

**PART 2A OF FORM ADV
INVESTMENT ADVISER BROCHURE**

V2 CAPITAL, LLC

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March 28, 2014

This Investment Adviser Brochure (“Brochure”) provides information about the qualifications and business practices of V2 Capital, LLC (“V2 Capital”). If you have any questions about the contents of this Brochure, please contact us at (847) 201-3620. 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 authority.

V2 Capital is an investment adviser registered with the SEC under the Investment Advisers Act of 1940, as amended (the “**Advisers Act**”). However, such registration does not imply a certain level of skill or training.

Additional information regarding V2 Capital is also available on the SEC’s website at www.adviserinfo.sec.gov.

MATERIAL CHANGES

This Brochure updates the Part 2A of Form ADV previously filed by V2 Capital on March 28, 2013 as part of the required annual update. Since such annual update, the following material changes to our Brochure have been made:

- V2 Capital has amended its management fee schedule for its private funds to reflect a tiered management fee that varies based on the amount invested by an investor and eliminated the incentive allocation with respect to its private funds (as more fully described under “Fees and Compensation” of this Brochure); and
- V2 Capital is now providing subadvisory services to registered investment companies.

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ADVISORY BUSINESS

V2 Capital, LLC, a Delaware limited liability company and registered investment adviser, commenced operations in 2004. V2 Capital, LLC is a private investment management firm that, along with several other affiliated entities (collectively, the “**Firm**”), provides investment advisory services to private funds, separately managed accounts and subadvisory services to registered investment companies.

As of February 28, 2014, the Firm managed approximately \$430.1 million in client assets on a discretionary basis. V2 Capital is principally owned by Victor P. Viner.

Private Funds

The Firm serves as the investment manager, on a discretionary basis, for V2 Hedged Equity Fund, LP, V2 Hedged Equity Offshore Fund, LP and V2 Hedged Equity Master Fund, LP (collectively, the “**V2 Funds**”). The V2 Funds are private funds that invest or trade in a long concentrated portfolio of U.S. equities combined with a custom tailored short portfolio of options.

The Firm’s advisory services for the V2 Funds are detailed in the applicable private placement memoranda and limited partnership agreements (collectively, “**Fund Documents**”) and are further described below under “Methods of Analysis, Investment Strategies and Risk of Loss.” Limited partners in the V2 Funds (collectively, the “**Limited Partners**”) participate in the overall investment program for each applicable V2 Fund.

The following entities serve as the general partners or the investment managers to the V2 Funds (collectively, the “**Fund Advisers**”):

- V2 Capital Partners, LP (general partner of V2 Hedged Equity Fund, LP (the “**Onshore Fund**”));
- V2 Capital Partners, LLC (general partner of each of V2 Hedged Equity Offshore Fund, LP (the “**Offshore Fund**,” and together with the Onshore Fund, the “**Feeder Funds**”) and V2 Hedged Equity Master Fund, LP (the “**Master Fund**”)); and
- V2 Capital Management, LP (investment manager to each of the V2 Funds).

The V2 Funds are structured as a master-feeder fund. Substantially all of the assets of each of the Feeder Funds are invested into the Master Fund, although the Feeder Funds are permitted to invest their assets directly either on a short-term or long-term basis rather than investing through the Master Fund, if the Firm deems it appropriate for tax, regulatory or other reasons.

Each of the Fund Advisers is deemed registered under the Advisers Act pursuant to V2 Capital’s registration in accordance with SEC guidance. This Brochure also describes the business practices of the Fund Advisers, which operate as a single advisory business together with V2 Capital.

Advisory Accounts

V2 Capital provides discretionary advice to certain individuals and family offices through advisory accounts (“**Advisory Accounts**,” and together with the V2 Funds, the “**V2 Accounts**”) managed by V2 Capital pursuant to limited trading authorization agreements (the “**Advisory Agreement**”). V2 Capital’s services for its Advisory Account clients include the management of equity derivative overlay and exit strategies for clients with concentrated equity holdings. These strategies are actively managed and tailored to the needs and objectives of each client. In most cases, Advisory Account clients may impose reasonable restrictions on investing in certain securities, types of securities or industry sectors.

Subadvisory Accounts with Registered Investment Companies

V2 Capital also provides discretionary investment advice to several registered investment companies through subadvisory agreements (“**Subadvisory Accounts**”).

