

Firm Brochure

(Part 2A of Form ADV)

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This Brochure provides information about the qualifications and business practices of Auriel Capital Management LLP ("Auriel"). If you have any questions about the contents of this Brochure, please contact us by phone or by e-mail, at the contact details, above.

The information in this brochure has not been approved or verified by the U.S. Securities and Exchange Commission ("SEC") or any state securities authority.

Auriel is registered as an investment advisor with the SEC. Registration with the SEC or with any state securities authority does not imply a certain level of skill or training.

Additional information about Auriel is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 - Material Changes

The following material changes have occurred since we last updated our Brochure on 26 June 2012:

1. The Auriel Global Macro Fund (a pooled vehicle managed by the Firm) was liquidated in 2012 due to a reduction in assets, and dissolved on 14 December 2012. The firm reduced its headcount in 2012, which included the departure of one of our Partners, Stuart Carter.
2. Auriel now only manages currency assets on a cash, spot and forward basis. These currency assets are managed to a pre-agreed notional amount. In light of this, our regulatory assets under management reflects the notional value of the portfolios. The notional value of assets under management is agreed monthly with the client and is the same value that is used to report account values to clients and to calculate fees or investment advisory services. The regulatory assets under management figure, as of the date of this Brochure, is \$3,143 million.
3. On 1 December 2012, we moved offices to 3/4 Devonshire Street, London, UK W1W 5DT, telephone +44 203 440 5105.

Table of Contents

Firm Description.....	1
Principal Owners.....	1
Types of Advisory Services.....	1
Tailored Relationships	1
Termination of Agreements.....	2
Client Assets.....	2
Description.....	3
Fee Billing.....	3
Description.....	4
Account Minimum	4
Methods of Analysis.....	4
Currency Strategy	4
Investment Strategies	5
Risk of Loss	5
Legal and Disciplinary.....	6
Affiliations	6
Conflict of Interest.....	6
Code of Ethics.....	6
Participation or Interest in Client Transactions.....	7
Personal Trading.....	7
Selecting Brokerage Firms.....	7
Best Execution.....	8
Soft Dollars	8
Order Aggregation	8
Frequency of Reviews	8
Regular Reports.....	9
Client Referrals	9
Account Statements.....	9
Performance Reports.....	9
Discretionary Authority for Trading.....	9
Limited Power of Attorney.....	10
Proxy Votes	10
Financial Condition	10

Item 4 - Advisory Business

Firm Description

Auriel Capital Management LLP ("Auriel") was founded in 2004. Auriel is an investment management and investment advisory firm based in London, England. Auriel is authorized and regulated by the UK Financial Services Authority ("FSA"), and is registered with the U.S. Securities and Exchange Commission ("SEC").

Principal Owners

Auriel is structured as a UK limited liability partnership. There are three partners: Anoosh Lachin; Asif Noor; and a UK limited company, Auriel Management Ltd. Auriel Management Ltd is 100% owned by Auriel Capital (Cayman) Ltd, a company that, in turn, is 100% owned by Mr Noor. Mr. Lachin and Mr. Noor are the founding members of Auriel. Ultimate ownership and control of Auriel rests with the founding members.

Auriel has no affiliates or "related persons".

Types of Advisory Services

Auriel provides investment advisory services. We manage assets on the basis of investments in global currency – cash, spot and forward currency contracts. For this, Auriel employs quantitative modeling and risk management techniques to develop strategies that are aimed to be uncorrelated to market beta and the hedge fund universe. Auriel focuses on institutional clients who generally invest through managed accounts.

Auriel does not furnish advice to clients on matters not involving securities, such as financial planning matters, taxation issues and trust services.

Tailored Relationships

The goals and objectives for each client are documented in our client agreements which are entered into directly with Auriel and which may not be assigned without client consent. Investment policy statements are created that reflect the stated goals and objective. Clients may impose restrictions on investing in certain securities or types of securities.

Assets are invested in a systematic manner using models and algorithms developed by us. Models are under continuous development and refinement.

Fund managers may override the models in exceptional circumstances, but only to reduce risk and not to place trades not recommended by the models.

Auriel operates a best execution policy and periodically assesses the rates charged by the brokers used to execute trades to ensure that their rates are competitive.

Auriel does not invest in Initial Public Offerings. While Auriel allows investors to specify investments that they may not make on behalf of individual investors, Auriel does not offer an execution only service and does not take orders from clients to buy or sell securities.

Auriel does not participate in wrap fee programs.

Termination of Agreements

Client agreements are terminable at will, and are negotiable.

Auriel does not take advance payments from clients; thus, the issue of returning fees received in advance does not occur.

Client Assets

As of the date of this Brochure, Auriel manages \$3,143 million in assets for one client. Client assets are stated using the same method we use to report account values to clients or to calculate fees for investment advisory services. Of these assets, \$1,425 million is managed on a discretionary basis and \$1,718 million is managed on a non-discretionary basis. Auriel is engaged to hedge the currency risk on underlying portfolios through investments in cash, spot and forward currency contracts. The hedging mandates can be used either to manage a hedge ratio to a static benchmark or dynamically within a pre-specified range around the benchmark hedge ratio. The objective of the dynamic portfolio is to alter the passive portfolio's hedge positions in a way that maximizes risk adjusted return over a market cycle using a target annualized standard deviation.

