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This brochure provides information about the qualifications and business practices of T2AM, LLC (“T2AM” or the “Registrant”). If you have any questions about the contents of this brochure, please contact us at (310) 574-8610. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority. Registration as an investment adviser with the SEC does not imply a certain level of skill or training of T2AM or its personnel.

Additional information about T2AM is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Item 2 – Material Changes**

The following are material changes from the Registrant's last update, which was in March 2011:

### Name Change

As of November 2011, Telesis Capital, LLC changed its name to, and is doing business as, T2AM, LLC.

### Ownership of the Registrant

Mr. Rishi Narang remains the principal owner of the Registrant. In addition to Mr. Narang, Tradeworx, Inc., an investment adviser, and Mr. Manoj Narang have a percentage interest in the net profits and losses of the Registrant.

### **Item 3 – Table of Contents**

Item 1	Cover Page .....	1
Item 2	Material Changes .....	2
Item 3	Table of Contents .....	3
Item 4	Advisory Business .....	4
Item 5	Fees and Compensation .....	5
Item 6	Performance-Based Fees and Side-By-Side Management .....	6
Item 7	Types of Clients .....	6
Item 8	Methods of Analysis, Investment Strategies and Risk of Loss.....	7
Item 9	Disciplinary Information.....	8
Item 10	Other Financial Industry Activities and Affiliations .....	8
Item 11	Code of Ethics, Participation or Interest in Client Transactions and Personal Trading ..	8
Item 12	Brokerage Practices .....	9
Item 13	Review of Accounts .....	10
Item 14	Client Referrals and Other Compensation .....	11
Item 15	Custody .....	11
Item 16	Investment Discretion .....	11
Item 17	Voting Client Securities .....	11
Item 18	Financial Information.....	12
Item 19	Requirements for State Registered Advisers .....	12

#### **Item 4 – Advisory Business**

- A. T2AM, a Delaware limited liability company, is an investment adviser located in Marina Del Rey, California. The Registrant serves as the investment manager to Ergos Fund, LP, a Delaware limited partnership; Ergos Offshore Fund, Ltd, a British Virgin Islands corporation; and Ergos Offshore I Ltd, a British Virgin Islands corporation (together, the “Ergos Funds”).

The Registrant also serves as the investment manager to and the general partner of the Telesis Constellation Fund, LP, a Delaware limited partnership; the Telesis Constellation Offshore Fund, Ltd, a British Virgin Islands corporation; TCF Holdings Limited, a British Virgin Islands corporation; and the Telesis Constellation Master Fund, LP, a British Virgin Islands international limited partnership (together, the “Constellation Funds”) (Collectively, with the Ergos Funds, the “Funds” or “Clients”). The Constellation Funds were restructured in April 2009 to become feeder funds to the Ergos Funds. Beginning in January 2011 the Constellation Funds no longer accepted investors and are in the process of liquidation. The final audit date for the Constellation Funds is November 30, 2011.

All of the Funds managed by the Registrant are offered to financially sophisticated individuals and institutional investors.

In addition to serving as an investment adviser to the Funds, T2AM provides services to Tradeworx, Inc. Such services include, but are not limited to, back offices duties such as reconciliation of cash and positions, investor reporting, trade allocation and other operational services. In addition, the Registrant serves in a marketing and investor relations capacity to Tradeworx, Inc. which may include the production of marketing material and direct interaction with Tradeworx, Inc. clients and investors.

Mr. Rishi K Narang founded the Registrant in 2005. Mr. Narang, the principal owner of T2AM, has a beneficial ownership of the Registrant that exceeds 75%. In addition to Mr. Narang, Tradeworx, Inc. and Mr. Manoj Narang have an ownership interest in the profits and losses of the Registrant.