FEES AND COMPENSATION

In general, the Firm receives from the V2 Funds a management fee in connection with its advisory services, as disclosed in the Fund Documents of each V2 Fund.

Advisory Fees with respect to Advisory Accounts are generally negotiated between the Firm and the client, although they are typically based on a percentage of assets under management.

Advisory Fees with respect to Subadvisory Accounts are generally negotiated between the Firm and the registered investment company’s investment adviser.

Management Fees

The Firm receives from each Feeder Fund a monthly management fee (“**Management Fee**”) with respect to each capital account, calculated and paid in arrears as of the last business day of each calendar month. The Management Fee rate applicable to Limited Partners in the Feeder Fund varies based on the Limited Partner’s capital account balance as of the last business day of each calendar month (or the sum of such Limited Partner’s capital account balances if the Limited Partner has multiple capital accounts). The Management Fee rate for a Limited Partner will be equal to:

- 0.0833% (1.0% on an annual basis) for investments between \$5,000,000.00 and \$25,000,000.00;
- 0.0667% (0.8% on an annual basis) for investments between \$25,000,000.00.01 and \$50,000,000.00;
- 0.0583% (0.7% on an annual basis) for investments between \$50,000,000.01 and \$100,000,000.00; and
- 0.0500% (0.6% on an annual basis) for investments greater than \$100,000,000.00.

The Management Fee payable to V2 Capital Management, LP will be equal to the applicable Management Fee rate multiplied by the Limited Partner's capital account balance or balances.

Advisory Account Fees

Under a standard Advisory Agreement, the Firm is entitled to negotiated levels of fees and expenses from the Advisory Accounts. Such fees are typically structured as an annual management fee equal to 0.75% of the assets under management, but may vary as negotiated between the Firm and the client. In determining whether to vary the fee structure, the Firm considers the following factors, among others: (i) the amount and type of assets under management; (ii) the client's prior relationships with the Firm; and (iii) the amount of administrative services that will be provided to the client.

The Firm may agree to alternative fee arrangements for specific clients depending on the extent and cost of the services provided to such clients. Such alternative arrangements may include a fixed fee structure, rather than a percentage of assets under management. The terms of any such alternative fee arrangement will be negotiated between the client and the Firm.

Fees are generally billed to the client, in advance, either monthly or quarterly (the "**Accounting Period**") based on the market value of the underlying assets (calculated in accordance with the Firm's valuation policy) on the last trading day prior to the beginning of the Accounting Period. Fees are prorated based on the number of days within an Accounting Period that an Advisory Account was open. In the event of termination, investment advisory fees are prorated to the date of termination and, to the extent that fees have been paid for periods beyond the termination date, the fees will be refunded.

Subadvisory Account Fees

Under a standard Subadvisory Agreement for a registered investment company, the Firm is entitled to negotiated levels of fees and expenses from the Subadvisory Accounts. Such fees are typically structured as an annual management fee equal to 1% of the assets under management, but may vary as negotiated between the Firm and the client.

Expenses

In addition to the Management Fee payable to the Firm, the V2 Funds bear certain expenses. As set forth in the applicable Fund Documents, each Feeder Fund typically bears all of its own expenses (unless such expenses are subject to an agreement capping the amount of expenses payable by the Feeder Funds), including accounting, auditing, tax and tax preparation expenses; legal fees and expenses; professional fees and expenses; investment-related expenses; costs of any derivative instruments; hedging costs; travel expenses; printing and postage expenses; third-party valuation service expenses; brokerage fees and commissions; clearing and settlement charges; prime brokerage fees; custodial fees; bank service fees; margin and other interest expense and transaction fees; blue sky and corporate filing fees and expenses; insurance expenses; ongoing offering expenses and payments for custody of the V2 Funds' assets; fees for the performance of administrative services; any extraordinary expenses, *e.g.*, litigation expenses, incurred by the V2 Funds (whether or not required by GAAP); and other expenses as incurred by the V2 Funds or the Firm. Permissible expenses set forth in a V2 Fund's Fund Documents may

vary, such as where the expenses that may be borne by a particular V2 Fund are limited by applicable law or regulation. Each Feeder Fund will also bear their pro rata share of any expenses of the Master Fund.

