

Form ADV Part 2A

DISCLOSURE DOCUMENT OF

Diamond Peak Capital, LLC

[A Delaware Limited Liability Company]

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NEITHER THE U.S. SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES AUTHORITY HAS PASSED UPON THE ADEQUACY OR ACCURACY OF THIS DISCLOSURE DOCUMENT. REGISTRATION AS AN INVESTMENT ADVISER DOES NOT IMPLY A CERTAIN LEVEL OF SKILL OR TRAINING.

The Date of this Disclosure Document is

March 31, 2012

The delivery of the Disclosure Document at any time does not imply that the information contained herein is correct as of any time subsequent to the date shown above. This Disclosure Document will supersede all other documents containing information about this advisory program.

Material Changes to Disclosure Document

There have been no material changes to this Disclosure Document since it was last issued, March 31, 2011.

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I. Part 2A – Disclosure Items about Firm

Item 4. General Information about Firm.

(A) **Operational and Organizational Information.** Diamond Peak Capital, LLC (“Firm”), is a registered investment adviser. As stated on the cover page of this Disclosure Document, registration as an investment adviser does not imply a level of skill or training. The Firm has been in business since October 1, 2007. The principal owners of Firm are Steven G. Sapourn (Managing Member) and Christopher S. Jones (Member and Chief Compliance Officer).

(B) **Types of Advisory Services Offered.** The Firm provides investment management services relating to the following discretionary strategies and pooled investment:

The Firm is a quantitative investment manager typically categorized in the ‘alternative investment’, managed futures and hedge fund spaces. The Firm offers two main investment services at this time, its Northstar program, a systematic, short-term swing trading strategy which trades in equity indices and is employed in both e-mini futures (financial derivatives, but no commodities) and at Guggenheim Investments (formerly Rydex), through their index-linked mutual funds. The Northstar program is managed in-house, primarily on behalf of sophisticated clients who generally are seeking an investment manager who can *potentially* protect his or her capital from large, unrecoverable losses and produce absolute returns over time. Northstar is designed to be an all-weather investment, trading both long and short, and which aims to produce benchmark-beating results regardless of the overall economy or equity market environment. Strict money management rules are employed with the intent of increasing the program’s risk-adjusted returns, while controlling losses. DPC offers no guarantee that it can produce any result or set of results.

The Firm also advises a pooled/private placement limited partnership investment vehicle called Diamond Peak Traders, LP. This fund is offered to sophisticated investors and has the ability to invest in other sub-managers, including the Firm’s own in-house strategies, such as the Northstar program or its ETF trading strategy. **This is a conflict of interest. It has been mitigated by only one set of fees being charged by the Firm at the fund level. For example, no underlying sub-manager fees are charged by the Firm, additional fees may only be charged by any sub-managers in the fund.**

Any in-house investment strategy that is offered to Firm clients, whether directly or through a pool, is vetted and thoroughly statistically researched, with proprietary capital of the Firm or its principals possibly being traded in advance of the private offering. If an in-house Firm strategy performs well, it may be offered in more than one format to clients. For example, if it performs well with proprietary capital then it could be offered in the fund. Then if it performs well within the fund, it could be offered to clients in separately managed accounts.

The Firm's advisory services are currently offered in the above ways. In the future, additional investment programs or services could be offered.

Client Investment Guidelines and Parameters.

In certain instances, upon client request, the Firm may tailor its advisory services and fee schedules to the individual needs of separately managed accounts. Clients may also impose restrictions on investing in certain securities or types of securities by specifying such restrictions in a written notice to the Firm. The Firm provides discretionary (and/or non-discretionary) investment advisory services to all fee paying clients' accounts. In connection with managing the investments of its separate account clients, such accounts' Investment Management Agreements provide investment guidelines and parameters that provide the context within which Firm renders its investment management services, subject to such investment decisions being approved in advance by the relevant client. Each investment program such as Northstar or the Firm's ETF trading strategy has its own 'range of expectations' both in real-time trading as well as in relation to historical and statistically-based research or back-testing. This range will vary with each specific risk tier of the program, for example, 'conservative', 'moderate' or 'aggressive'. The anticipated range of expectations (real and hypothetical trading) of an investment program is discussed in detail across multiple data points prior to any client deciding whether the program is a fit for their needs and, if so, which risk tier within the program is most suitable. These parameters include contingency plans such as 'stop loss' levels in percentage or absolute dollar terms. Client communications will occur should particular goals not be met, or if any investment program or fund begins to move outside of its expected range(s).

The Firm will obtain from its clients a full, clear and complete understanding of its clients' current financial situation, financial

holdings, investment objectives, risk tolerance, and investment needs and wants. The client is responsible for the accuracy and adequacy of information, records, and data provided to the Firm.

(C) **Wrap Fee Programs.** Firm does not participate in wrap fee programs.

(D) **Client Assets Under Management.** *(rounded to the nearest \$10,000)*

(i) Discretionary: \$6,650,000 as of March 31, 2012

(ii) Non-discretionary: \$15,000,000 as of March 31, 2012

Item 5. Fees and Compensation.

(A) All fees for investment programs that are managed in-house are individually negotiated. Circumstances considered when negotiating fees may include, without limitation, customary market rates, specialized guidelines, and other performance/incentive fee arrangements with the client.

Management fees for separately managed or pooled investment accounts are calculated based on an annual percentage of the value of the assets under management and billed quarterly, pro-rata, in arrears. Management fees range from 0% (for certain clients who pay performance fees), up to a maximum of 3% annually.

