services provided by the broker/dealer that are expected to enhance our general portfolio management capabilities,
- the size of the transaction,
- the difficulty of execution,
- the operational facilities of the broker-dealers involved,
- the risk in positioning a block of securities, and
- the quality of the overall brokerage and research services provided by the broker/dealer.

When we select the broker/dealer for a transaction, we may cause you and/or the Fund to pay a higher commission for effecting a transaction than another broker/dealer would have charged for effecting that transaction. We do this if we determine in good faith that the amount of the commission is reasonable in



relation to the value of the brokerage and research services provided by the broker/dealer. The determination is viewed in terms of either the particular transaction or our overall responsibilities with respect to you and the Fund.

## Aggregation of Orders

There are occasions on which portfolio transactions will be executed as part of concurrent authorizations to purchase or sell the same security for the Fund, a separately managed account and/or one or more of our associated persons.

We may choose to block (aggregate) trades for your account with those of other client accounts (including the Fund). When we place a block trade, all participants included in the block receive the same price per share on the trade. The price is calculated by averaging the price of all of the shares traded. Due to the averaging of price over all of the participating accounts, aggregated trades could be either advantageous or disadvantageous. Commission costs are not averaged. You will pay the same commission whether your trade is placed as part of a block or on an individual basis. The objective of the aggregated orders will be to allocate the executions in a manner that is deemed equitable to the accounts involved.

We always aggregate trades amongst portfolios with the same strategy.

## Soft Dollars

### General Information

We have a fiduciary duty to our clients to obtain best execution, on an overall basis, for any securities transactions. When determining whether we have obtained best execution, we rely on Section 28(e) of the Securities Exchange Act of 1934, as amended (the “Safe Harbor”). A safe harbor is a provision of a statute or a regulation that reduces or eliminates a party's liability on the grounds that the party performed its actions in good faith. Legislators include safe-harbor provisions to protect legitimate or excusable violations.

This Safe Harbor is provided to an investment advisor like us that has “investment discretion” over client accounts. It provides us protection against certain state and federal breach of fiduciary obligation claims (including ERISA claims) because we, the advisor, caused a client to pay more than the lowest available commission when executing a securities trade in exchange for receiving investment research services and products which helped us make investment decisions of benefit to our clients. To rely on the Safe Harbor provision, we must determine in good faith that the amount of the commissions paid is reasonable in relation to the value of the research services we have received. We take into account not only the costs for a specific transaction but also our overall responsibility to you. When we cause an account to pay more than the lowest available commission to a broker/dealer in return for research products and services, these payments are commonly referred to as “soft dollar” benefits. The broker/dealer tracks the soft dollar benefits generated to be used on our behalf. Not all trades generate soft dollar benefits, and we try to limit “soft dollar” trades whenever preferable.

For purposes of the Safe Harbor, “research services” means “advice,” “analyses,” and “reports” which meet the following criteria:

- The research is related to the market for securities, such as trade analytics (including analytics available through order management systems) and advice on market color and execution strategies; or
- The research constitutes market, financial, economic or similar data.

For the purposes of the Safe Harbor, “brokerage services” are those products and services that relate to the execution of a trade from the point at which the investment manager communicates with the broker-dealer for the purpose of transmitting an order for execution, through the point at which funds or securities are delivered or credited to an account under our management.

We may also use soft dollars generated by trades for your account to acquire services and products that provide benefits to us that may not qualify as research and/or brokerage services, or to pay expenses otherwise payable by us. Additionally, we may or may not use other clients’ soft dollars to pay such expenses and, if we do, such use may not be directly proportionate to the benefits to other clients. Payments of soft dollars outside the Safe Harbor do not necessarily involve a breach of fiduciary duty.

See section entitled “How We Use Soft Dollars” for additional details.

### Prime Brokerage

We obtain certain services for the Fund, including such services as custodial, recordkeeping, clearing and related services, through what is known as a “prime brokerage” relationship. Under this relationship, a single brokerage firm that we generally select provides the following services:

- maintains custody of the Fund’s assets (either directly or through clearing firms),
- provides margin credit,
- locates securities to borrow to facilitate short sales, and
- provides related services, but allows the Fund to use other brokers to execute transactions.

This relationship allows us to seek valuable research and to compare execution quality and commission rates, while maintaining only one custodial relationship. By using a brokerage firm, we also may avoid paying custodial fees that banks charge other institutional investors. The prime broker receives interest on credit balances, margin borrowings, stock loans and brokerage commissions as compensation.

Under this arrangement, the prime broker, among other things:

- arranges for the delivery of securities bought, sold, borrowed and lent,
- makes and receives payments for securities,
- maintains custody of cash and securities, and
- provides detailed trading, portfolio and related reports.

The Fund’s obligations to the prime broker (and its affiliates) may be secured by way of a first priority perfected security interest over all of the Fund’s assets held in custody. The prime broker (and its affiliates) may transfer to themselves all rights, title and interest in and to those assets as collateral and may deal with, lend, dispose of, pledge or otherwise use all such collateral for their own purposes.

## How We Use Soft Dollars

During 2011, we used soft dollars for the following items, all of which fell within the safe harbor:

- Bloomberg - security quotation service
- Brent Cook Research - Geologic resource service
- New York Stock Exchange - security pricing feed
- Behind the Numbers Research - short sale research service
- Whitaker Research - Management background research
- Weiss Harrington Research - security research service

## Soft Dollar Procedures

During our last fiscal year, ended December 31, 2011 we adhered to the following directives before implementing trades through a soft dollar broker.