- B. The Registrant provides discretionary investment services to its Clients. The Ergos Funds pursue a “fund of managed accounts” strategy. The objective is to achieve superior risk-adjusted returns by allocating capital primarily to prime brokerage accounts and sub-accounts (each, a “Managed Account”) held at prime brokers or other qualified custodians in Ergos Funds’ name. The Managed Accounts will each be separately managed by a professional money manager (each, a “Sub-Adviser”) appointed by Ergos Capital, LLC (the “General Partner”) and/or the Registrant. The Sub-Advisers will generally pursue strategies in equities, futures, currencies, and options thereon, but may be authorized by the Registrant, at its sole discretion, to pursue other strategies. From time to time, the Registrant may also directly manage the Funds’ investments in a variety of securities and other instruments, employing a diversified mix of strategies.

- C. Through its employment of a “fund of managed accounts” structure, the Sub-Advisers exercise discretion over the Managed Accounts. However, the Registrant may tailor its advisory services to the specific needs of the Funds when deemed necessary.
- D. The Registrant does not participate in wrap fee programs.
- E. As of October 31, 2011, the Registrant managed \$83,817,000 million in assets on a discretionary basis.

## **Item 5 – Fees and Compensation**

- A. The Funds, on behalf of the investors, pay a management fee (the “Management Fee”) to the General Partner (and through the General Partner, indirectly to the Registrant). The Management Fee is payable monthly in advance by each investor of the Funds. The Management Fees are based on the market value of the assets under management as of the first business day of the current calendar month. Fees are prorated for investments that are at times other than the start of a calendar month. The applicable Management Fee schedule for each investor is described in each Fund’s offering memorandum. In the case of the Ergos Funds, investors pay a Management Fee between 1% - 4.5%, as noted in the Ergos Funds’ offering memoranda.

The General Partner also receives an incentive allocation (the “Performance Fee”) as discussed further in Item 6.

It is important to note that the Sub-Advisers (as defined in Item 4.B.) generally charge annual fees that are measured by a percentage of the value of the assets they manage and generally range from 0% to 1%. In addition, such Sub-Advisers may receive incentive fees or performance fees based on both realized and unrealized appreciation in the value of the assets under management. These incentive fees generally range from 15% to 50% and typically are paid quarterly or annually.

- B. The Registrant deducts fees from the Funds’ assets. Specifically, the Funds pay the General Partner a Management Fee by debiting the capital account of each investor on a monthly basis.
- C. Generally, the Funds pay the General Partner for the following costs and expenses incurred by or on behalf of the Funds or for its benefit, including, but not limited to, the Funds’ own operating costs, including:
  - all legal, accounting and auditing costs and expenses;
  - all management, incentive, or other fees payable to the Sub-Advisers;
  - all expenses associated with negotiating and entering into contracts and arrangements in the ordinary course of the Funds’ business;

- all expenses of consultants or other service providers retained by the General Partner to assist it in maintaining the Funds' books and records and complying with applicable laws and regulations;
- all costs and expenses incurred for the purpose of protecting or enhancing the value of the Funds' assets (including the costs of instituting or defending lawsuits);
- all costs incurred through special purpose vehicles, including any organizational or operating expenses of such special purpose vehicles, or the Funds' pro rata share thereof;
- all investment-related costs and expenses incurred by the Funds in connection with the investment of its assets within (or outside) the Managed Accounts (including but not limited to brokerage commissions, clearing fees, and exchange fees); and
- all interest on Funds borrowings (on margin or otherwise).

For further explanation on brokerage and transaction costs, please see Item 12 "Brokerage Practices."

The Fund is not obligated to reimburse the General Partner or the Registrant for its own general, administrative or operating costs.

- D. The Management Fees for each Fund are payable monthly in advance by each investor of the Funds, as discussed above in Item 5.B.
- E. Neither the Registrant nor any of its supervised persons accepts compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds.

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

Generally, investors in the Ergos Funds will pay the Registrant a Performance Fee assessed at the end of each relevant period if there has been a net asset increase that is above any net asset decrease in each account of an Ergos Fund's value. Such investors of the Ergos Funds are subject to a monthly Performance Fee of 15%. The Performance Fees applicable to investors in the Ergos Funds have a loss carry forward provision.