In addition, the Firm may collect incentive fees based on the performance of investments. Please refer to Item 6, below, for a more detailed description of performance or incentive fees, and related conflicts of interest.

Fees charged to limited partners in any private placement limited partnership will generally be consistent across investors, excepting for principals or access persons who may pay less or no fees, at the discretion of the General Partner.

(B) Management fees are billed periodically (monthly or quarterly) as specified in the relevant investment management agreement or applicable pooled vehicle disclosure document. For pooled investments, the Firm calculates monthly management fees at the end of each month based on the month-end account value and the applicable management fee factor. All fees are deducted directly from client accounts monthly, pro-rata, in arrears. Each pooled investment client receives a monthly statement prepared by the third party Administrator who calculates the fees deducted and

authorizes the payment of those fees directly from client's account to the Firm. For separately managed accounts, the Firm calculates monthly management fees at the end of each month based on the month-end account value and the applicable management fee factor. Each client receives an Invoice quarterly, with fees calculated pro-rata, in arrears. The Invoice provides a detailed calculation of fees prior to the Firm deducting or requesting payment. Separately managed account fees are either deducted directly from the client's account or the client can make payment to the Firm using any method agreed upon. In addition, on the accounts of "qualified clients", the Firm earns Incentive Fees calculated on "new net profits" and subject to a classic "high watermark" calculation. Incentive fees are calculated and paid to the Firm quarterly, with Loss Carry-Forwards calculated when the high watermark has not been exceeded. (Additional discussion of Incentive Fees are found in Item 6 below) Every client receives an accounting showing the valuation of his/her account at the end of the billing term and including the method by which all of all fees are calculated.

(C) **Additional Fees.**

Other than fees disclosed in Items (A) and (B) above, the Firm earns no other fees. The Firm does not participate in brokerage commissions, brokerage expense-reimbursement programs, "soft-dollar" programs or any other type of compensation arrangement.

However, clients will incur brokerage and other transaction costs, including those charged by Futures Commissions Merchants. Clients should review carefully all applications and Disclosure Documents provided by their managed account custodians. Brokerage commissions and/or transaction ticket fees charged by the custodian will be billed directly to the client. The Firm will not receive any portion of such commissions or fees from the custodian. In addition, clients may incur certain charges imposed by third parties other than Firm in connection with investments made through their account, including but not limited to, mutual fund sales loads, 12(b)-1 fees, and surrender charges, and IRA and qualified retirement plan fees. Management and/or Performance fees charged by Firm are separate and distinct from these fees and expenses charged by investment company securities that may be recommended to clients. A description of such fees and expenses are available in each investment company security's prospectus.

All expenses incurred in connection with evaluating (regardless of whether such investments are ultimately made), purchasing, holding and disposing of investments in an underlying private

investment fund (“Underlying Fund”) or (“Underlying Managed Account”) including, but not limited to, research reports, brokerage commissions, margin interest, expenses related to short sales, custodial fees, commissions on investments in underlying funds and clearing and settlement charges will be borne by clients and investors in pooled investment vehicles managed by the Firm, and in addition to any fees directly charged by the Firm. The expenses and fees of the Underlying Funds or Underlying Managed Accounts are in addition to the expenses, the management fees and incentive fees charged by the Fund. In the case of investments in Underlying Funds/Managed Accounts managed by investment managers in which the Firm and/or its affiliates have a non-controlling equity interest (if any), in any such event, the invested client may be charged an additional performance fee and/or management fee by the investment manager, which would effectively result in additional financial benefits accruing to the Firm or its affiliates in their capacity as a non-controlling equity owner of such investment manager. **This is a conflict of interest. It has been mitigated by only one layer of fees being charged by the Firm. For example a fee structure like a single manager fund would have (mgt fee/incentive fee) where the general partner is concerned. Further, the Firm will manage all or substantially all of the Fund’s assets, thereby greatly reducing any Underlying Fund or Underlying Managed Account fees.**

Private Investment Fund investors may also be subject to certain expenses such as Organizational and Operating Expenses, per below. However, the Organizational Expenses for Diamond Peak Traders, LP have already been amortized and paid in full.

- (i) **Organizational Expenses:** A Partnership may, at the Firm's discretion, pay or reimburse the Firm and/or its affiliates for all expenses related to the organization and initial offering expenses of a Partnership, including, but not limited to, legal and accounting fees, printing and mailing expenses and government filing fees (including blue sky filing fees).
- (ii) **Operating Expenses:** A Partnership shall pay or reimburse the Firm and its affiliates for (i) all expenses incurred in connection with the ongoing offer and sale of Interests, including, but not limited to, marketing expenses, documentation of performance and the admission of Limited Partners, (ii) all operating expenses of a Partnership such as tax preparation fees, government fees and taxes, administrator fees, communications with Limited

Partners, and ongoing legal, accounting, auditing, bookkeeping, consulting and other professional fees and expenses, (iii) all Partnership trading and investment related costs and expenses (e.g., brokerage commissions, margin interest, expenses related to short sales, custodial fees, clearing and settlement charges), and (iv) all fees and other expenses incurred in connection with the investigation, prosecution or defense of any claims, assertion of rights or pursuit of remedies, by or against a Partnership, including, without limitation, professional and other advisory and consulting expenses and travel expenses, and whether or not pursuant to bankruptcy or other legal proceedings, or participation in informal committees of creditors or other security holders of an issuer.

