

**FORM ADV****Uniform Application for Investment Adviser Registration****Part II – Page 1**

|  |  |
|--|--|
| Name of Investment Adviser:  |  |
| Lancaster Capital Management, LLC  |  |
| Address: (Number and Street) (City) (State) (Zip Code)<br>1110 Burlingame Avenue, Burlingame, CA 94010 | Area Code: Telephone Number:<br>(650) 401-7700 |

This part of Form ADV gives information about the investment adviser and its business for the use of clients.  
The information has not been approved or verified by any governmental authority.

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(Schedule A, B, C, D, and E are included with Part I of this Form, for the use of regulatory bodies, and are not distributed to clients.)

Potential persons who are to respond to the collection of information contained in this form  
are not required to respond unless the form displays a currently valid OMB control number.

**FORM ADV****Part II - Page 2**

Applicant:

Lancaster Capital Management, LLC

SEC File Number:

801-

Date:

03/03/09

**1. A. Advisory Services and Fees.** (check the applicable boxes)

For each type of service provided, state the approximate % of total advisory billings from that service.

(See instruction below.)

- Applicant:
- |                                     |   |             |
|-------------------------------------|---|-------------|
| <input checked="" type="checkbox"/> | (1) Provides investment supervisory services . . . . .  | <u>100%</u> |
| <input type="checkbox"/>            | (2) Manages investment advisory accounts not involving investment supervisory services . . . . .  | <u>%</u>    |
| <input type="checkbox"/>            | (3) Furnishes investment advice through consultations not included in either service described above . . . .  | <u>%</u>    |
| <input type="checkbox"/>            | (4) Issues periodicals about securities by subscription . . . . .   | <u>%</u>    |
| <input type="checkbox"/>            | (5) Issues special reports about securities not included in any service described above . . . . .   | <u>%</u>    |
| <input type="checkbox"/>            | (6) Issues, not as part of any service described above, any charts, graphs, formulas, or other devices which clients may use to evaluate securities . . . . . | <u>%</u>    |
| <input type="checkbox"/>            | (7) On more than an occasional basis, furnishes advice to clients on matters not involving securities . . . .   | <u>%</u>    |
| <input type="checkbox"/>            | (8) Provides a timing service . . . . .   | <u>%</u>    |
| <input type="checkbox"/>            | (9) Furnishes advice about securities in any manner not described above . . . . .   | <u>%</u>    |

(Percentages should be based on applicant's last fiscal year. If applicant has not completed its first fiscal year, provide estimates of advisory billings for that year and state that the percentages are estimates.)

- B. Does the applicant call any of the services it checked above financial planning or some similar term? . . . .
- |                          |                                     |
|--------------------------|-------------------------------------|
| Yes                      | No                                  |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> |

**C. Applicant offers investment advisory services for:** (check all that apply):

- |   |  |
|---|--|
| <input checked="" type="checkbox"/> (1) A percentage of assets under management | <input type="checkbox"/> (4) Subscription fees |
| <input type="checkbox"/> (2) Hourly charges                                     | <input type="checkbox"/> (5) Commissions       |
| <input type="checkbox"/> (3) Fixed fees (not including subscription fees)       | <input checked="" type="checkbox"/> (6) Other  |

**D. For each checked box in A above, describe on Schedule F:**

- the services provided, including the name of any publication or report issued by the adviser on a subscription basis or for a fee
- applicant's basic fee schedule, how fees are charged and whether its fees are negotiable
- when compensation is payable, and if compensation is payable before service is provided, how a client may get a refund or may terminate an investment advisory contract before its expiration date

**2. Types of Clients - Applicant generally provides investment advice to:** (check those that apply)

- |  |   |
|--|---|
| <input checked="" type="checkbox"/> A. Individuals           | <input type="checkbox"/> E. Trusts, estates, or charitable organizations                    |
| <input type="checkbox"/> B. Banks or thrift institutions     | <input type="checkbox"/> F. Corporations or business entities other than those listed above |
| <input type="checkbox"/> C. Investment companies             | <input checked="" type="checkbox"/> G. Other (describe on Schedule F)                       |
| <input type="checkbox"/> D. Pension and profit sharing plans |   |

Answer all items. Complete amended pages in full, circle amended items and file with execution page ( page 1).