With respect to the Advisory Accounts, the Firm's fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be borne by the client. Clients may also incur certain charges imposed by custodians, brokers, third party investment and other third parties such as custodial fees, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Such charges, fees and commissions are exclusive of, and in addition to, the Firm's fee, and the Firm shall not receive any portion of these commissions, fees, and costs.

With respect to the Subadvisory Accounts, the Firm will pay its own overhead expenses and the fund or funds will be responsible for any investment related expenses as set forth in the applicable Subadvisory Agreement (*e.g.*, brokerage commissions).

Other Information

The Firm may exempt certain investors in V2 Funds from payment of all or a portion of Management Fees.

The V2 Funds invest on a continuous basis. Accordingly, investment advisory and other fees earned with respect to the V2 Funds are expected to be paid over the term of such V2 Funds. Moreover, interests in a V2 Fund are not freely transferable and investors in a V2 Fund may be subject to restrictions on the ability to withdraw or redeem such interests.

The principals and portfolio managers of the Firm (the "**Principals**") or other employees of the Firm may receive a portion of the Management Fee or other compensation received by the Firm.

PERFORMANCE-BASED FEES

The Firm currently does not charge performance-based fees or allocations.

TYPES OF CLIENTS

The Firm provides investment advice to the V2 Funds. The Limited Partners participating in the V2 Funds may include individuals, banks or thrift institutions, other investment entities, pension and profit-sharing plans, trusts, estates or charitable organizations or other corporations or business entities and may include, directly or indirectly, Principals or other employees of the Firm.

Each Feeder Fund has a minimum investment of \$5 million for third-party investors, which may be waived by the Fund Advisers, but in the case of the Offshore Fund, investments of less than \$100,000 (or other amounts as specified by Cayman Islands law) will not be permitted. In most circumstances, investors in the Feeder Funds must meet certain suitability and net worth qualifications prior to making an investment. Generally, investors must be (i) "accredited investors" as defined under Regulation D of the Securities Act of 1933, as amended and (ii)

either “qualified purchasers” or “knowledgeable employees” as defined under the Investment Company Act of 1940, as amended.

The Firm also provides discretionary investment advice to high net worth and family office clients under the Advisory Agreements. The minimum investment required for such services is typically \$100 million, although the minimum investment amount is subject to negotiation between the Firm and the client.

The Firm also provides subadvisory services to registered investment companies.

METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

Investment and Operating Strategy

As specified in their respective Fund Documents, the investment objective of each V2 Fund is to seek to achieve long-term capital appreciation through the active management of both: long positions in select U.S. equities and a portfolio of customized short options. The equity selection process for the V2 Funds combines rigorous fundamental analysis to determine the “best ideas” for portfolio holdings with a focus on portfolio risk management. The process includes developing a clear understanding of the risk exposure of companies as well as their underlying businesses. Some of the key characteristics of “best ideas” for the portfolio include: attractive business models with defensible competitive positions that enable candidates to generate returns in excess of their cost of capital, earnings and cash flow growth potential, and valuations that are attractive relative to an equity’s total return and growth profile, a premium is placed on persistent cash flows and earnings quality, as well as management teams with a commitment to disciplined capital stewardship. Turnover of equity holdings is expected to be low because holdings are selected based on a long-term view. The volatility skew, term structure and surface (i.e. current volatility environment) as well as existing option positions are key factors in determining the specific option parameters selected to sell for the portfolio as well as identifying opportunities to adjust existing positions. The V2 Funds focus on selling index call options rather than individual equity options. This is expected to permit individual equity holdings of the V2 Funds to appreciate without the risk of being called away. The Firm believes that index options also benefit from greater liquidity and more effective pricing compared to individual equity options. The benefit to the V2 Funds is reduced trading costs. The value of the V2 Funds’ equity holdings and any existing option positions are used to determine the quantity of options that are to be sold on an option trading date. There can be no assurance that the V2 Funds will achieve their investment objectives or that their respective portfolios will, in fact, be diversified.

Under the Advisory Agreements, the Firm provides discretionary investment advice in accordance with the client’s expressed investment goals, risk profile and desired liquidity. Certain Advisory Accounts will invest in tandem with the V2 Funds.

Under the Subadvisory Agreements, the Firm provides advice to registered investment companies in accordance with the fund’s investment objectives and strategies as set forth in the applicable Subadvisory Agreement.