- (D) **Fees Paid in Advance.** The Firm does not permit clients to pay any fees in advance.
- (E) **NONE OF THE FIRM'S SUPERVISED PERSONS ACCEPT COMPENSATION FOR THE SALE OF SECURITIES OR OTHER INVESTMENT PRODUCTS, INCLUDING ASSET-BASED SALES CHARGES OR SERVICE FEES FROM THE SALE OF MUTUAL FUNDS.**
- (F) **Termination of Services.**

Either client and/or the Firm may terminate asset management agreements by providing at least five (5) days' prior written notice to the other party. Regarding termination of the futures trading Account Agreement, termination will not affect (a) the validity of any action previously taken by DPC under this Agreement; (b) liabilities or obligations of the parties from transactions initiated before termination of this Agreement; or (c) Client's obligation to pay management fees (pro-rated through the date of termination) and performance fees (calculated as of the date of termination). On the termination of the Agreement, DPC will have no obligation to recommend or take any action with regard to the futures contracts, cash or other investments in the Account.

Regarding termination of securities trading Account Agreement: Clients may terminate the Agreement within five (5) business days after execution without penalty. Except with respect to termination by Client during the five (5) business days after execution, any termination of this Agreement shall not, in any case, affect or

prevent the consummation of any transaction initiated prior to such notice of termination. All fees will be pro-rated to the date of termination. Adviser does not retain Management Fees or Incentive Fee in advance and therefore no refunds shall be required.

Regarding the Firm's pool, there are no termination fees. The fund permits monthly withdrawals, and therefore has a maximum one month lockup.

Item 6. Performance-Based Fees.

In addition to the Management Fee, the Firm is compensated for its investment management services through an incentive fee, also known as a performance based fee ("Performance Fee"). Under this arrangement, only "qualified clients" will be charged a fee contingent upon the performance within each client's account. The Performance Fee will be tied to the capital appreciation within the account as evaluated at the end of each calendar quarter. Only "new net profits" will be subject to the Performance Fee. The Performance Fee will be payable quarterly, in arrears. The Performance Fee will be calculated as a negotiable percentage of the net capital appreciation attained within the client's account, subject to a classic "high watermark" calculation. The range of performance fees contemplated is 20% to 30% of new net profits.

In order for the Firm to receive a Performance Fee, the Firm must achieve capital appreciation within the account. Firm will charge Performance Fees in adherence with a "high watermark", which means that no Performance Fee will be earned unless the performance exceeds the previously achieved high water mark where Performance Fees were charged. The high water mark will be used in order to prevent a scenario whereby Firm could receive a Performance Fee merely for recouping prior losses. A full description of the entire fee arrangement will be disclosed to the client in such client's investment management agreement. Fees generally are deducted directly from the client's account, as specified in the relevant asset management agreement.

The nature and receipt of Performance or Incentive Fees creates a conflict of interest between the Firm, its associated persons, and clients. A performance fee arrangement may create an incentive for the Firm to make investments that are riskier or more speculative than would be the case in the absence of a Performance Fee. The Firm mitigates this conflict by implementing its investment programs with the intention of fully aligning the client's interests with those of the Firm. The Firm views Performance Fees as providing it with a greater incentive to contain risks

and manage assets well. For example, by preserving capital and reducing portfolio risk in volatile or unpredictable markets, longer-term client performance may be improved, and losses may be reduced.

Such fees will be structured and charged in a manner consistent with the requirements of applicable law, including the Investment Advisers Act of 1940, relevant state laws, and ERISA. Where any part of the Firm's compensation is based in part on the unrealized appreciation of securities or instruments for which market quotations are not readily available, the Firm shall disclose how such securities or instruments will be valued and the extent to which the valuation will be determined independently. To the extent Firm values any such securities or instruments it has a conflict of interest as Firm will receive higher management fees and Performance Fees if it gives such securities and instruments a higher valuation. It should be noted that the firm invests exclusively in securities and futures contracts traded on exchanges. The firm will use the closing price published by the brokerage firm or Futures Commission Merchant on their statement for the security or futures contract traded. Those values will be used at the end of each fee calculation period as the basis for calculating fees. The Firm does not represent that the amount of the Performance Fees or the manner of calculating the Performance Fees is consistent with other performance related fees charged by other investment advisers under the same or similar circumstances. The Performance Fees charged by the Firm may be higher or lower than the Performance Fees charged by other investment advisers for the same or similar services.

The Firm may receive increased compensation with regard to unrealized appreciation as well as realized gains in the client's account, depending on the specific time periods and the nature of any preferred returns. Where any part of the Firm's compensation is based in part on the unrealized appreciation of securities or instruments for which market quotations are not readily available, the Firm shall disclose how such securities or instruments will be valued and the extent to which the valuation will be determined independently.

In addition, in the event the Firm manages an account from which it collects Performance Fees and also manages, concurrently, an account from which it does not collect Performance Fees, for example only collecting Management Fees, the Firm has an incentive to favor accounts for which it receives the Performance Fee because it will receive a greater profit from the accounts which are charged Performance Fees. Therefore, the Firm has an incentive to allocate investments that are expected to be more profitable to accounts from which it collects Performance Fees, on the one hand, and that are riskier on the other hand, since in both scenarios, the Firm may receive greater fees if the investment generates a

positive return. **This is a conflict of interest.** It is mitigated in the ways previously discussed.

Item 7. Types of Clients.

The Firm serves, or could serve, individuals, high net worth individuals, family offices, multi-strategy investors such as Funds of Funds/Funds of Managed Accounts or investment platforms, and institutional investors.

The Firm generally serves sophisticated (“accredited” or “qualified eligible persons”) investors in its investment programs or private fund. Thus minimum account sizes are typically \$100,000 and higher, but are negotiable and ultimately at the discretion of the Firm and/or the general partner. Account minimums may also be affected by the trading/execution logistics of a particular investment program or fund offering, such that higher account minimums are necessitated in order to properly execute the strategy of the investment program or fund.