**3. Types of Investments.** Applicant offers advice on the following: (check those that apply)

- |  |  |
|--|--|
| <input checked="" type="checkbox"/> A. Equity Securities                   | <input checked="" type="checkbox"/> H. United States government securities |
| <input checked="" type="checkbox"/> (1) exchange-listed securities         |  |
| <input checked="" type="checkbox"/> (2) securities traded over-the-counter | <input type="checkbox"/> I. Options contracts on:                          |
| <input checked="" type="checkbox"/> (3) foreign issues                     | <input checked="" type="checkbox"/> (1) securities                         |
|  | <input checked="" type="checkbox"/> (2) commodities                        |
| <input checked="" type="checkbox"/> B. Warrants                            |  |
| <input checked="" type="checkbox"/> C. Corporate debt securities           | <input type="checkbox"/> J. Futures contracts on:                          |
| (other than commercial paper)  | <input checked="" type="checkbox"/> (1) tangibles                          |
|  | <input checked="" type="checkbox"/> (2) intangibles                        |
| <input type="checkbox"/> D. Commercial paper                               | <input type="checkbox"/> K. Interests in partnerships investing in:        |
| <input type="checkbox"/> E. Certificates of deposit                        | <input type="checkbox"/> (1) real estate                                   |
| <input type="checkbox"/> F. Municipal securities                           | <input type="checkbox"/> (2) oil and gas interests                         |
|  | <input checked="" type="checkbox"/> (3) other (explain on Schedule F)      |
| <input type="checkbox"/> G. Investment company securities                  | <input type="checkbox"/> L. Other (explain on Schedule F)                  |
| <input type="checkbox"/> (1) variable life insurance                       |  |
| <input type="checkbox"/> (2) variable annuities                            |  |
| <input type="checkbox"/> (3) mutual fund shares                            |  |

**4. Methods of Analysis, Sources of Information, and Investment Strategies.**

## A. Applicant's security analysis methods include: (check those that apply)

- |   |  |
|---|--|
| (1) <input checked="" type="checkbox"/> Charting    | (4) <input type="checkbox"/> Cyclical                      |
| (2) <input checked="" type="checkbox"/> Fundamental | (5) <input type="checkbox"/> Other (explain on Schedule F) |
| (3) <input checked="" type="checkbox"/> Technical   |  |

## B. The main sources of information applicant uses include: (check those that apply)

- |   |   |
|---|---|
| (1) <input checked="" type="checkbox"/> Financial newspapers and magazines    | (5) <input type="checkbox"/> Timing services  |
| (2) <input type="checkbox"/> Inspections of corporate activities              | (6) <input checked="" type="checkbox"/> Annual reports, prospectuses, filings with the Securities and Exchange Commission |
| (3) <input checked="" type="checkbox"/> Research materials prepared by others | (7) <input type="checkbox"/> Company press releases   |
| (4) <input checked="" type="checkbox"/> Corporate rating services             | (8) <input type="checkbox"/> Other (explain on Schedule F)  |

## C. The investment strategies used to implement any investment advice given to clients include: (check those that apply)

- |  |  |
|--|--|
| (1) <input checked="" type="checkbox"/> Long term purchases<br>(securities held at least a year) | (5) <input type="checkbox"/> Margin transactions   |
| (2) <input checked="" type="checkbox"/> Short term purchases<br>(securities sold within a year)  | (6) <input type="checkbox"/> Option writing, including covered options,<br>uncovered options or spreading strategies |
| (3) <input checked="" type="checkbox"/> Trading (securities sold within 30 days)                 | (7) <input type="checkbox"/> Other (explain on Schedule F)   |
| (4) <input type="checkbox"/> Short sales   |  |

**FORM ADV****Part II - Page 4**

Applicant:

**Lancaster Capital Management, LLC**

SEC File Number:

801-

Date:

**09/23/09****5. Education and Business Standards.**

Are there any general standards of education or business experience that applicant requires of those involved in determining or giving investment advice to clients? . . . . .