All portfolios are managed to a notional value which is reviewed by the client on a monthly basis and may increase or decrease on the first day of each calendar month or at any such time as may be agreed with Auriel.

Item 5 - Fees and Compensation

Description

Our clients pay an investment management fee ("Fee") that comprises the following elements.

A "*Monthly Management Fee*" calculated at the rate of 0.10% (applied on the notional value per annum) per unit of risk in the Portfolio. If the notional amount of this portfolio is increased or decreased during the relevant month then the management fee will be prorated accordingly.

A "*Quarterly Performance Fee*" is payable for each calendar quarter equal to 20% of the income and gains (realized or unrealized) earned during the quarter with respect to the Portfolio net of any expenses and losses (realized and unrealized) incurred during the period and is subject to the full recovery of any unrecovered losses from prior periods. Unrecovered losses include trading losses relating to the period from the date the client places funds with us.

Fees are negotiable. Auriel, in its sole discretion, may waive its minimum Fee and/or charge a lesser Fee based upon certain criteria (e.g., historical relationship, type of assets, anticipated future earning capacity, anticipated future additional assets, dollar amounts of assets to be managed, related accounts, account composition, negotiations with clients, etc.).

Fee Billing

The Monthly Management Fee is billed monthly in arrears and is normally payable by the client within 10 days of receipt of invoice. The Quarterly Performance Fee is calculated and invoiced quarterly. We do not have the authority to deduct the client's fee from Client Assets.

No fees are paid in advance. A client may close its account at will. Upon termination, Fees for the period from the first day of the month to the date of termination are due and payable by the Client. The Quarterly Performance Fee may also become payable upon the termination for the then current quarter, with the date of termination, for this purpose being taken as the last day of the calendar quarter in which the termination occurred.

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

We do not engage in side-by-side management.

Item 7 - Type of Clients

Description

We generally provide investment management services for institutional investors, including pension plans.

Account Minimum

Auriel does not operate a formal minimum account size for a managed account. There is no minimum level of fees.

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

Methods of Analysis

Auriel uses its own analysis and may use the analysis of third parties such as Thomson-Reuters and Bloomberg. We use third party data sources to provide data to input into our models, which is paid for by us.

Currency Strategy

Investment process

Auriel is focused on the research and development of proprietary trading signals that seek to identify various valuation, sentiment or technical anomalies present in the global markets. We aim to explore around ten to twenty ideas per year. Every research idea must have a theoretical rationale. Additionally, we must believe that the market anomaly investigated will continue to work in the future.

The next step is to gather, clean and lag historical data for the empirical investigation after which an initial suite of analytical tests is run and a report is produced for the partners to review.

Depending on the outcome of the results, we begin robustness testing. We need to ensure that the alpha decay does not preclude us from trading the model, the alpha is generated from a substantial number of assets in the universe, and the model has worked through different market regimes.

Lastly, the new model must be additive to the strategy.

Models are under continuous development. In the event of significant losses stop loss policies may be invoked which would result in liquidation of client portfolios. Due to the model based nature of the investment strategies conventional periodic reviews are not applicable to the portfolios.

Investment Strategies

The investment strategy for a client is based upon the objectives and restrictions required by the client. The client may change these objectives at any time. Each client executes an Investment Management Agreement that documents their objectives, restrictions and their desired investment strategy.

Risk of Loss

The risks in the investment strategy used by Auriel to manage the client's portfolios are as follows.

Currency hedging – the risk that Auriel will incorrectly assess the performance of the currency and, rather than reducing risk, the transaction underperforms so that the portfolio would have been better off if it had not engage in the hedging transaction.

Short selling – the risk of a theoretically unlimited loss as a result of selling currency forward that the seller does not yet own. There is a risk that the exchange rate will move to the disadvantage of the seller so that he/she will have to purchase it at a higher price than the contract to sell.

Forward contracts – the forward contracts market is substantially unregulated; there is no limitation on daily price movements and speculative position limits are not applicable. These markets can experience periods of illiquidity, sometimes for significant duration. Factors such as imposition of government controls, political intervention and unusually high trading volumes can disrupt a market all of which pose risk of losses to the Client.

Global economic and market conditions – the risk of investing in currencies in different markets throughout the world including emerging and developing markets some of which are highly controlled by government authorities. Additional risks involved in making such an investment such as trade balances, related economic policies, unfavorable currency exchange rate fluctuations and imposition of exchange controls by governments amongst other will be taken into consideration.

Item 9 - Disciplinary Information

Legal and Disciplinary

The firm and its employees have not been involved in legal or disciplinary events related to past or present investment clients.

Item 10 - Other Financial Industry Activities and Affiliations

Affiliations

Neither Auriel nor any of its personnel are affiliated with or maintain a material relationship with another financial industry entity.