The Firm, from time to time, also serves non-accredited investors with whom it has had a prior relationship. Those investors are eligible to participate in an investment program, in separately managed accounts only, at lower minimum investments, and at the discretion of The Firm. Non-accredited investors are never charged a Performance Fee or Incentive Fee, and are typically charged higher Management Fees.

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

- (A) The Firm is a quantitative investment manager employing systematic trading strategies that have been researched, back-tested and statistically vetted for their expected risk-reward characteristics. The portfolio manager typically uses the TradeStation platform to conduct trading systems research, often ‘testing’ his market ideas through statistical analysis and back-testing. From time to time, outside computer programmers are also utilized. The Firm currently has two investment offerings: 1) its Northstar strategy, which is offered in both futures and securities, in separately managed accounts, 2) a private fund, Diamond Peak Traders, LP which currently employs the Firm’s ETF trading strategy, the Northstar strategy, and may also allocate to outside sub-advisers. The fund may invest in the Firm’s own in-house trading strategies as well as in outside sub-advisers’ investment programs. The Firm will manage substantially all of the fund’s assets.

Each of these investment offerings are classed as short-term trading strategies, utilizing swing trading as well as intra-day trading approaches. The Firm's in-house strategies are classed as directional trading, and are generally trend following or counter-trend/reversion to the mean in approach. **Investing in futures or securities involves substantial risk of loss that clients must be prepared and able to bear.**

There are substantial risks involved in trading strategies, which includes each of the two offerings listed above in section A., Generally speaking, profitable directional trading is dependent upon market movement to the upside if the trader is long, or to the downside if the trader is short. The Firm uses in-depth research to attempt to predict the short-term directional movement of various futures and securities markets. However, markets are unpredictable and may be influenced by any number of factors, either related or unrelated to market fundamentals. If trading programs are not able to predict the short-term movements of the markets in which they trade, and even when they are able, they attempt to control risk (volatility) through means such as money management rules, scaling into and out of positions, proper position sizing, making adjustments for market volatility and using stop loss orders, among others. These means could be effective at limiting portfolio risk, but frequently are not. Specific examples of risks to trading strategies are: stop orders can be missed through price gaps or fast markets, technology such as computers or phones can fail, power can fail, market exogenous events like geo-political/terrorist events can arise, negative 'headline news' can greatly influence market action.

- (B) Further, the Firm's strategies may involve the frequent trading of securities or futures, which has its own set of risks including high brokerage or other transaction costs that can reduce any returns, high 'slippage', an increased need to get good 'fills' from brokers, and tax inefficiency. These risks are generally heightened by frequent trading and each of them may reduce any return or increase losses of the client if the trading strategy does not produce gains sufficient to offset these frequent trading risks, expenses and/or market losses.
- (C) The Firm's trading programs or funds typically execute in futures, ETFs, securities or options. A Firm investment program may offer the client a choice of trading instrument/platform that most suits his or her needs. Futures contracts offer inherent leverage and notional funding capabilities, which may or may not be utilized by the client, based on preference. If notional funding is utilized, the

client must be prepared to accept proportionately higher levels of volatility (risk), on both the upside and downside, to whatever degree the account has been notionally funded. A simple example is notional funding of 50% and cash funding of 50%, in which case the client's account will have double the normal level of volatility (risk) of an account funded with 100% cash. A 15% loss in the account trading level would be a 30% loss to the cash value in the account, and a 15% gain in the account trading level would be a 30% gain to the cash value in the account. Each client should know his or her own tolerance for risk and should be willing to discuss this in detail with the Firm as it relates to trading and notional funding.

Risks in ETF trading include (but are not limited to) loss of part or all of the investment, liquidity constraints, and slippage. The Firm closely monitors the issues it trades for capacity constraints, but cannot guarantee low slippage or the ability to enter or exit a position at the desired 'market' or 'limit' price. In fast markets or crisis conditions, liquidity in ETFs can pose a problem. High slippage during trade executions can equal bad 'fills', high absolute and relative trading costs and potentially greater losses and/or lower returns. 'Portfolio margin' capabilities may be used upon client selection, employing high levels of leverage on an intra-day basis. Leveraged trading is riskier than non-leveraged trading and is not suitable for all clients.

ETF-specific risks include (but are not limited to) a decoupling of the correlation between the ETF and its underlying market or instrument. For example, a leveraged (2x) S&P 500-linked ETF only increases in value by 1% on a given trading day, whereas the S&P 500 cash market increases by 54 basis points on that same trading day. If the correlation (between the ETF and its index) was 1.0, as generally represented by the ETF, it should have increased by 1.08%, but due to the decoupling, its return was 8 basis points lower for the day than expected.

Non-diversification generally poses higher risks to a client's portfolio than diversified investing. The Firm typically does not advise clients on their overall portfolio positioning. The Firm provides quantitative trading strategies to sophisticated investors who generally make their own overarching decisions with regard to diversifying amongst investment programs, funds and managers. Any Firm investment program or fund should be a balanced part of a diversified client portfolio since the Firm may take concentrated positions in certain futures contracts, ETF's, stocks, options or

other instruments while employing disciplined and stringent risk management practices at its trading strategy and portfolio levels.

Item 9. Disciplinary Information.

Neither the Firm nor any supervised person has been involved in any legal or disciplinary event that is material to a client's or prospective client's evaluation of Firm's advisory business or management.

Item 10. Other Financial Industry Activities and Affiliations.