Yes No  
☐ ☒

(If yes, describe these standards on Schedule F.)

**6. Education and Business Background.**

For:

- each member of the investment committee or group that determines general investment advice to be given to clients, or
- if the applicant has no investment committee or group, each individual who determines general investment advice given to clients (if more than five, respond only for their supervisors)
- each principal executive officer of applicant or each person with similar status or performing similar functions.

On Schedule F, give the:

- |                 |  |
|-----------------|--|
| • name          | • formal education after high school               |
| • year of birth | • business background for the preceding five years |

**7. Other Business Activities.** (check those that apply)

- ☐ A. Applicant is actively engaged in a business other than giving investment advice.
- ☐ B. Applicant sells products or services other than investment advice to clients.
- ☐ C. The principal business of applicant or its principal executive officers involves something other than providing investment advice.

(For each checked box describe the other activities, including the time spent on them, on Schedule F.)

**8. Other Financial Industry Activities or Affiliations.** (check those that apply)

- ☐ A. Applicant is registered (or has an application pending) as a securities broker-dealer.
- ☐ B. Applicant is registered (or has an application pending) as a futures commission merchant, commodity pool operator or commodity trading adviser.
- C. Applicant has arrangements that are material to its advisory business or its clients with a related person who is a:
- |  |  |
|--|--|
| <input type="checkbox"/> (1) broker-dealer   | <input type="checkbox"/> (7) accounting firm                                       |
| <input type="checkbox"/> (2) investment company  | <input type="checkbox"/> (8) law firm  |
| <input type="checkbox"/> (3) other investment adviser  | <input type="checkbox"/> (9) insurance company or agency                           |
| <input type="checkbox"/> (4) financial planning firm   | <input type="checkbox"/> (10) pension consultant                                   |
| <input type="checkbox"/> (5) commodity pool operator, commodity trading adviser or futures commission merchant | <input type="checkbox"/> (11) real estate broker or dealer                         |
| <input type="checkbox"/> (6) banking or thrift institution   | <input type="checkbox"/> (12) entity that creates or packages limited partnerships |

(For each checked box in C, on Schedule F identify the related person and describe the relationship and the arrangements.)

- D. Is applicant or a related person a general partner in any partnership in which clients are solicited to invest?.....

Yes No  
☒ ☐

(If yes, describe on Schedule F the partnerships and what they invest in.)

**Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).**

**FORM ADV****Part II - Page 5**

Applicant:

Lancaster Capital Management, LLC

SEC File Number:

801-

Date:

03/03/09

**9. Participation or Interest in Client Transactions.**

Applicant or a related person: (check those that apply)

- ☐ A. As principal, buys securities for itself from or sells securities it owns to any client.
- ☐ B. As broker or agent effects securities transactions for compensation for any client.
- ☐ C. As broker or agent for any person other than a client effects transactions in which client securities are sold to or bought from a brokerage customer.
- ☒ D. Recommends to clients that they buy or sell securities or investment products in which the applicant or a related person has some financial interest.
- ☒ E. Buys or sells for itself securities that it also recommends to clients.

(For each box checked, describe on Schedule F when the applicant or a related person engages in these transactions and what restrictions, internal procedures, or disclosures are used for conflicts of interest in those transactions.)

Describe, on Schedule F, your code of ethics, and state that you will provide a copy of your code of ethics to any client or prospective client upon request.

- 10. Conditions for Managing Accounts.** Does the applicant provide investment supervisory services, manage investment advisory accounts or hold itself out as providing financial planning or some similarly termed services *and* impose a minimum dollar value of assets or other conditions for starting or maintaining an account?

Yes    No  
☒    ☐

(If yes, describe on Schedule F.)