There can be no assurance that investments selected or strategies utilized by the Firm will achieve such investment goals, risk profiles or any particular liquidity.

Risks of Investment

A V2 Fund and its investors bear the risk of loss that the applicable Advisers' investment strategy entails. The risks involved with the Firm's investment strategy and an investment in a V2 Fund are detailed in each V2 Fund's private placement memorandum. Accordingly, the summary below is qualified in its entirety by the risks set forth in each V2 Fund's private placement memorandum. Please consult each V2 Fund's private placement memorandum for a more detailed description of the risks. As the Firm typically employs similar strategies in selecting investments for Advisory Accounts, such risks should also be understood to apply to investments selected by the Firm on behalf of such clients, to the extent applicable. *There can be no assurance that the Firm will achieve the investment objectives of the V2 Accounts, and a loss of investment may be possible.* In general, the material risks with respect to an investment in each V2 Fund include, but are not limited to:

General Investment Risks. All investments risk the loss of capital. The Firm believes that the V2 Funds' investment program and research techniques moderate this risk through a careful selection of securities and other financial instruments. No guarantee or representation is made that the V2 Funds' investment program will be successful. The V2 Funds' investment program may use such investment techniques as margin transactions and the use of synthetic instruments, such as options, which practices can, in certain circumstances, magnify the adverse impact that any losses may have on the V2 Funds.

Concentration Risk. Other than the limitations set forth in the Fund Documents, the Firm is not required to take a diversified investment approach with the V2 Funds. Although the Firm expects that the V2 Funds will always be invested in a significant number of issuers, as the Fund Documents do not specifically mandate a diversified approach, it is theoretically possible that a significant portion of the V2 Funds' assets could become concentrated in a small number of issuers.

Equities. Equities in which the V2 Funds invest may involve substantial risks and may be subject to wide and sudden fluctuations in market value, with a resulting fluctuation in the amount of profits and losses to the V2 Funds.

Options. The V2 Funds may sell (write) call options, and when they write options they may do so on a "covered" or an "uncovered" basis. A call option is "covered" when the writer owns securities of the class and amount of those as to which the call option applies. The V2 Funds' options transactions may be part of a hedging tactic, i.e., offsetting the risk involved in another securities position. These activities involve risks that can be large, depending on the circumstances. In general, the principal risks involved in options trading can be described as follows, without taking into account other positions or transactions into which the V2 Funds may enter.

When the V2 Funds sell (write) an option, the risk can be substantially greater than when they buy an option. The seller of an uncovered call option bears theoretically-unlimited risk of

an increase in the market price of the underlying security or index above the exercise price (although the V2 Funds will rarely be completely uncovered). If the option is covered, an increase in the market price of the security above the exercise price would cause the V2 Funds to lose the opportunity for gain on the underlying security, assuming the V2 Funds bought the security for less than the exercise price. If the price of the underlying security were to drop below the exercise price, the premium received on the option (after transaction costs) would provide profit that would reduce or offset any loss the V2 Funds might suffer as a result of owning the security. Technically the V2 Funds' option trading is considered uncovered because calls are only written on the index, rather than each individual stock. However, no leverage is employed and the risk to investors only arises if the equities in the V2 Funds' portfolio underperform the constituents of the S&P 500 Total Return Index (the "**Benchmark**").

Growth Stocks. The V2 Funds may invest in "growth stocks." Growth stocks typically trade at higher price-to-earnings ratios than other stocks. Therefore, their prices may be more sensitive to changes in current or expected earnings than the prices of other stocks. If the Firm's assessment of a company's earnings growth prospects is wrong, or if the Firm's judgment about how other investors will value a company's earnings growth is wrong, then the company's stock may fail to achieve the expected price appreciation or may depreciate in value.

Portfolio Turnover. Portfolio turnover generally will not be a limiting factor in making investment decisions for the V2 Funds and may vary from year to year, as well as within a year. The Firm, however, expects turnover to be relatively low.

Suspensions of Trading. For securities traded on public exchanges, each exchange typically has the right to suspend or limit trading in certain or all securities that it lists. Such a suspension could render it temporarily impossible for the V2 Funds to liquidate their positions, and thereby expose the V2 Funds to losses. In addition, there is no guarantee that non-exchange markets will remain liquid enough for the V2 Funds to close out positions.