- (A) Neither the Firm nor its management or Access Persons are affiliated with any Broker-Dealer or Futures Commission Merchant. The Firm, its employees and Access Persons earn no commissions from the purchase or sale of any securities or investment products. We are a fee-based investment advisory company.
- (B) The Firm is registered as a Commodity Pool Operator ("CPO") and a Commodities Trading Adviser ("CTA") with the National Futures Association ("NFA"). The Firm's NFA ID number is **0356437**. The Firm's "pool", "Diamond Peak Traders, LP" is a NFA Rule 4.7 exempt pool. As such, investment in the pool is limited to only "qualified eligible persons" as defined by the NFA or CFTC. All pool investors receive the pool's Offering Memorandum (Private Placement Memorandum, Limited Partnership Agreement and Subscription Agreement), which contains all required NFA and Securities and Exchange Commission ("SEC") disclosures. Each investor must answer a detailed questionnaire that qualifies them as an eligible investor. The pool files quarterly/annual CPO reports with the NFA and is typically audited annually.
- (C) The Firm has no Material relationships or arrangements with any related persons.
- (D) The Firm does not have any business relationships with outside CTAs or sub-advisers that create conflicts of interest.

Item 11.

Code of Ethics, Participation or Interest in Client Transactions; Personal Trading and Firm Privacy Policy.

A copy of the code of ethics (the “Code of Ethics”) is available upon request to clients or prospective clients and investors in the Fund.

- (A) **Code of Ethics.** The Firm’s Code of Ethics is based upon the premise that all Firm personnel have a fiduciary responsibility to render professional, continuous and unbiased investment advisory service. The Code of Ethics requires all personnel to: (1) comply with all applicable laws and regulations; (2) observe all fiduciary duties and put Client interests ahead of those of Firm; (3) observe Firm's personal trading policies so as to avoid “front-running” and other conflicts of interests between Firm and its Clients; (4) ensure that all personnel have read the Code of Ethics, agreed to adhere to the Code of Ethics, and are aware that a record of all violations of the Code of Ethics will be maintained by the Firm’s Chief Compliance Officer, and that personnel who violate the Code of Ethics are subject to sanctions by Firm, including termination in the discretion of the Firm’s Managing Member.
- (B) **Participation or Interest in Client Transactions.** The Firm recognizes that the personal securities transactions of its employees demand the application of a high code of ethics, and The Firm requires that all such transactions be conducted in a way that does not endanger the interest of any client. At the same time, the Firm believes that if investment goals are similar for clients and for employees of Firm, it is logical and even desirable that there be common ownership of some securities. **This is a conflict of interest.** In order to address the conflict of interest, the Firm has adopted a set of procedures, included in its Code of Ethics, with respect to transactions effected by its officers, directors and employees (hereafter, “Employees”) for their personal accounts. In order to monitor compliance with its personal trading policy, the Firm has adopted a quarterly securities transaction reporting system for all of its Employees. For purposes of the policy, an Employee's “personal account” generally includes any account managed/traded by him or her, which is (a) in the name of the Employee, his/her spouse, his/her minor children or other dependents residing in the same household, (b) for which the Employee is a trustee or executor, or (c) which the Employee controls, including Firm's client accounts which the Employee controls and in which the Employee or a member of his/her household has a direct or indirect beneficial interest. Employee accounts are reviewed for such activity as front-running. The Firm trades whenever possible with brokers offering ‘average price’ fills, such that proprietary accounts and client accounts receive the

same or substantially the same fill prices, while allotted across aggregated orders.

Associated persons of the Firm may recommend to clients the purchase or sale of investment products in which it or a related person may have some financial interest, including but not limited to, the receipt of compensation. Records will be maintained of all securities bought and sold by associated persons and related persons.

Additionally, the Code of Ethics sets forth the Firm's policies and procedures with respect to material, non-public information and other confidential information, and the fiduciary duties that Firm and each of its Employees has to each of its clients. The Code of Ethics is circulated at least annually to all Employees, and each Employee, at least annually must certify in writing that he or she has received and followed the Code of Ethics and any amendments thereto.

(C) **Aggregation of Orders.** Transactions implemented by the Firm for accounts may be effected independently or on an aggregated basis. The Firm anticipates that frequently it will decide to purchase or sell the same securities for several clients at approximately the same time. The Firm will aggregate orders when it believes aggregation may prove advantageous to clients. When the Firm aggregates client orders, the allocation of securities among client accounts will be done on a fair and equitable basis. The process of aggregating client orders generally achieves better execution. This procedure allows the firm to negotiate more favorable commission rates or to allocate orders among clients on a more equitable basis in order to avoid differences in prices and transaction fees or other transaction costs incurred when orders are placed independently. Under this procedure, transactions will be averaged as to price and execution cost and will be allocated among the Firm's clients in proportion to the purchase and sale orders placed for each client account on any given day. When the Firm aggregates client orders for the purchase or sale of securities, including securities in which its associated person(s) may invest, the Firm will do so in a fair and equitable manner. It should be noted that the Firm does not receive any additional compensation or remuneration as a result of aggregation.

(D) **Allocation of Trades.** The Firm may at times determine that certain securities will be suitable for acquisition by clients and by other accounts managed by the Firm, possibly including the Firm's own accounts or accounts of an affiliate. If that occurs, and the

Firm is not able to acquire the desired aggregate amount of such securities on terms and conditions which the Firm deems advisable, the Firm will endeavor in good faith to allocate the limited amount of such securities acquired among the various accounts for which the Firm considers them to be suitable. The Firm may make such allocations among the accounts in any manner which it considers to be fair under the circumstances, including but not limited to, allocations based on relative account sizes, the degree of risk involved in the securities acquired, and the extent to which a position in such securities is consistent with the investment policies and strategies of the various accounts involved.