- 11. Review of Accounts.** If applicant provides investment supervisory services, manages investment advisory accounts, or holds itself out as providing financial planning or some similarly termed services:

- A. Describe below the reviews and reviewers of the accounts. **For reviews**, include their frequency, different levels, and triggering factors. **For reviewers**, include the number of reviewers, their titles and functions, instructions they receive from applicant on performing reviews, and number of accounts assigned each.

**See Schedule F.**

- B. Describe below the nature and frequency of regular reports to clients on their accounts.

**See Schedule F.**

**FORM ADV****Part II - Page 6**

Applicant:

Lancaster Capital Management, LLC

SEC File Number:

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Date:

03/03/09

**12. Investment or Brokerage Discretion.**

- A. Does applicant or any related person have authority to determine, without obtaining specific client consent, the:
- |   |  |   |
|---|--|---|
| (1) securities to be bought or sold? .....                | Yes<br><input checked="" type="checkbox"/> | No<br><input type="checkbox"/>            |
| (2) amount of the securities to be bought or sold ? ..... | Yes<br><input checked="" type="checkbox"/> | No<br><input type="checkbox"/>            |
| (3) broker or dealer to be used ? .....                   | Yes<br><input checked="" type="checkbox"/> | No<br><input type="checkbox"/>            |
| (4) commission rates paid? .....                          | Yes<br><input type="checkbox"/>            | No<br><input checked="" type="checkbox"/> |

- B. Does applicant or a related person suggest brokers to clients? ..... Yes ☐ No ☒

For each yes answer to A describe on Schedule F any limitations on the authority. For each yes to A(3), A(4) or B, describe on Schedule F the factors considered in selecting brokers and determining the reasonableness of their commissions. If the value of products, research and services given to the applicant or a related person is a factor, describe:

- the products, research and services
- whether clients may pay commissions higher than those obtainable from other brokers in return for those products and services
- whether research is used to service all of applicant's accounts or just those accounts paying for it; and
- any procedures the applicant used during the last fiscal year to direct client transactions to a particular broker in return for products and research services received.

**13. Additional Compensation.**

Does the applicant or a related person have any arrangements, oral or in writing, where it:

- A. is paid cash by or receives some economic benefit (including commissions, equipment or non-research services) from a non-client in connection with giving advice to clients? ..... Yes ☐ No ☒
- B. directly or indirectly compensates any person for client referrals? ..... Yes ☐ No ☒

(For each yes, describe the arrangements on Schedule F.)

**14. Balance Sheet.** Applicant must provide a balance sheet for the most recent fiscal year on Schedule G if applicant:

- has custody of client funds or securities (unless applicant is registered or registering only with the Securities and Exchange Commission); or
- requires prepayment of more than \$500 in fees per client and 6 or more months in advance