Other Instruments. The V2 Funds may take advantage of opportunities with respect to certain other instruments that are not presently contemplated for use or that are currently not available, but that may be developed, to the extent such opportunities are both consistent with the investment objective of the V2 Funds and legally permissible. Special risks may apply to instruments that are invested in by the V2 Funds in the future that cannot be determined at this time or until such instruments are developed or invested in by the V2 Funds.

Effect of General Economic and Market Conditions on the V2 Funds' Activities; Uncertain Environment. The success of the V2 Funds' activities will be affected by general economic and market conditions such as interest rates, availability of credit, credit defaults, inflation rates, economic uncertainty, changes in law (including laws relating to taxation of the V2 Funds' investments), trade barriers, currency exchange controls, and national and international political circumstances (including wars, terrorist acts or security operations). These factors may affect the level and volatility of financial instruments' prices and the liquidity of the V2 Funds' investments. Volatility or illiquidity could impair the V2 Funds' profitability or result in losses. The V2 Funds may maintain substantial trading positions that can be adversely affected by the level of volatility in the financial markets — the larger the positions, the greater the potential for loss.

The current global economic and political climate continues to be one of uncertainty. A climate of uncertainty may reduce the availability of potential investment opportunities and increase the difficulty of modeling market conditions, reducing the accuracy of the Investment Manager's financial projections. Furthermore, such uncertainty may have an adverse effect upon the companies in which the V2 Funds make investments. Unpredictable or unstable market conditions may also make it more difficult for the V2 Funds to exit and realize value from their investments. The current political environment could also create additional regulatory burdens applicable to the Firm and the V2 Funds, which could have an adverse effect on the V2 Funds.

It is important to understand that in light of the nature of certain investments, the V2 Funds may not be able to react quickly to changes in market conditions and the V2 Funds could incur material losses even if they react quickly to difficult market conditions. There can be no assurance that the V2 Funds will not suffer material adverse effects from broad and rapid changes in market conditions.

The following risk is applicable to the V2 Funds or any Advisory Account that tracks the strategy of the V2 Funds:

Basis Risk. As the V2 Funds will only own a small portion of the stocks comprising the Benchmark but will write uncovered call options on the entire Benchmark, it is theoretically possible that the price of the securities in their portfolio declines while the Benchmark as a whole increases in value. If such a scenario were to occur, the V2 Funds would suffer substantial losses, both as a result of the decline in the value of their portfolio as well as the losses incurred as a result of the price of the underlying security of the uncovered call option being greater than the exercise price. This could result in the V2 Funds having to sell securities in their portfolio at unfavorable prices in order to generate the cash necessary to cover the call option.

Conflicts of Interest

Other Accounts of The Firm and Its Principals; Principals Time. The Firm and its principals manage multiple funds (including the V2 Funds) and accounts (including Advisory Accounts and Subadvisory Accounts) and may have financial incentives to favor certain of such funds or accounts over others. Any of such other funds or accounts of the Firm or its principals may compete with the V2 Funds for specific trades, or may hold positions opposite to positions maintained on behalf of a V2 Fund or other client. The Firm and its principals may give advice and recommend securities to, or buy or sell securities for, their respective portfolio or managed accounts in which a client's assets are invested, which advice or securities may differ from advice given to, or securities recommended or bought or sold for, other accounts and customers even though their investment objectives may be the same as, or similar to, those of a client. Clients will not share in the risks or rewards of such other ventures of the Firm. However, such other ventures will compete with clients for the time and attention of the Firm and may create additional conflicts of interest. Although the principals and employees of the Firm will devote as much time to a client as they believe is necessary to assist such client in achieving its investment objectives and to administer the operations of the relevant V2 Fund, Advisory Account or Subadvisory Account, they will not devote substantially all or any specific portion of their

working time to the affairs of a particular client, as they must devote a portion of their time to other V2 Funds and investments.

Other present and future activities of the Firm and/or its Principals may give rise to additional conflicts of interest.

Parallel or Similar Funds or Accounts; Allocation of Investment Opportunities. From time to time, the Firm and its Principals may establish funds or accounts that trade in parallel with the V2 Funds or that pursue the same or a similar investment objective or strategy (“**Parallel Accounts**”), for example to enable investors with unique legal or regulatory concerns to participate in the same or similar investment strategy as the V2 Funds. As a result, the Firm may be subject to conflicts of interest in allocating investment opportunities among the V2 Funds and such Parallel Accounts.