- (E) **Other Activities of the Firm and its Affiliates.** Neither the Firm, nor any of its affiliates or employees are required to manage client accounts as their sole and exclusive function. Each of them may engage in other business activities, including competing ventures and/or other unrelated employment. In addition to managing client accounts, the Firm, and its respective affiliates or employees may provide investment advice to other parties and may manage other accounts in the future.
- (F) **Trade Error Policy.** The Firm has internal controls in place to prevent trade errors from occurring. On those occasions when such an error nonetheless occurs, the Firm will use reasonable efforts to correct the error. If the error cannot be corrected the Firm does not intend to make any adjustment, regardless of whether the error works to the benefit or detriment of the client. The Firm will endeavor to maintain a record of each trade error, including information about the trade and how such error was either corrected or resolved.
- (G) **Privacy Policy.** The Firm has adopted a privacy policy that explains the manner in which the Firm collects, utilizes and maintains nonpublic personal information about clients, as required under federal legislation.

Diamond Peak Capital, LLC Privacy Policy:

With regard to the collection of Information and Disclosure of Nonpublic Personal Information:

To provide clients with superior service, the Firm may collect several types of nonpublic personal information about clients, including:

- Information from forms that clients may fill out, such as subscription forms, questionnaires and other information provided

by clients in writing, in person, by telephone, electronically or by any other means. This information includes name, address, nationality, tax identification number, and financial and investment qualifications;

- Information clients may give orally;
- Information about transactions within Firm, including account balances, investments and withdrawals;
- Information about the amount clients have invested, such as initial investment and any additions to and withdrawals from an investment in the Fund; and
- Information about any bank accounts clients may use for transfers to or from managed accounts.

The Firm does not sell or rent client information. The Firm uses this information to conduct business with its clients; to develop or enhance its products and services; to understand the financial needs of its clients so that the Firm can provide such clients with quality products and superior service; and to protect and administer its clients' records, accounts and funds. The Firm does not disclose nonpublic personal information about its clients to nonaffiliated third parties or to affiliated entities, except as permitted or required by law. For example, the Firm may share nonpublic personal information in the following situations:

- To service providers in connection with the administration and servicing of the Firm, which may include attorneys, accountants, auditors and other professionals. Firm may also share information in connection with the servicing or processing of Fund transactions;
- To affiliated companies in order to provide clients with ongoing personal advice and assistance with respect to the products and services clients have purchased through Firm and to introduce clients to other products and services that may be of value to such clients;
- To respond to a subpoena or court order, judicial process or regulatory authorities;
- To protect against fraud, unauthorized transactions (such as money laundering), claims or other liabilities; and

- Upon consent of a client to release such information, including authorization to disclose such information to persons acting in a fiduciary or representative capacity on behalf of the client.

Protection of Information:

The Firm's policy is to require that all employees, financial professionals and companies providing services on its behalf keep client information confidential.

The Firm maintains safeguards that comply with federal standards to protect client information. The Firm restricts access to the personal and account information of clients to those employees who need to know that information in the course of their job responsibilities. Third parties with whom the Firm shares client information must agree to follow appropriate standards of security and confidentiality. The Firm's privacy policy applies to both current and former clients. The Firm may disclose nonpublic personal information about a former client to the same extent as for a current client.

Item 12.

Brokerage Practices.

The factors that the Firm considers in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation, are described herein.

- 1) pricing of transaction costs, broker commission rates vs. the marketplace;
- 2) markets offered for trade;
- 3) speed of execution;
- 4) slippage/fills;
- 5) customer service.

(H) “Soft Dollar” Policy.

The Firm does not accept “soft dollar” benefits. The Firm, in the future, may be offered non-monetary benefits by broker-dealers that it may engage to execute securities transactions on behalf of clients. These benefits may take the form of special execution capabilities, clearance, settlement, online pricing, performance measurement data, consultations, economic and market information, portfolio strategy advice, industry and company comments, technical data, technical services such as programming support or computer coding, recommendations, general reports, quotation equipment and services, custody, record keeping and other services.

These other services will never include the following “soft dollar” payments to the Firm: Payment of all or a portion of the clients' or the Firm's or its affiliates' administrative costs and expenses of operation, such as office rent; office equipment and supplies; utilities (e.g., electricity, gas, oil, water); taxes; storage; employee salaries, *including, but not limited to*, bonuses, contingent salaries, and any other form of compensation determined by the Firm, and benefits (including medical, dental and worker's compensation insurance); temporary help; recruiting services; newswire and quotation equipment and services (e.g., Reuters, Bloomberg, Bridge, First Call); data processing charges; periodical subscription fees (e.g., The Financial Times, The Wall Street Journal, The New York Times, Investors Business Daily); computer equipment used for brokerage or research purposes (e.g., computers, computer hardware, software, hard drives, monitors, PDAs, LANs) and related technical support, repair and maintenance; television and cable services used for research purposes; telephone and facsimile charges, equipment and installation and maintenance costs (e.g., telephones, telephone lease, telephone and facsimile lines, cellular phones used for business purposes, telephone call recording equipment, headsets, cordless phones, speaker phones, telephone switchboards and monthly and long distance telephone charges); facsimile machines and facsimile rental and repair costs; account record-keeping and related clerical services; printing services; messenger services; postal and courier expenses; car service; expenses incurred in connection with investigating and researching issuers of securities and attending research conferences (e.g., airfare, car rentals, taxi fares, conference fees and related expenses, hotel accommodations and meals); economic consulting services; placement fees and other marketing costs; legal and accounting fees; and other reasonable expenses as determined by the Firm.