When directing a soft dollar trade to our soft dollar broker, we first determine if the security can be executed in a manner that is or very nearly approaches best execution. Our soft dollar execution is examined on a trade by trade basis for price and volume metrics. Instances where a security cannot be bought or sold in a best execution manner are not considered for soft dollar execution. This can occur in international securities, and thinly traded securities where a separate broker dealer may have overwhelming market share of a given stocks trading volume.

A broker/dealer with whom we have a soft dollar arrangement may establish "credits" relating to brokerage commissions paid in the past that may be used to pay, or reimburse the broker/dealer for research or other specified expenses. In other cases, a broker/dealer may provide or pay for a service or product and suggest a higher "commission" level for future business to fully compensate the broker/dealer.

Our actual transactional business with such a broker/dealer may be less than the suggested commission level but can—and likely will—exceed that level. This may be in part because our investment activities generate aggregate commissions in excess of the aggregate suggestions from all broker/dealers providing services and products. It may also be in part because those broker/dealers may also provide superior execution and may therefore be the most appropriate for particular transactions. We will not exclude broker/dealers from transaction business simply because they have not provided research or other services.

We believe the above procedures are consistent with the requirements of the Safe Harbor to the extent the services we acquire otherwise qualify as research or brokerage services. Transactions effected on a principal basis, as most transactions with market-makers in over-the-counter securities are, with a mark-up or mark-down paid to the dealer, do not fall within the Safe Harbor.

## ITEM 13: REVIEW OF ACCOUNTS

For the Fund, Philip Treick, Managing Member, and James Keller, Member, perform daily reviews of the holdings. Reviews for separately managed accounts are performed by Mr. Treick, Mr. Keller and Robert Mullin, Portfolio Manager.

Individual companies are first reviewed for incremental news items on a daily basis. This is followed by a review their respective percentage of the portfolio and trailing performance from our cost basis.

Investors in the Fund and separately managed account clients receive a monthly one page summary of monthly net returns as computed by our Fund Administrator ALPS/Price Meadows and investment weighting by geography and industry. In addition, investors in the Fund receive a quarterly investment letter.

#### ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION

We may also engage solicitors to provide client or investor referrals. We have an arrangement in place to pay a solicitor, a broker dealer registered with FINRA, the SEC and a number of states, 35% of the management fees and 35% of the performance allocation we earn for managing the capital account for the investor that was referred. If you are referred by a solicitor, this practice will be disclosed in writing and we will comply with the requirements of Rule 206(4)-3, under the Investment Advisers Act of 1940, as amended, and any similar state rule or statute.

#### ITEM 15: CUSTODY

As the general partner for the Fund, we have custody of the Fund's assets. In order to comply with the regulatory requirements, we provide all investors in the Fund with audited financials. The audited financial statements are sent to investors within 120 days of the Fund's fiscal year-end.

When you give us authority to deduct our fees directly from your separately managed account, we have custody of those assets. In order to avoid additional regulatory requirements in these cases, we follow the procedures outlined in "Item 5: Fees and Compensation." You will also receive quarterly statements directly from custodian of the account that details all transactions in the account.

#### ITEM 16: INVESTMENT DISCRETION

We manage the Fund on a discretionary basis and do not allow for any limitations to be placed on our investment authority. Our investment philosophy is summarized above, and more completely described in the offering materials for the Fund. In order to invest in the Fund, you must:

- Review the offering materials we provide. This Part 2A and the Part 2Bs for Philip Treick and James Keller, Jr. are included with the offering materials.
- Sign a copy of the limited partnership agreement for the Fund.
- Complete subscription documents for the Fund. These provide information about your qualifications to invest in the Fund.

As one of the conditions of managing a separately managed account, you are required to provide discretionary authority for us to manage your assets. Discretionary authority means that you are giving us a limited power of attorney to place trades on your behalf. This limited power of attorney does not allow us to withdraw money from your account, other than advisory fees if you agree to give us that authority.

You grant us discretionary authority by completing the following items:

- Sign a contract with us that provides a limited power of attorney for us to place trades on your behalf. Any limitations to the trading authorization will be added to this agreement.
- Provide us with discretionary authority on the new account forms that are submitted to the broker/dealer acting as custodian for your account(s).

All accounts are managed using the investment strategy described in the “Methods of Analysis, Investment Strategies and Risk of Loss” section above. We do not allow clients to limit investments we make that fall within the parameters of the investment strategy described.

## ITEM 17: VOTING CLIENT SECURITIES

As a matter of policy and as a fiduciary to our clients, we have responsibility for voting proxies for your portfolio securities consistent with your best economic interests. We maintain policies and procedures as to the handling, research, voting and reporting of proxy voting and make appropriate disclosures about our proxy policies and practices. Our policy and practice includes the responsibility to monitor corporate actions, receive and vote client proxies and disclose any potential conflicts of interest as well as making information available to clients about the voting of proxies for their portfolio securities and maintaining relevant and required records. You may not provide direction regarding any particular proxy solicitation.

You may provide authorization for us to vote your proxies as described above for your separately managed account(s). You may elect to retain the authority to vote the proxies yourself. If you elect to retain the authority to vote proxies, we will not provide guidance regarding proxy issues.

You may request a copy of our Proxy Policies and Procedures and/or information about how a proxy was voted at any time.

## ITEM 18: FINANCIAL INFORMATION

We do not charge or solicit pre-payment of more than \$1,200 in fees per client six months or more in advance. We have never filed for bankruptcy and are not aware of any financial conditions that are reasonably likely to impair our ability to meet our contractual obligations to clients.