Has applicant provided a Schedule G balance sheet? ..... Yes ☐ No ☒

**Schedule F of  
Form ADV**

**Continuation Sheet for Form ADV Part II**

Adviser:  
Lancaster Capital Management, LLC

SEC File Number:  
801-

Date:  
10/15/09

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

|                            |   |                       |
|----------------------------|---|-----------------------|
| 1.                         | Full name of Adviser exactly as stated in Item 1A of Part I of Form ADV:  | IRS Empl. Ident. No.: |
| Item of Form<br>(identify) | Answer  |                       |
| Item 1D, 2G                | <p><b>Advisory Services and Fees; Types of Clients</b></p> <p><u>Hedge Funds</u></p> <p>Lancaster Capital Management, LLC ("Lancaster" or "Adviser") a Delaware limited liability company primarily offers investment advisory services to pooled investment vehicles such as limited partnerships, investment companies and offshore funds. In addition, the Adviser offers investment advisory services to separate accounts. The Adviser also serves as the general partner to one or more limited partnerships.</p> <p>These entities are collectively known as "the Partnerships". The Adviser is the general partner of Lancaster Macro Fund, L.P., a Delaware limited partnership. In addition to serving as the Manager, General Partner and/or Investment Adviser to the Partnership(s), the Adviser serves as an investment adviser to various separate accounts unaffiliated with the Partnerships.</p> <p><b>Management</b></p> <p>The Adviser will not maintain physical possession of the funds or securities of the Partnerships. The Partnerships will enter into Custodial Agreements with various qualified custodians. Pursuant to each such Custodial Agreement, the Adviser will be restricted from making payments from any account maintained by the custodian on behalf of the Partnerships unless certain requirements are met. The Adviser will acknowledge and agree in writing to the terms of each Custodial Agreement.</p> <p>In addition, the Partnerships will be audited at least annually and distribute audited financial statements within 120 days of the end of its fiscal year. Statements will generally be prepared in accordance with generally accepted accounting principles and in some case in accordance with international accounting standards. Statements will be distributed to all limited partners, members, other beneficial owners or their independent representatives.</p> <p>Clients will receive the following notice in writing, the qualified custodian's name, address, and the manner in which the funds or securities are maintained. This notice will be provided promptly upon opening an account and following any changes to this information.</p> <p>Generally, withdrawals will be permitted with at least thirty (30) days' advance written notice and will be effective the last business day of any fiscal quarter. The Adviser may, in its sole discretion, waive or modify the conditions of withdrawal or suspend the Limited Partners' withdrawal rights when it believes it is in the best interest of the Partnership. The Adviser may voluntarily withdraw all or any portion of its Capital Account at any time without giving notice to the Limited Partners.</p> <p><b>Fees</b></p> <p>The Adviser charges the Partnerships a 1-2% annual management fee. Management fees are payable quarterly in arrears and are based on the market value of the assets under management as of the last business day of the prior calendar quarter. Fees are prorated for Partnerships' investments that are at times other than the start of a calendar quarter.</p> |                       |

**Schedule F of  
Form ADV**

**Continuation Sheet for Form ADV Part II**

Adviser:  
Lancaster Capital Management, LLC

SEC File Number:  
801-

Date:  
10/15/09

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

| 1. Full name of Adviser exactly as stated in Item 1A of Part I of Form ADV: | IRS Empl. Ident. No.:  |
|---|--|
| Item of Form<br>(identify)  | Answer   |
| Item 1D, 2G cont.   | <p>The fees cover the normal operating expenses of the Adviser and the Partnerships will cover all other expenses. The Adviser reserves the right to waive or reduce its management fee to certain Limited Partners.</p> <p>The Adviser may charge an annual performance fee of 20%.</p> <p>Limited Partners subject to an annual performance fee must be "qualified clients" under federal securities laws. All Limited Partners that will be charged performance fees must have at least \$750,000 invested with the Adviser or have a net worth of more than \$1,500,000 at the time of entering into an agreement. The performance fee is assessed at the end of the calendar quarter if there has been a net asset increase that is above any net asset decrease in the Limited Partner's account value in the current quarter, carried forward from prior quarters and prorated for any partial withdrawals. Investments other than the start of a calendar quarter and withdrawals other than the end of calendar quarter are prorated for the purpose of calculating the performance fee. The Adviser reserves the right to waive or reduce its performance fee. Performance-based fees will only be charged in accordance with the provisions of CCR Section 260.234.</p> <p>Performance fees may create an incentive for the Adviser to make investments that involve more risk and are more speculative than would be the case in the absence of a performance-based fee. Performance fees are calculated based on unrealized appreciation as well as realized gains in the clients' accounts so the Adviser may receive increased compensation based on this method of calculation.</p> <p>The account Custodian may charge fees, which are in addition to and separate from the investment advisory service fee. Custodians may charge accounts for various transaction costs, retirement plan and administration fees. In addition, some mutual fund assets deposited in the account may have been subject to deferred sales charges and 12b-1 fees and other mutual fund annual expenses as described in the fund's prospectus. Fees for comparable services vary and lower fees for comparable services may be available from other sources.</p> <p><u>Asset Management</u></p> <p>The Adviser provides investment advisory services to its clients on both a discretionary and a non-discretionary basis. The advisory services include, among other things, providing advice regarding asset allocation and the selection of investments. Account management or supervision is guided by the stated objectives of the client. In addition, the Adviser considers the client's risk profile and financial status prior to making any recommendations.</p> <p>The Adviser is compensated for investment management or supervisory services based on clients' assets under management. The Adviser charges its clients a 1-2% annual management fee. Management fees are payable quarterly in arrears and are based on the market value of the assets under management as of the last business day of the prior calendar quarter. Fees are prorated for investments that are at times other than the start of a calendar quarter.</p> |