- (B) **Brokerage for Client Referrals.** The Firm reserves the right to pay a fee, in its sole discretion, to brokers or other persons who introduce clients to Firm, provided that any such fee or commission will be paid solely by the Firm or its affiliates and no portion thereof will be paid by clients. Because such referrals, if any, are likely to benefit the Firm but will provide an insignificant (if any) benefit to clients, **the Firm will have a conflict of interest with clients when allocating client brokerage business to a broker who has referred investors to a client and/or the Pool.** To prevent client brokerage commissions from being used to pay referral fees, the Firm will not allocate client brokerage business to a referring broker unless the Firm determines in good faith that the commissions payable to such broker are not materially higher than

those available from non-referring brokers offering services of substantially equal value to clients.

- (C) **Directed Brokerage**.– Not applicable.

Item 13.

Review of Accounts.

- (A) All accounts managed by the Firm are reviewed on a weekly basis either by the Portfolio Manager, Trading Staff or by the Chief Compliance Officer of the Firm, to assure conformity with client objectives and guidelines. In addition, all accounts are reviewed in light of emerging trends and developments as well as market volatility. Clients are responsible to keep the Firm informed as to any personal changes in their financial condition. The Firm cannot make material changes to a client's portfolio if it is not informed of a client's particular developments.
- (B) Reports showing performance of the Firm's tracking account(s) are sent to managed account clients monthly. Managed account clients each receive reports directly from the brokerage or Futures Commission Merchant on at least a quarterly basis. All Pool investors receive individual monthly account statements that include the monthly and year-to-date performance of the Pool. An independent, third-party administrator prepares these statements. The administrator has complete transparency into all of the Pool's trading and cash accounts. In addition, realized gains/losses, interest and dividends earned are reported to Pool investors annually. Each Pool investor will receive also the following: (i) annual financial statements of the Pool, audited by an independent certified public accounting firm, (ii) in the discretion of the Firm, a periodic letter and/or report discussing the results of the accounts, (iii) copies of such investor's Schedule K-1 to the Pool's tax returns, and (iv) other reports as determined by the Firm in its sole discretion.

Item 14. Client Referrals and Other Compensation.

- (A) The Firm may, in the future, but currently does not use independent third party solicitors to refer clients and/or investors to the Firm and pay a portion of its advisory fees to such solicitors, in accordance with the Advisers Act. The Firm may engage underwriters, brokers, dealers or finders to assist in the offering of

interests in the Pool. Except for commissions on brokerage transactions (which will be paid by clients), the Firm will pay (and will not charge clients) fees and commissions that may be payable to any such brokers or finders for assisting in the offering or sale of interests in the Pool.

Item 15.

Custody. The Firm maintains managed-account client funds and securities at qualified custodians. As stated above in Item 13, Review of Accounts, the Firm's qualified custodians will send quarterly account statements directly to the Firm's clients, which clients are advised to carefully review. The Firm's clients are urged to compare statements that are received from the qualified custodian to any statements they may receive directly from the Firm. An independent representative reviews all fee disbursements from client accounts to insure their accuracy.

Item 16.

Investment Discretion. The Firm has discretionary investment/trading authority over client assets that are managed by the Firm. The Firm obtains its discretionary trading authority from Investment Management Agreements and Pool Subscription Agreements that are reviewed and signed by every client. The Firm will not commence trading a client's account until all necessary paperwork has been completed and signed by the client and delivered to the Firm.

Item 17.

Voting Client Securities – Proxy Policy.

- (A) The Firm utilizes short-term trading strategies and, as such, does not buy and hold corporate stock for its accounts or its client's accounts. However, occasionally, the Firm and its clients may be the shareholders of record for the purpose of Voting Proxies. Proxy materials received by the Firm for Firm accounts (or for accounts of the Pool) are logged into a proxy control sheet. If the Firm votes Proxies, they will generally be submitted electronically but may be submitted by mail. A record of the proxy votes cast will be made and retained by the Firm. Clients can obtain information on how the proxies were voted and a detailed description of the Firm's policies and procedures regarding proxy voting by requesting such information from the chief compliance officer.

The Firm understands and appreciates the importance of proxy voting. To the extent that the Firm has discretion to vote the proxies of its advisory clients, the Firm will vote any such proxies in the best interests of clients.

In evaluating how to vote a proxy, the Firm will first determine whether there is a conflict of interest related to the proxy in question between the Firm and its clients. This examination will include (but will not be limited to) an evaluation of whether the Firm (or any affiliate of the Firm) has any relationship with the company (or an affiliate of the company) to which the proxy relates outside an investment in such company by a client of the Firm. If a conflict is identified and deemed “material” by the Firm, on a Proxy Voting Committee organized by the Firm, the Firm will determine whether voting in accordance with these proxy voting guidelines is in the best interests of affected clients (which may include utilizing an independent third party to vote such proxies). With respect to material conflicts, the Firm will determine whether it is appropriate to disclose the conflict to affected clients and give clients the opportunity to vote the proxies in question themselves, if applicable.

The Firm does not expect to receive Proxies from holdings in individually managed client accounts. Those Proxies should be mailed directly from the brokerage firm to the client. In the event the Firm accidentally receives a client’s Proxy, the Firm will forward the Proxy to the client who would be the shareholder of record.

Item 18. Financial Information.

