



VOLLERO BEACH

CAPITAL PARTNERS

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PART 2A OF FORM ADV: FIRM BROCHURE

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This brochure provides information about the qualifications and business practices of Vollero Beach Capital Partners LLC ("*Vollero Beach*"). If you have any questions about the contents of this brochure, please contact Michael Lubman at (212) 584-0500 or michael@vollerobeach.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the "*SEC*", the "*Commission*") or by any state securities authority.

Additional information about Vollero Beach Capital Partners LLC is available on the SEC's website at www.adviserinfo.sec.gov.

Being a "registered investment adviser" or describing ourselves as being "registered" does not imply a certain level of skill or training.

**THIS BROCHURE SHALL NOT CONSTITUTE AN OFFER TO SELL OR THE
SOLICITATION OF ANY OFFER TO BUY ANY SECURITY.**

Item 2 MATERIAL CHANGE

Vollero Beach initially filed its Form ADV Part 2 (this “Brochure”) on February 23, 2011. The Brochure was last updated March 28, 2014. This is the fourth update to the Brochure since the initial filing. There were no material changes since the last update of this Brochure.

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Item 4 ADVISORY BUSINESS

Vollero Beach Capital Partners LLC (“Vollero Beach”) is a Delaware limited liability company that has been in the investment management business since March 3, 2009. Robert A. Vollero Jr. and Gentry T. Beach (collectively, the “Portfolio Managers”), are the Managing Members and principal owners of Vollero Beach. Vollero Beach provides investment advice to certain private pooled investment entities and managed accounts.

Currently, Vollero Beach advises a domestic feeder fund, an offshore feeder fund (together with the domestic feeder fund, the “Feeder Funds”), and a master fund (the “Master Fund,” and together with the Feeder Funds, the “Funds”). The Feeder Funds invest substantially all of their capital in the Master Fund, which acts as the primary trading entity that transacts with broker-dealers and counterparties.

The investment strategy of the Funds is broadly defined as fundamental market neutral, relative value, long/short equity. The investment objective of the Funds is to generate consistent positive returns, in varying market conditions, by investing on both a long and short basis in equity securities of companies worldwide that operate predominantly in Commodity and Old Economy industries. The Vollero Beach investment approach is one of relative value and employs fundamental analysis as well as trading expertise. Energy, and a wide variety of Energy subsectors, is the primary investment focus of the Funds, with broad diversification among companies in the Energy industry. Other Commodity-related and Old Economy industries in which the Funds invest include, but are not be limited to, Materials (Paper & Packaging, Agriculture, Chemicals, Metals & Mining), Industrials and Transportation.

Vollero Beach also advises four separately managed accounts (collectively, the “Managed Accounts”). With respect to the Managed Accounts, Vollero Beach has the complete discretion, subject to certain limitations, to trade their strategy, including the buying and selling of securities, the selection of broker-dealers through which to execute trades, the negotiation of trading commissions/rates, and the voting of shares. In general, the Managed Accounts follow the same investment strategy as the Funds. Regarding the Managed Accounts, Vollero Beach tailors its services to the individual needs of the clients and Vollero Beach has, and expects in the future that it will, negotiate with clients, restrictions on investing in certain securities or types of securities.

Vollero Beach currently does not provide investment advisory services to clients apart from the Funds and the Managed Accounts, although it and/or one or more affiliates may do so in the future.

As of December 31st, 2014, Vollero Beach had \$ 987,385,358 in regulatory assets under management, all managed on a discretionary basis.

Item 5 FEES AND COMPENSATION

THE FUNDS

The Funds generally pay Vollero Beach a quarterly management fee (the “Management Fee”), payable in advance (after giving effect to capital contributions and withdrawals) and expensed monthly, at the rate of 1.5% per annum of the net asset value of the applicable Fund. Capital contributed or withdrawn from the Funds during a quarter will be charged a ratable portion of the Management Fee for the period invested. Vollero Beach may receive payment of the Management Fee directly from the Feeder Funds or, at its option, from the Master Fund.

An affiliate of Vollero Beach receives an incentive allocation (the “Incentive Allocation”) equal to 20% of the net profits (including realized and unrealized gains) of the Feeder Funds, if any. The Incentive Allocation may be made by the Feeder Funds or by the Master Fund. The Incentive Allocation is calculated subject to a loss carryforward whereby the Incentive Allocation is not made until prior net losses are first recouped. If the Fund’s net assets are reduced due to any distributions to, or withdrawals by, investors, there will be a proportional reduction in any related loss carryforward amount that must be recouped before an additional Incentive Allocation is incurred.