The Firm will allocate investment opportunities among the V2 Funds and such Parallel Accounts to the extent that the Firm determines in good faith that such investment opportunities are appropriate for such Parallel Account, with such allocations generally to be made on a *pro rata* basis based on available capital of the V2 Funds, as applicable, and such Parallel Accounts. In determining whether and to what extent such investment opportunities are appropriate for the V2 Funds and such Parallel Accounts, the Firm may consider factors such as: (a) the overall liquidity profile of the V2 Funds’ and such Parallel Accounts’ respective investment portfolios; (b) the potential for redemptions from the V2 Funds or such Parallel Accounts; (c) the transferability of such investment opportunities; (d) the minimum denominations of such investment opportunities; (e) the availability of price quotes with respect to such investment opportunities; (f) the structural and operational differences between (and any applicable investment limitations, including without limitation risk and exposure limits and diversification considerations, of) the V2 Funds and such Parallel Accounts; (g) the eligibility of the V2 Funds and such Parallel Accounts to participate in such investment opportunity under applicable laws and regulations; and (h) any other applicable tax, legal, regulatory, compliance, operational or administrative issues.

In the event that a determination is made that the V2 Funds and one or more Parallel Accounts should trade in the same investment opportunity on the same day, such investment opportunity will be allocated between the V2 Funds and such Parallel Accounts in a manner that the Firm determines in its discretion, provided that the V2 Funds and such Parallel Accounts will be treated fairly and equitably over time. Circumstances may occur in which an allocation could have adverse effects on the V2 Funds or one or more Parallel Accounts with respect to the price or size of securities positions obtainable or saleable. It is the policy of the Firm, to the extent possible, to allocate investment opportunities to the V2 Funds and to Parallel Accounts over a period of time on a fair and equitable basis relative to the other funds and accounts under its management. Fairness will be measured over time and Limited Partners should expect that there will be instances and periods of time where the V2 Funds will not receive a share, or may receive a non-*pro rata* share, of an investment opportunity.

Order Aggregation. If the Firm determines that the purchase or sale of an investment opportunity is appropriate with regard to the V2 Funds and/or one or more Parallel Accounts (or other Advisory Accounts or Subadvisory Accounts), the Firm may, but is not obligated to, when

possible, aggregate orders placed simultaneously in order to reduce transaction costs, to the extent permitted by applicable law. When an aggregated order is filled through multiple trades at different prices on the same day, each participating fund or account generally will receive the average price, with transaction costs generally allocated *pro rata* based on the size of each account's participation in the order (or allocation in the event of a partial fill) as determined by the Firm. In the event of a partial fill, allocations may be modified on a basis that the Firm deems to be appropriate, including, for example, in order to avoid odd lots or *de minimis* allocations. To the extent that orders are not aggregated, trades generally will be processed in the order that they are placed with the broker or counterparty selected by the Firm. As a result, certain trades in the same investment opportunity for one fund or account (including a fund or account in which the Firm and its personnel may have a direct or indirect interest) may receive more or less favorable prices or terms than another fund or account, and orders placed later may not be filled entirely or at all, based upon the prevailing market prices at the time of the order or trade. In addition, some opportunities for reduced transaction costs and economies of scale may not be achieved.

There may be instances, such as when orders are placed with more than one broker, that make it difficult or inadvisable (as determined by the Firm in its discretion) for the Firm to average the prices paid. In these instances, the Firm will seek to allocate filled orders in a fair and equitable manner. Similarly, if an order on behalf of more than one fund or account (such as the V2 Funds and one or more Parallel Accounts) cannot be fully executed under prevailing market conditions, the Firm may allocate the securities traded among the different accounts on any basis that they consider fair and equitable. In these circumstances, each such fund or account may be required to pay, in connection with the acquisition of securities by more than one such fund or account, the average price per unit acquired, which may be higher than if such fund or account had acted alone, and it may otherwise not be able to execute an investment decision as effectively as it could have if such fund or account had acted alone. There may be corresponding potential disadvantages when more than one fund or account simultaneously seeks to dispose of commonly held securities and other investment positions.