- (A) The Firm never Invoices or asks clients to pay fees in advance. All fees are invoiced on a periodic basis, in arrears.
- (B) There is no financial condition that is reasonably likely to impair the Firm’s ability to meet contractual commitments to clients.
- (C) Neither the Firm nor its members have ever filed a petition in bankruptcy.

II. Part 2B – Brochure Supplement for supervised persons of Firm

Patrick P. Fleming
Assistant to the Principals, Trading and Operations

Diamond Peak Capital, LLC
923 Tahoe Blvd., Suite 208
Incline Village, Nevada 89451
Tel: 775-298-2300

This brochure supplement provides information about Patrick Fleming that supplements the Diamond Peak Capital, LLC brochure. You should have received a copy of that brochure. Please contact Christopher Jones if you did not receive Diamond Peak Capital, LLC's brochure or if you have any questions about the contents of this supplement.

Additional information about Patrick Fleming is available on the SEC's website at <http://sec.gov/investor/brokers.htm>

Item 2. Educational Background and Business Experience

Born: May 6, 1968

Educational Background:

B.A. Political Science, California State University at Long Beach

M.S. Environmental Science, University of Montana

Business Background:

March 2008-Present: Diamond Peak Capital, LLC: Assistant to Chief Investment Officer; Trading Operations and Business Operations.

March 2006-March 2008: Dekker Capital Management, LLC: Assistant to Chief of Business Operations

Item 3. Disciplinary Information

Patrick Fleming has never had any disciplinary disclosures to be reported.

Item 4. Other Business Activities:

Patrick P. Fleming is currently not actively engaged in any other investment related business or occupation.

Item 5. Additional Compensation: Patrick P. Fleming receives compensation solely from his responsibilities at Diamond Peak Capital and from no other source.

Item 6. Supervision: Patrick P. Fleming reports directly to Diamond Peak Capital's principals. You may contact the principals as follows: Chris Jones 775-336-9158 or Steve Sapourn 775-833-1762.

Item 7. Requirements for State-Registered Advisers

Mr. Fleming has never filed for bankruptcy under any of the laws of the United States of America.

Christopher S. Jones
Principal, Chief Compliance Officer

Diamond Peak Capital, LLC
923 Tahoe Blvd., Suite 208
Incline Village, Nevada 89451
Tel: 775-298-2300

This brochure supplement provides information about Christopher S. Jones that supplements the Diamond Peak Capital, LLC brochure. You should have received a copy of that brochure. Please contact Steven G. Sapourn if you did not receive Diamond Peak Capital, LLC's brochure or if you have any questions about the contents of this supplement.

Additional information about Christopher S. Jones is available on the SEC's <http://sec.gov/investor/brokers.htm>

Item 2. Educational Background and Business Experience

Born: April 24, 1969

Educational Background:

B.A. Comparative Religion, University of Colorado at Boulder

Business Background:

October 2007-Present: Diamond Peak Capital, LLC.

Founding Member and Chief Compliance Officer.

March 2004-July 2007: Dekker Capital Management, LLC.

Client Services, Business Operations, Compliance.

February 1996-March 2004: Sapourn Financial Services, LLC.

Client Services, Business Operations, Compliance.

Item 3. Disciplinary Information

Christopher S. Jones has never had any disciplinary disclosures to be reported.

Item 4. Other Business Activities:

Christopher S. Jones is currently not actively engaged in any other investment related business or occupation.

Item 5. Additional Compensation: Christopher S. Jones receives compensation solely from his responsibilities at Diamond Peak Capital and from no other source.

Item 6. Supervision: Christopher S. Jones reports to Diamond Peak Capital's Managing Member Steven G. Sapourn. You may contact Mr. Sapourn at 775-833-1762.

Item 7. Requirements for State-Registered Advisers

Christopher S. Jones has never filed for bankruptcy under any of the laws of the United States of America.

Steven G. Sapourn
Principal, Portfolio Manager

Diamond Peak Capital, LLC
923 Tahoe Blvd., Suite 208
Incline Village, Nevada 89451
Tel: 775-298-2300

This brochure supplement provides information about Steven G. Sapourn that supplements the Diamond Peak Capital, LLC brochure. You should have received a copy of that brochure. Please contact Christopher S. Jones if you did not receive Diamond Peak Capital, LLC's brochure or if you have any questions about the contents of this supplement.

Additional information about Steven G. Sapourn is available on the SEC's website <http://sec.gov/investor/brokers.htm>

Item 2. Educational Background and Business Experience

Born: March 22, 1969

Educational Background:

B.A. Political Science, University of Colorado at Boulder

Business Background:

October 2007-Present: Diamond Peak Capital, LLC.

Founding Member, Portfolio Manager.

March 2004-July 2007: Dekker Capital Management, LLC.

Chief Compliance Officer and Director of Business Operations.

February 1996-March 2004: Sapourn Financial Services, LLC.

Co-founder and Chief Investment Officer.

Item 3. Disciplinary Information

Steven G. Sapourn has never had any disciplinary disclosures to be reported.

Item 4. Other Business Activities:

Steven G. Sapourn is currently not actively engaged in any other investment related business or occupation.

Item 5. Additional Compensation: Steven G. Sapourn receives compensation solely from his responsibilities at Diamond Peak Capital and from no other source.

Item 6.

Supervision: Steven G. Sapourn reports to Diamond Peak Capital's Co-founder, Christopher S. Jones. You may contact Mr. Jones at 775-336-9158.

Item 7. Requirements for State-Registered Advisers

Steven G. Sapourn has never filed for bankruptcy under any of the laws of the United States of America.