Vollero Beach or its affiliate may waive all or any portion of the Management Fee and/or Incentive Allocation with respect to any investor.

The Funds bear certain operating expenses, including the Management Fee and external accounting, bookkeeping, auditing and legal expenses. Such expenses include the Feeder Funds’ ratable portion of the costs and expenses of the Master Fund, including, among other expenses, all expenses incurred in the buying, selling and holding of securities and other investments (including, without limitation, all custody costs, commissions, markups and markdowns and interest expense); the fees of the administrator or of any other third parties retained by the Master Fund; and the Master Fund’s own accounting, bookkeeping, auditing and legal expenses. All business expenses incurred in the organization of the Funds have been paid by Vollero Beach on behalf of the Funds.

MANAGED ACCOUNTS

Vollero Beach is entitled to receive a management fee (the “Management Fee”) for the advisory services performed on behalf of the Managed Accounts. The Management Fee rates range from 1% to 1.5%, as negotiated with clients, and are calculated based on the assets under management in each respective Managed Account. In the circumstances where the Managed Account is funded with a notional amount, the Management Fees will be calculated based on the levered level (added exposure financed through the margin facilities at the prime broker for the particular Managed Account), and not the notional level.

Management Fees can be paid either in advance at the start of the quarter, or in arrears at the end of each month. Management Fees paid in advance are calculated on a quarterly basis (for the upcoming three month period) and will be based on the assets under management at the start of the period. Should there be an increase or a decrease in the assets under management during the quarter due to a reallocation by the client, the difference between the Management Fees paid and

the Management Fees actually earned during the quarter can be made up through an adjustment to the Management Fees paid for the subsequent quarter. However, fees will not be adjusted for increases or decreases due to gains or losses in the Managed Account. Fees paid at the end of a month will be for the one preceding month only and are typically be based on the ending assets in that account (gross of any Management Fees or Incentive Fees (as defined below) attributed to that month).

Vollero Beach is entitled to receive an incentive fee (the “Incentive Fee”), paid in arrears on an annual basis, for positive performance of each Managed Account. Incentive Fees for Managed Accounts are paid directly to Vollero Beach. The Incentive Fee rates range from 15% to 26.5%, as negotiated with clients, and are calculated based on the increase in the value of each Managed Account as a direct result of positive performance of the Managed Account during the reference period. For the purpose of calculating the Incentive Fees, the positive performance of each Managed Account will be net of any Management Fees earned during the period. Certain clients also have hurdle rates, limited clawbacks and the ability to net out non-trading related expenses of the Managed Account, such as administration, audit and prime brokerage expenses.

The Incentive Fees are calculated subject to a loss carryforward whereby Incentive Fees are not paid until prior net losses are first recouped. Should the assets under management in a Managed Account be decreased due to a reallocation by the client during the loss carryforward period, there will be a proportional reduction in any related loss carryforward amount that must be recouped before additional Incentive Fees are paid.

Management Fees and Incentive Fees are paid by the client, or the Managed Account’s administrator, from the applicable Managed Account, or a separate account in the client’s name, promptly after they are determined.

The fees charged to clients in the future may be the same as or different than the fees described herein.

Item 6 PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

Vollero Beach generally charges performance-based fees. Please see Item 5 (Fees and Compensation) above. Vollero Beach does not currently manage any Funds or other accounts that pay only a Management Fee. However, Vollero Beach may, in its discretion, manage other funds or accounts with higher or lower fees, and different fee structures, than the Funds and/or the Managed Accounts. Please see Item 10 (Other Financial Industry Activities and Affiliations).

Item 7 TYPES OF CLIENTS

Vollero Beach currently advises the Funds and the Managed Accounts, although it may provide investment advice to other parties in the future. Generally, Vollero Beach requires a client opening a Managed Account to allocate a minimum of approximately \$50 million to the Managed Account, although Vollero Beach has accepted lesser amounts in the past and may revise the minimum amount in the future. The clients of the Managed Accounts are pooled investment vehicles.

In the future, investors in the Funds and/or Managed Account clients may include pension and profit-sharing plans, sovereign wealth funds, trusts, family offices, fund-of-funds, charitable organizations, high net worth individuals, financial institutions and other types of investors.