The Registrant does not advise Clients that are not charged a performance-based fee.

## **Item 7 – Types of Clients**

The Registrant provides portfolio management services to pooled investment vehicles made up of managed accounts. Such investment vehicles are exempt from registration under the Investment Company Act of 1940, as amended.

Generally, the minimum initial investment in the Ergos Funds is \$250,000; however, this is subject to the discretion of the General Partner.

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

- A. The Registrant's investment objective is to generate risk adjusted returns which the Registrant believes are (a) high relative to the liquidity and asset quality and (b) uncorrelated with the performance of major market and alternative investment indices by investing the Funds' assets in separately managed accounts and other eligible investments.

The Sub-Advisers will generally pursue strategies in, but not limited to, equities, futures, currencies, and options thereon, but may be authorized by the Registrant, at its sole discretion, to pursue other strategies.

The Ergos Funds indirectly invest in individual securities through the Managed Accounts; as such individual securities are allocated by each Managed Account's Sub-Adviser. Investing in securities involves risk of loss that the Funds (and its investors) should be prepared to bear. The Registrant, in determining which Sub-Adviser to invest, employs a comprehensive process to analyze this. The process includes, but is not limited to, the following:

- (i) Strategy and Research – the Registrant will develop and refine, as needed, a specific approach, dependent on the investment strategy, to narrow the field of Sub-Advisers that would enhance such investment strategy;
  - (ii) Manager Sourcing – the Registrant will proactively and responsively engage to maximize the universe of investment choices available to the Funds;
  - (iii) Manager Selection – the Registrant will examine the Sub-Advisers ability to manage their strategy and select such Sub-Advisers based on the Registrant's selection criteria (as outlined in the Ergos Funds' offering memoranda);
  - (iv) Managed Account's Portfolio Construction – Upon the Registrant's selection of a Sub-Adviser, the Registrant will determine what allocations such Sub-Adviser will receive and the Managed Account's corresponding risk exposure; and
  - (v) Monitoring and Risk Management – the Registrant will perform ongoing analysis of investments in each Managed Account, measure and manage risk exposures, and revise and set (as necessary) the Manager Selection priorities (as outlined in point (iii)).
- B. No guarantee or representation is made that the Registrant's investment strategy will be successful. As noted in the Funds' Offering Memoranda, there are risks inherent to the Registrant's investment strategy including, but not limited to, dependence on Sub-Advisers, the limited liquidity of the Funds, limited information concerning the Funds' underlying securities and general market risks. Additional risks include the volatility of prices with respect to commodities and futures interests. Finally, the Registrant's investment strategy may include short selling, which is speculative and volatile and may

involve substantial risk.

- C. The Sub-Advisers will generally pursue strategies in, but not limited to, equities, futures, currencies, and options thereon, but may be authorized by the Registrant, at its sole discretion, to pursue other strategies. In the context of the broad mandate with respect to the types of securities to be traded on behalf of the Funds, the risks that the Registrant believes to be most applicable to such securities are outlined above in Item 8. B.

#### **Item 9 – Disciplinary Information**

In the past ten years, there have been no legal or disciplinary events involving either the Registrant or any of its management persons that are material to the Registrant’s advisory business.

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

- A. Neither the Registrant nor any of its management persons are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.
- B. Neither the Registrant nor any of its management persons are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.
- C. As noted in Item 2, the investment adviser, Tradeworx, Inc., and the Chief Executive Officer of Tradeworx, Inc., Mr. Manoj Narang, have a percentage interest in the net profits and losses of the Registrant. Additionally, as noted in Item 4, T2AM provides ongoing operational and marketing services to Tradeworx, Inc.
- D. Although the Registrant does select Sub-Advisers for its Clients, such Sub-Advisers do not compensate the Registrant either directly or indirectly. The Registrant does not have any other relationships with such Sub-Advisers that create a material conflict of interest.