Proprietary Trading. Various Firm affiliates may be significant investors in the V2 Funds for their proprietary accounts. Such affiliates' investments in and redemptions from the V2 Funds will be made in their best interests and without regard to the best interests of the V2 Funds or other Limited Partners. The Firm may share information regarding the V2 Funds with such affiliates of the Firm.

DISCIPLINARY INFORMATION

The Firm and its management persons have not been subject to any material legal or disciplinary events required to be discussed in this Brochure.

OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

V2 Capital is affiliated with each of the Fund Advisers which are deemed registered with the SEC under the Advisers Act pursuant to V2 Capital's registration in accordance with SEC guidance. These affiliated investment advisers operate as a single advisory business together with V2 Capital and serve as investment managers or general partners of private investment

funds and other pooled vehicles and may share common owners, officers, partners, employees, consultants or persons occupying similar positions.

CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

The Firm has adopted a Code of Ethics (the “**Code**”) which sets forth standards of business conduct that are expected of the Firm’s principals and employees and addresses conflicts that arise from personal trading. The Code requires the Firm’s personnel to:

- report their personal securities transactions;
- seek pre-clearance before personally acquiring securities, including in an initial public offering or limited offering; and
- comply with the policies and procedures reasonably designed to prevent the misuse of, or trading upon, material non-public information.

A copy of the Code will be provided to any client or prospective client upon request to the Firm’s Chief Compliance Officer, at (847) 201-3620. Personal securities transactions by employees who manage client accounts are required to be conducted in a manner that prioritizes the client’s interests in client-eligible investments.

The Firm and its affiliated persons may come into possession from time to time of material nonpublic or other confidential information about public companies which, if disclosed, might affect an investor’s decision to buy, sell or hold a security. Under applicable law, the Firm and its affiliated persons would be prohibited from improperly disclosing or using such information for their personal benefit or for the benefit of any person, regardless of whether such person is a client of the Firm. Accordingly, should the Firm or any of its affiliated persons come into possession of material nonpublic or other confidential information with respect to any public company, the Firm would be prohibited from communicating such information to clients, and the Firm will have no responsibility or liability for failing to disclose such information to clients as a result of following their policies and procedures designed to comply with applicable law. Similar restrictions may be applicable as a result of Firm personnel serving as directors of public companies and may restrict trading on behalf of clients, including the V2 Funds.

Principals and employees of the Firm may directly or indirectly own an interest in the V2 Funds.

It is the Firm’s policy that the Firm will not affect any principal or agency cross securities transactions for client accounts. The Firm will also not allow cross trades between client accounts.

The Firm and its affiliates, principals and employees may carry on investment activities for their own accounts and for family members, friends or others who do not invest in V2 Accounts, and may give advice and recommend securities to other accounts or certain V2 Accounts or vehicles which may differ from advice given to, or securities recommended or

bought for, other V2 Accounts or vehicles, even though their investment objectives may be the same or similar.

BROKERAGE PRACTICES

The Firm is authorized to determine the broker or dealer to be used for each securities transaction for the V2 Funds. The Firm may generally determine the broker or dealer to be used for securities transactions without client consent with respect to Advisory Accounts and Subadvisory Accounts, although in certain circumstances, the Firm will recommend brokers or dealers and obtain client consent before effecting securities transactions. In selecting brokers or dealers to execute transactions, the Firm needs not solicit competitive bids and does not have an obligation to seek the lowest available commission or other transaction cost.

The Firm does not currently have any soft-dollar arrangements and does not receive any soft-dollar benefits.

The Firm generally will manage a number of funds and trading accounts. For information regarding the Firm's handling of brokerage-related conflicts associated with multiple funds and accounts, see "Conflicts of Interest."

REVIEW OF ACCOUNTS

Account reviews are conducted on an ongoing basis by the Principals and/or other qualified Firm personnel. The Firm engages in regular reviews of the V2 Funds, including a daily review by senior officers of the prior day's trading activity, to ensure compliance with the investment objectives specified in the Fund Documents.

The Firm engages in regular reviews of Advisory Accounts, including a daily review by senior officer(s) of the prior day's trading activity. On a day-to-day basis, Advisory Accounts may be reviewed as necessitated by account or security specific needs. In the event of developments that the Firm believes make a review of client accounts desirable, a review will be made to determine if investment changes are warranted. Investment decisions are subject to strict adherence with the investment guidelines. Accounts are reviewed in the context of the investment objectives and guidelines and any restrictions provided by the client.