Item 8 METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

The investment objective of the Funds and the Managed Accounts is to generate consistent positive returns, in varying market conditions, by investing on both a long and short basis, in equity securities of companies worldwide that operate predominantly in the Commodity and Old Economy industries. Vollero Beach's investment approach is one of relative value and employs fundamental analysis as well as trading expertise. Energy, and a broad variety of Energy subsectors, is the primary investment focus. Within the Energy industry, the Funds' and the Managed Accounts' portfolio will in general be broadly diversified as to particular companies. Energy subsectors in which the Funds and the Managed Accounts invest include, among others, oil and natural gas exploration and production companies; oilfield service, drilling and equipment companies; independent refiners; integrated oil companies; coal producers; engineering and construction companies; midstream energy companies; alternative energy companies; power generation companies; and electric utilities. Other Commodity-related and Old Economy industries in which the Funds and the Managed Accounts invest include, but are not be limited to, Materials (Paper & Packaging, Agriculture, Chemicals, Metals & Mining), Industrials, and Transportation.

In the view of the Portfolio Managers, Commodity and other Old Economy industries offer particularly attractive opportunities for Vollero Beach's relative value strategy. Although the major portion of the portfolio is invested in U.S. based companies, the Portfolio Managers also seek significant opportunities in the foreign developed countries and other areas worldwide. It is not the Portfolio Managers' intention to take speculative positions in hard commodities or related futures contracts (e.g., futures contracts on gold, wheat or oil, as opposed to futures contracts on financial indices such as the S&P 500 Index), commodities futures contracts or other commodity-related derivatives. Risk management is an integral part of the investment process and Vollero Beach employs a variety of risk management tools and policies. The Portfolio Managers' ultimate intent is to achieve risk-adjusted returns largely on the basis of relative value price movements rather than overall market direction.

Relative Value Investing in the Commodity and Old Economy Industries

The fundamental premise of Vollero Beach's investment strategy is that the Commodity and Old Economy industries represent a highly favorable environment in which to apply a diversified relative value strategy. This is due to a number of key characteristics of this investment space and is independent of a directional view towards global equity or fixed income markets or commodity prices. In other words, since the strategy is based on a fundamental relative value approach, the Portfolio Managers believe that the success of the strategy should be substantially independent of the directional price movements of Energy and other Commodity-related and Old Economy stocks and their related commodities, as well as global market indices. Some of these key characteristics of the Commodity and Old Economy industry investment space that render it attractive to a relative value strategy are its size, its dynamism and inefficient coverage by the research industry.

Size, Breadth and Depth. The Energy and other Commodity-related and Old Economy industries are significant in size, with most goods and services in any economy dependent in varying degrees upon commodities. The industries affect nearly every aspect of an evolving global economy. Secondly, these industries possess enormous breadth; for example, Vollero Beach's primary investment focus, energy companies, includes numerous subsectors and sub-subsectors. Many of these industries have differing characteristics (such as supply/demand characteristics), which gives rise to differentiation among industries, subsectors and companies and also typically produce a broad variety of investment viewpoints. It is the phenomenon of differentiation that forms key opportunities for applying a relative value strategy.

The depth of the Commodity and Old Economy industries, in terms of having hundreds of stocks in particular industries, subsectors and even sub-subsectors, also provides further ground for differentiation and therefore expanding substantially the breadth of relative value opportunities. Moreover, such profound industry depth makes possible a broad degree of portfolio diversification, in terms of industry, product, capitalization and global location, among others, without sacrificing key considerations such as liquidity and desired level of volatility. Industry depth is also important to a relative value approach insofar as it enables a manager, with such numerous investment options, to isolate key differentiation variables between particular companies from their undesired differences or similarities.

Dynamism. The Commodity and Old Economy industries are intensely dynamic, which can produce rapid change and volatility. This aspect provides a further major source of relative value trading opportunities. Few goods or services change as rapidly in price as commodities. These rapid changes affect not only the commodity industries themselves, but the prices of dependent products, the supply/demand relationship and eventually the economy as a whole. For example, the supply/demand relationship in a given commodity can be rapidly and substantially impacted by a single producer or group of producers (such as OPEC). The adherence of the Commodity and Old Economy industries to the principles of supply and demand creates a dependable fundamental relationship that can be identified and exploited in a relative value strategy. In addition to Commodity and Old Economy dynamics, other non-commodity factors can dramatically impact particular companies, even on a highly short-term basis. For example, in the case of oil producers, drilling results, changes in cost structures and asset bases, capital expenditure levels and industry acquisition activity are all factors that can change quickly, producing the requisite differentiation that is nearly always present, providing continual opportunities for relative value investing among stocks of affected companies.