#### **Item 11 – Code of Ethics, Participation or Interests in Client Transactions and Personal Trading**

- A. The Registrant has adopted a Code of Ethics (the “Code”) to ensure that the Registrant fulfills its role as a fiduciary to the Funds. The Code also provides guidance and instruction to the Registrant and its personnel on their ethical obligations in fulfilling its duties of loyalty, fairness and good faith towards the Funds, the Managed Accounts and each of their investors.

The Code contains provisions designed to try to: (i) prevent, among other things, improper trading by the Registrant’s employees; (ii) identify conflicts of interest; and (iii) provide a means to resolve any actual or potential conflicts of interest in favor of the



Funds or Managed Accounts. The Code attempts to accomplish these objectives by, among other things, (i) requiring pre-clearance of trades, which includes documenting any exceptions to such pre-clearance requirement; (ii) restricting trading in certain securities that may cause a conflict of interest, as well as (iii) requiring minimum holding periods of securities traded.

The Code contains sections including, but not limited to, the following key areas: (i) restrictions on personal investing activities; (ii) gifts and business entertainment; (iii) management of non-advisor managed accounts and other outside business activities; (iv) conflicts of interest; (v) confidential information; (vi) monitoring of Sub-Advisers' activities; and (vii) reporting misconduct.

The Registrant will provide a copy of the Code to any investor or prospective investor in the Funds or Managed Accounts upon request.

- B. Neither the Registrant nor any of its related persons recommend to Clients, or buys and sells for Client accounts, securities in which the Registrant or a related person has a material financial interest.
- C. The Registrant and its related persons may own an interest in or buy or sell for their own accounts the same securities, which may be recommended, purchased or sold in the Managed Accounts of the Funds. The Registrant mitigates this potential risk through the employment of its personal trading policies within the Registrant's Code.
- D. It is important to note that employees of the Registrant are not permitted to buy or sell the same securities for their personal account at or about the same time as those securities recommended to Funds, or bought or sold for the Funds.

## **Item 12 – Brokerage Practices**

- A. Brokers dealers will be selected by the General Partner (and/or the Registrant) on the basis of obtaining the best overall terms available, which the General Partner (and/or the Registrant) will evaluate based on a variety of factors, including the ability to achieve prompt and reliable executions at favorable prices; the operational efficiency with which transactions are effected; the financial strength, integrity and stability of the broker; the quality, comprehensiveness and frequency of available research and related services or other services or facilities provided by the broker or dealer that the General Partner (and/or the Registrant) considers to be of value; and the competitiveness of commission rates in comparison with other brokers satisfying the Fund's overall selection criteria.

Portfolio transactions for the Funds will be allocated on the basis of best execution and in consideration of an entity's ability to obtain access to a security, its facilities, reliability, and financial responsibility, and the provision or payment of the costs of research and other services or property that are of benefit to the Funds.

1. Generally, the Registrant will not, on behalf of any Clients, directly enter into any soft dollar arrangements. The Registrant delegates authority over the investments of Clients' funds to Sub-Advisers which maintain complete discretion over the assets and use various brokers and dealers. The underlying Sub-Adviser directs its clients' securities transactions to brokers and dealers selected by the Sub-Adviser in its sole discretion and without the consent of its clients. In selecting Sub-Advisers the Registrant indirectly selects brokers and dealers.
  2. Client referrals are not considered in selecting or recommending broker-dealers.
  3. Generally, the Registrant will not allow "directed brokerage" by any investor, meaning that the Registrant will not allow any investor to direct the Registrant to execute all or a portion of the Client's trades to one or more specified broker-dealer firms chosen by the investor.
- B. T2AM employs an investment structure whereby no two funds managed by T2AM require aggregation. Furthermore, it is the Sub-Advisers to the Managed Accounts in which the Funds invest, and not T2AM that generally exercise discretion in securities transactions.