The V2 Funds will make available to Limited Partners: (i) unaudited periodic reports, no less frequently than monthly, regarding the applicable V2 Fund's performance; (ii) within 120 days after the end of each fiscal year, an annual audited financial report of the applicable V2 Fund; and (iii) annual tax information for the preparation of their respective tax returns.

Most Advisory Account clients are furnished directly with a weekly statement containing a detailed schedule of investments and summary of the transactions effected during the week. Most advisory Account clients are also provided a detailed summary after any trade is executed. In addition to the monthly statements and confirmations of transactions that clients receive from their broker-dealer, the Firm provides monthly reports summarizing account performance, balances and holdings.

CLIENT REFERRALS AND OTHER COMPENSATION

From time to time, the Firm may enter into solicitation arrangements pursuant to which it compensates third parties for referrals that result in a potential investor becoming a Limited Partner in a V2 Fund. The Fund Advisers will bear the cost of any placement fees paid to any broker, solicitor or finder (either directly or through an offset against the Management Fee), and any such expenses will not be borne by the V2 Funds.

CUSTODY

The Firm maintains custody of assets held in the name of the V2 Funds with the following qualified custodians:

- Goldman Sachs Execution & Clearing, L.P., located at 30 Hudson Street, Jersey City, New Jersey 07302; and
- JP Morgan Clearing Corporation, located at 570 Washington Blvd., 12th Floor, Jersey City, New Jersey 07310.

Custody of an Advisory Account's assets are maintained with the applicable client's designated custodian. The Firm is deemed to have custody of the assets of such Advisory Accounts solely by virtue of the Firm's ability to have advisory fees and expenses deducted from such accounts. As part of this billing process, the client's custodian is advised of the amount of the fee to be deducted from that client's account.

INVESTMENT DISCRETION

In the case of Advisory Accounts and Subadvisory Accounts, the Firm generally has the authority to determine, without obtaining specific client consent: the securities bought and sold; the amount of securities bought and sold; the broker-dealer used; and commission rates paid for transactions in client accounts. The Firm's investment professionals are not limited in this authority except to the extent a client has established specific guidelines and/or prohibitions with respect to its investment account and specific securities.

The Firm has discretionary authority to manage investments on behalf of the V2 Funds. As a general policy, the Firm does not allow clients to place limitations on this authority. The Firm assumes this discretionary authority pursuant to the terms of the Fund Documents and powers of attorney executed by the limited partners of the relevant V2 Fund. Pursuant to the terms of the relevant Fund Documents, however, the Firm may enter into "side letter" arrangements with certain Limited Partners whereby the terms applicable to such Limited Partner's investment in a V2 Fund may be altered or varied, including, in some cases, the right to opt-out of certain investments for legal, tax, regulatory or other similar reasons.

VOTING CLIENT SECURITIES

The Firm has adopted the Firm Proxy Voting Policies and Procedures (the "**Proxy Policy**") to address how it will handle proxies, as applicable, for any V2 Account's investments. With respect to most Advisory Accounts, the Firm will not be required to take any action or

render any advice with respect to voting proxies solicited by, or with respect to, the issuers of securities in which Advisory Account assets may be invested. With respect to those Advisory Accounts structured as Parallel Accounts of the V2 Funds, clients can request in writing the right to vote such proxies at client's discretion, however, in the absence of such request, the Firm will handle proxies for securities held by such Advisory Accounts in the same manner as it handles proxies on behalf of the V2 Funds. In the event that the Firm is required to vote a proxy on behalf of the V2 Funds, an Advisory Account or a Subadvisory Account, the Firm will utilize the services of an independent, qualified proxy voting service to vote the proxy in accordance with the terms of the Firm's Proxy Policy. The Firm does not seek investor approval or direction with respect to voting any proxies on behalf of the V2 Funds. The Firm believes its use of a proxy voting service mitigates any conflicts of interest that may exist with respect to the voting of the proxies. If you would like a copy of the Firm's complete Proxy Policy or information regarding how the Firm voted particular proxies, please contact the Firm's Chief Compliance Officer, at (847) 201-3620 and it will be provided to you at no charge.

FINANCIAL INFORMATION

The Firm does not require prepayment of management fees more than six months in advance or have any other events requiring disclosure under this item of the Brochure.