Inefficient Coverage of Industries. Although many, if not most, of the major companies in the Energy and other Commodity-related and Old Economy industries are broadly covered by research analysts and investment institutions, the industry features described above-- namely, the enormous size, breadth and depth of these industries, and the rapidity of significant change at all levels within them-- makes thorough, timely and accurate following of all such industries, subsectors and companies extremely difficult. Moreover, on account of the sheer volume of data that is available, key material, such as information that may indicate critical instances of differentiation, and therefore relative value opportunities, may be readily overlooked or improperly analyzed. Lastly, much of the analysis in the Commodity and Old Economy

industries is macro- or directional-related and may be of limited use in a fundamental relative value strategy.

Investment Process

Relative Value Investing Generally. The cornerstones of Vollero Beach's investment process are fundamental research, trading acumen and disciplined risk management. Vollero Beach seeks to capitalize on relative performance differences present in the Commodity and Old Economy marketplace and to develop attractive investment ideas by relying on the Portfolio Managers' experience and knowledge of the industries covered. In the relative value strategy employed by Vollero Beach, differences in value identified by Vollero Beach's investment process are sought to be exploited, with the intended result of producing profitable relative price performance. These relative performance differences can arise and be exploited on three different levels, as follows:

- Most often these relative value investment opportunities occur at the company level, with the simplest version being a "pair trade" of two or more companies in the same industry and subsector, e.g., a long position in an Exploration & Production ("E&P") company A coupled with a short position in an E&P company B.
- Less often they arise on a subsector level, with a differing view of two parts of the same industry, which may be reflected, e.g., by long positions within one Energy subsector and short positions in another.
- Least often these opportunities arise on an industry level, with a differing view of two different industries covered, e.g., a bullish view of Agriculture and a bearish view towards Chemicals.

Fundamental Research. The process of developing Vollero Beach's investment ideas begins with fundamental research, where Vollero Beach's focus is principally upon its own proprietary research efforts. Vollero Beach seeks to canvass the entire investment universe within the commodity industries, monitoring factors impacting their highly dynamic operating environments on both the macro and company levels. In order to conduct this research, Vollero Beach, among other actions, frequently visits with management teams; interviews members of the supply and customer chains; and meets with competitors. While primary sources are the intended focus of its fundamental research process, Vollero Beach supplements such research with an analysis of secondary sources for further confirmation of its investment ideas.

In its research process, Vollero Beach will search for, model and analyze a multitude of variables that can provide the critical differentiation necessary for relative value investing. Most often its focus is on changes in these variables. Some of these variables are shorter-term, "catalyst" oriented, while others are longer-term, developing factors to be monitored. To determine the relative importance of these factors, the Portfolio Managers rely both upon their own experience in such variable analysis as well as their views as to which fundamentals the financial marketplace is likely to value most. Part of Vollero Beach's research focuses on "macro" analysis, including examining the supply/demand dynamics of various commodities, studying and processing industry trends and conducting detailed analysis of the industries and subsectors

covered. Most of Vollero Beach's research efforts, however, are not directed toward macro or thematic analysis, but instead focuses upon intensive, company-specific "bottom-up" analysis.

The business and financial variables Vollero Beach monitors in its company-specific analysis may include, but are not limited to, valuation analysis based on earnings, cash flow, EBITDA, liquidation, replacement and private market values and other data; financial analysis, including financial health and returns on capital; operational items, including operating results, business plan execution, investment opportunities, revenue outlook, cost structure and sudden changes in value; sensitivity to "macro drivers," including commodity prices and changes in the competitive landscape; strategic matters including quality of a particular management team, merger and acquisition activity, restructuring efforts, capital raising, return of capital; and issues concerning the financial marketplace including market positioning, sentiment, risk premiums, changes in analyst views and changes in market focus.

Portfolio Construction. The next step in Vollero Beach's investment process is portfolio construction, with the goal of translating fundamental research into an optimally structured and diversified portfolio. Positions are generally sized based upon risk/reward analysis at all levels – company, subsector, industry and portfolio. With Vollero Beach's focus on relative value, construction of the portfolio will be intended and designed to generally produce a default zero net exposure on all levels. Some directional investing ideas may be included in the portfolio if they are particularly attractive. At the portfolio construction stage, Vollero Beach also incorporates its trading expertise which Vollero Beach believes can provide additional profits as well as the market knowledge and color to accurately assess the risk/reward profile of ideas and thus helps size and time the trading of the key fundamentally-identified investments. The resulting portfolio is designed to be highly diversified within the selected industries and subsectors, with modest leverage and limited net exposure.