### **Item 13 – Review of Accounts**

- A. Generally, the investment activity of the Funds is monitored on a daily basis by the Registrant. The Sub-Advisers provide the Registrant with updated daily performance data for the Managed Accounts, which the Registrant, in turn, compares to brokerage statements of each of the Managed Accounts. Such daily brokerage statements are used to generate a daily aggregate update of the performance of each applicable Fund.

The Registrant maintains such daily updates at its principal office, and such updates are available for review by investors. Additionally, investors of the Funds may request access to the Registrant's daily internal risk reporting of the Ergos Funds.

- B. In addition to the monitoring of investment activity noted above in response to Item 13.A., Mr. Narang reviews Managed Account transactions on an ongoing basis.
- C. The Registrant will provide each investor periodic reports no less frequently than annually that will include financial statements and information concerning valuations, profits, gains and losses. The Funds will be audited at least annually. The Registrant will distribute the Funds' audited financial statements within 120 days of the end of the Registrant's fiscal year. Audited financial statements will generally be prepared in accordance with generally accepted accounting principles. Unaudited statements are distributed by the Funds' administrator monthly to all Fund participants, members, other beneficial owners or their independent representatives. As noted above, investors may

request access to the Registrant's daily or monthly internal risk reporting of the Ergos Funds.

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

- A. No one other than the Registrant's Clients provide an economic benefit to the Registrant for providing investment advice or other advisory services to the Clients.
- B. Neither the Registrant nor any related person directly or indirectly compensates any person who is not a supervised person for Client referrals. However, from time to time, the Registrant may compensate one or more placement agents for referrals of Fund investors.

#### **Item 15 – Custody**

The Registrant adheres to the applicable requirements of Rule 206(4)-2 of the Advisers Act (the "Custody Rule") with respect to each Fund for which it or an affiliate serves as general partner or managing member. The Registrant's CFO is responsible for ensuring that the Funds' securities, other than cash and "privately offered securities," are held only with a qualified custodian. The Registrant's CFO will also be responsible for arranging for the annual independent audits of the Funds by Rothstein, Kass & Company, P.C., an independent auditor of the Funds. The Registrant will arrange for the delivery to all investors (or other beneficial owners) of the Funds in each of the Funds such audited financial statements within 120 days of the Registrant's fiscal year end.

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

The Registrant accepts discretionary authority to manage securities on behalf of its Clients through the investment management agreements with such Clients. The limitations with respect to such discretionary authority are outlined in each Client's investment management agreement.

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

- A. The Registrant has discretionary authority over the securities held by the Funds, and therefore has proxy voting authority. Accordingly, the Registrant is subject to Rule 206(4)-6 under the Advisers Act (the "Proxy Voting Rule"). To meet the Registrant's obligations under the Proxy Voting Rule, the Registrant has delegated this authority to the Sub-Advisers. Each Sub-Adviser will exercise its authority to vote such proxies in accordance of the best interest of the Funds. The Sub-Advisers typically vote proxies in accordance with management's recommendation. The Sub-Advisers will maintain and/or provide the Registrant with regular reports on how each proxy, on behalf of the Funds, was voted, and shall maintain records of such proxy votes.

The CCO is responsible for ensuring, if requested, that the Registrant provide investors with (i) a description of the Registrant's proxy voting policies and procedures and (ii)

instructions about how investors may obtain information from the Registrant on how the Sub-Advisers voted with respect to their Fund's securities. The CCO is responsible for responding to requests from investors regarding how proxies were voted. In addition, the CCO is responsible for ensuring that a summary of the Registrant's proxy voting policies and procedures is disclosed in the Registrant's Form ADV.

B. Not applicable.

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

- A. The Registrant does not require or solicit prepayment of more than \$1,200 in fees per Client, six months or more in advance and therefore has not included a balance sheet.
- B. The Registrant does not believe that there are any conditions that are reasonably likely to impair the Registrant's ability to meet contractual commitments to Clients.
- C. The Registrant has never been the subject of a bankruptcy petition.

#### **Item 19 – Requirements for State-Registered Advisers**

The Registrant is not registered with any state securities authority; therefore this Item is not applicable.