|   |                                   |                  |          |
|---|-----------------------------------|------------------|----------|
| <b>Schedule F of</b><br><b>Form ADV</b><br><b>Continuation Sheet for Form ADV Part II</b> | Adviser:                          | SEC File Number: | Date:    |
|   | Lancaster Capital Management, LLC | 801-             | 10/15/09 |

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

|   |  |                       |
|---|--|-----------------------|
| 1. Full name of Adviser exactly as stated in Item 1A of Part I of Form ADV: |  | IRS Empl. Ident. No.: |
| Item of Form<br>(identify)  | Answer   |                       |
| Item 1D, 2G cont.   | <p><b>Fees</b></p> <p>Fees for asset management services are negotiable and are generally 1% per year of the assets under management. Owners and employees of the firm may pay lesser fees. Fees are typically based on the amount of assets under management and the range of services being provided.</p> <p>The Adviser may charge an annual performance fee of 20%.</p> <p>All clients that will be charged a performance fee must be “qualified clients” under federal securities laws. All clients that will be charged performance fees must have at least \$750,000 invested with the Adviser or have a net worth of more than \$1,500,000 at the time of entering into an agreement. The performance fee is assessed at the end of the calendar quarter if there has been a net asset increase that is above any net asset decrease in the client's account value in the current quarter, carried forward from prior quarters and prorated for any partial withdrawals. Investments other than the start of a calendar quarter and withdrawals other than the end of calendar quarter are prorated for the purpose of calculating the performance fee. The Adviser reserves the right to waive or reduce its performance fee. Performance-based fees will only be charged in accordance with the provisions of CCR Section 260.234.</p> <p>Performance fees may create an incentive for the Adviser to make investments that involve more risk and are more speculative than would be the case in the absence of a performance-based fee. Performance fees are calculated based on unrealized appreciation as well as realized gains in the clients' accounts so the Adviser may receive increased compensation based on this method of calculation.</p> <p>An advisory client will have a period of five (5) business days from the date of signing the investment advisory agreement to unconditionally rescind the agreement and receive a full refund of all fees. Thereafter, either party may terminate the investment advisory agreement with 30 days written notice.</p> <p>The account custodian may charge fees, which are in addition to and separate from the investment advisory service fee. Custodians may charge accounts for various transaction costs, retirement plan and administration fees. In addition, some mutual fund assets deposited in the account may have been subject to deferred sales charges and 12 (b)(1) fees and other mutual fund annual expenses as described in each fund's prospectus. Advisory clients should also note that fees for comparable services vary and lower fees for comparable services may be available from other sources.</p> <p>Upon termination, fees will be prorated to the date of termination and the unearned portion of the fee will be refunded to the client.</p> |                       |
| Item 3K(3)  | <p>The Adviser will offer investment advice about other pooled investment vehicles including hedge funds that are not managed by the Adviser.</p>  |                       |