Conflict of Interest

Mr Lachin and Mr Noor are both involved in portfolio management activities of the firm in addition to the risk management and compliance processes of the firm. Controls have been established to ensure that no one individual is able to authorize an investment decision, execute that order then validate the execution of that trade. Additionally, Mr Lachin has been appointed Chief Compliance Officer with Mr Noor acting as his deputy. Auriel completes annual compliance reviews.

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

Code of Ethics

Auriel has a Code of Ethics. This Code sets general standards of conduct for covered personnel who fall within the scope of the Code. Auriel has a number of people who are deemed access persons and are subject to this Code of Ethics. All their personal trades may only be undertaken in compliance with the Code.

The Code imposes specific restrictions aimed at preventing, detecting and correcting fraudulent activity or activities that would pose a conflict of interest in connection with personal transactions. The Code restricts their giving and receiving of gifts and their ability to accept certain positions with other companies. The Code also restricts personal securities transactions by various means.

In order to monitor compliance by our personnel with the Code and applicable laws, each individual is required to comply with initial, quarterly and annual report of their accounts and securities positions, as well as the confirmation of each trade. In addition, each officer, director and employee is required to sign a statement to acknowledge that they have received, read and understood the Code and will comply with it, as well as confirming that they will not misuse inside information or client confidential information.

Participation or Interest in Client Transactions

Access persons may buy or sell securities for their personal account that are bought or sold for or held by clients. No person subject to the Code shall place his or her own interests ahead of those of an advisory client or make a personal investment decisions based on the investment decisions made for advisory clients.

Personal Trading

Mr Lachin is the Chief Compliance Officer. He reviews all access person trades each quarter. His trades are reviewed by Mr Noor. The personal trading reviews ensure that the personal trading of our access persons does not affect the markets, and that clients of Auriel receive preferential treatment.

This is a summary of our Code. We will provide a copy of our Code to any client or prospective client upon request.

We also maintain a log of material conflicts and the means to address them.

Item 12 - Brokerage Practices

Selecting Brokerage Firms

Auriel does not have any affiliation with product sales firms. Specific custodian recommendations are made to Clients based on their need for such services. Auriel regularly reviews the market to determine which brokers to use.

Auriel operates a best execution policy as set out below.

Auriel does not receive fees or commissions from any of these arrangements.

Best Execution

Auriel defines best execution, in relation to foreign exchange transactions, as seeking to obtain the best price available in the market. We use the following factors; price (absolute prices and also the bid/offer spread); and the credit rating of the broker.

Auriel regularly reviews the execution of trades by each broker. Trading fees charged by the custodians are also reviewed regularly. Auriel does not receive any portion of the trading fees.

Soft Dollars

Auriel has an agreement with Goldman Sachs under which Goldman Sachs pays for certain data and research expenses. This agreement relates to the Global Macro Fund which is now closed. Since the fund ceased trading in July 2012 no further funds have accumulated in this account. The balance in the account is now small and the account will be closed shortly. The agreement was not directly related to the amount of commission paid to Goldman Sachs.

It should be noted that no client account currently generates soft dollars.

Order Aggregation

When Auriel trades the same asset for multiple accounts at the same time we may determine, consistent with our duty of best execution, that aggregating orders may provide our clients more favorable execution. When aggregating orders, we seek to treat all of our clients in a fair and equitable manner. No account is favored over any other.

Item 13 - Review of Accounts

Frequency of Reviews

Client accounts are reviewed on a daily basis. On a monthly basis, we may adjust the notional amount following receipt of such an instruction from the Client. The account is reviewed to ensure that it is appropriately positioned and that the investment objectives and restrictions have been followed.

Regular Reports

Clients will receive statements from their custodian quarterly. Auriel shall provide other reports to the client to meet their individual requirements and as specified in the Client Investment Management Agreement.

Item 14 - Client Referrals and Other Compensation

Client Referrals

Auriel does not use any firm to solicit or refer clients to it and does not pay or accept a finder fees.

Item 15 - Custody

Auriel does not have custody. For managed accounts the account is held in the name of the client. Auriel has authority to issue trading instructions on the client accounts but does not have authority to make third party payments nor to deduct its own fees from any client accounts.

Account Statements

All assets are held at qualified custodians. The custodians will provide account statements directly to the Client at its business address quarterly.

Performance Reports

Clients are urged to compare the account statements received directly from their custodians to the performance report statements provided by Auriel.

Item 16 - Investment Discretion

Discretionary Authority for Trading

Auriel accepts discretionary authority to manage accounts on behalf of clients. Auriel has the authority to determine, without obtaining specific client consent, the type and amount of investments to be bought or sold.

Limited Power of Attorney

The Client may sign a limited power of attorney so that we may execute the trades that it has approved.

Item 17 - Voting Client Securities

Proxy Votes

Auriel does not invest in individual equities, and therefore proxy voting is not relevant to our business.

Item 18 - Financial Information

Financial Condition

Auriel does not have any financial impairment that will preclude the firm from meeting contractual commitments to clients.

A balance sheet is not required to be provided because Auriel does not serve as a custodian for client funds or securities, and does not require prepayment of fees of more than \$1,200 per client, and six months or more in advance.