**Schedule F of  
Form ADV**

**Continuation Sheet for Form ADV Part II**

Adviser:  
Lancaster Capital Management, LLC

SEC File Number:  
801-

Date:  
10/15/09

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

|                            |   |                       |
|----------------------------|---|-----------------------|
| 1.                         | Full name of Adviser exactly as stated in Item 1A of Part I of Form ADV:  | IRS Empl. Ident. No.: |
| Item of Form<br>(identify) | Answer  |                       |
| Item 6                     | <b>Education and Business Background</b><br><br>David P. Lancaster<br>Year of birth: 1960<br>Education: Vanderbilt University, B.A. Economics 1982<br>Business Background:<br>Lancaster Capital Management, LLC President 2003-present<br><br>Joseph McKinney<br>Year of birth: 1968<br>Education: University of North Carolina at Chapel Hill, B.A. Political Science, 1990<br>Business Background:<br>Lancaster Capital Management, LLC, Vice President 2008-present<br>Park Hill Capital Management, Managing Director 2006-2008<br>McKinney Capital Management, LLC, Managing Director 2002-2006  |                       |
| Item 8,D.                  | Lancaster Capital Management is the general partner of the Lancaster Macro Fund, LP. The Lancaster Macro Fund uses a low risk approach to global macro investing using a combination of fundamental analysis and statistical modeling. All trading is accomplished using highly liquid U.S. equities, futures and forex (foreign exchange).   |                       |
| Item 9 D & E               | <b>Participation or Interest in Client Transactions</b><br><br>The Adviser may offer its clients an opportunity to invest in private investment pools to which the Adviser or a related person is general partner.<br><br>Each offeree receives a copy of the offering documents, which disclose the relationship between the Adviser and the investment pool.<br><br>Associated persons may own an interest in or buy or sell for their accounts the same securities, which may be purchased or sold in the accounts of advisory clients. Associated persons seek to ensure that they do not personally benefit from the short-term market effects of their recommendations to clients and their personal transactions are regularly monitored. Associated persons are aware of the rules regarding material non-public information and insider trading. Associated persons may also buy or sell specific securities for their accounts based on personal investment considerations, which the Adviser does not deem appropriate to buy or sell for clients. |                       |

**Schedule F of  
Form ADV**

**Continuation Sheet for Form ADV Part II**

Adviser:  
Lancaster Capital Management, LLC

SEC File Number:  
801-

Date:  
10/15/09

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

| 1. Full name of Adviser exactly as stated in Item 1A of Part I of Form ADV: | IRS Empl. Ident. No.:   |
|---|---|
| Item of Form<br>(identify)  | Answer  |
| Code of Ethics  | <p><b>Code of Ethics</b></p> <p>The Adviser has adopted a Code of Ethics for the purpose of instructing its personnel in their ethical obligations and to provide rules for their personal securities transactions.</p> <p>The Adviser and its personnel owe a duty of loyalty, fairness and good faith towards their clients, and the obligation to adhere not only to the specific provisions of the Code but to the general principles that guide the Code.</p> <p>The Code covers a range of topics that may include: general ethical principles, reporting personal securities trading, exceptions to reporting securities trading, reportable securities, initial public offerings and private placements, reporting ethical violations, distribution of the Code, review and enforcement processes, amendments to Form ADV and supervisory procedures. The Adviser will provide a copy of the Code to any client or prospective client upon request.</p> |
| Item 10   | <p><b>Conditions for Managing Accounts</b></p> <p>Each Limited Partner will be required to make a minimum initial investment of \$1,000,000 payable upon subscription. There is no minimum for individual non-hedge fund clients. The Adviser may, in its sole and absolute discretion, accept lesser amounts and change the minimum investment requirement in the future.</p>  |
| Item 11 A & B   | <p><b>Review of Accounts</b></p> <p>Principals of the Adviser review account transactions on an ongoing basis. The Adviser will provide each Limited Partner with periodic reports no less frequently than annually that will include financial statements, information concerning valuations, profits, gains and losses. In addition, the Adviser will provide each Limited Partner with tax related information on an annual basis.</p>   |
| Item 12 A (1), (2), (3)   | <p><b>Investment or Brokerage Discretion</b></p> <p>The Adviser will have discretion over the selection and amount of securities to be bought or sold without obtaining specific client consent.</p> <p>The Adviser may also select the broker-dealers for trade execution at its discretion. In selecting a broker for any transaction or series of transactions, the Adviser may consider a number of factors, including, for example, net price, the financial stability and reputation of the broker, the quality of the investment research, investment strategies, special execution capabilities, clearance, settlement, custody, record keeping and other services provided by such broker.</p> <p>Client may pay commissions or fees that are higher or lower than those that may be obtained from elsewhere for similar services.</p>   |