Investments

General. The major portion of the Funds' and the Managed Accounts' investment portfolio consists of publicly traded common stocks of companies in the Commodity and Old Economy industries identified by its investment methodology. However, secondary investment instruments may also include, to a lesser extent, options, equity swaps, warrants, closed-end funds (such as exchange-traded funds) and other investment companies, options and futures on equity indices, equity swaps on individual securities and equity indices, market-basket products, preferred stocks, convertible securities, and other financial futures and similar instruments. Currency instruments may be utilized for hedging purposes. Although Vollero Beach invests the majority of the portfolio in the U.S. equity markets, the Funds and the Managed Accounts also invest in non-U.S. companies. Foreign investments may include direct equity purchases in the domestic of foreign markets as well as American Depositary Receipts ("ADRs") or similar U.S.-traded instruments, and equity swaps.

As a fundamental policy of the Portfolio Managers, and consistent with their relative value strategy, as well as risk management considerations, Vollero Beach does not intend to invest directly in commodities or interests in commodities, such as commodities forwards or futures or other interests.

Capitalizations. The Funds and the Managed Accounts invest in companies with a wide variety of market capitalizations. It may be expected that often times the portfolio will be predominately dominated by larger capitalization issuers; however, Vollero Beach does not impose any fixed capitalization requirements upon portfolio companies.

Concentration. As Vollero Beach invests exclusively in Commodity and Old Economy equities, its portfolio will be concentrated in those industries, with energy-related companies expected to be the dominant industry. Moreover, there will not be any fixed limitations as to investing in particular industries or subsectors (such as oil production companies or mining companies). As a matter of general policy, however, Vollero Beach will emphasize diversification considerations in its investment methodology. As a basic policy, the Funds and the Managed Accounts do not intend to invest more than 14% (in the case of long positions) or (14%) (in the case of short positions) of its assets (each in terms of cost at the time of investment) in securities of any single issuer.

Long and Short Positions. Given its relative value strategy, the Funds' and the Managed Accounts' portfolio at any time will be comprised of both long and short positions. Vollero Beach intends to limit net exposure to within a maximum range of (25%) to 25%, with the objective of maintaining net exposure near zero. The Fund's and the Managed Accounts' net exposure will depend upon a number of factors, including drivers affecting the commodity industries, overall market direction and the assessment of directional opportunities. Vollero Beach expects its gross exposure level (i.e., the sum of long and short positions, divided by equity) to generally range between 100% and 300%.

Liquidity. Market liquidity is one of the fundamental factors the Portfolio Managers consider in their investment process. While limited liquidity alone may not be a basis for eliminating a prospective investment, Vollero Beach considers liquidity levels in determining the appropriate sizing of a position in the Funds' and the Managed Accounts' portfolio. Vollero Beach does not intend to invest in privately offered securities or other securities subject to legal restrictions on their public resale ("restricted securities") or securities lacking any meaningful trading market.

Cash Positions. As a defensive strategy, or pending the identification of trades meeting Vollero Beach's investment requirements, the Funds and the Managed Accounts may invest in a variety of cash equivalents or money market instruments. Accordingly, the Funds and the Managed Accounts may not be fully invested at all times.

Holding Periods and Turnover. Given the Vollero Beach investment strategy, mix of core and trading positions and fluctuating market conditions, holding periods and portfolio turnover may vary significantly from time to time. Anticipated holding periods of core positions are likely to range from weeks to months, though certain position holding periods may exist for longer periods. Short-term trading positions could range from intraday positions to a duration of several days or weeks. The Funds' and the Managed Accounts' portfolio turnover will reflect the foregoing and is expected to generally range between 300% to 800% annually (on a dollar basis).

Investment Techniques

Vollero Beach employs certain investment techniques in furtherance of its investment strategy. Such techniques may be employed both in an effort to enhance returns as well as to reduce certain investment risks and portfolio volatility. These include the use of leverage, short selling, hedging and trading through options. Vollero Beach may also employ other techniques and instruments in furtherance of its strategy.

Leverage. Vollero Beach may utilize leverage as it considers appropriate, with respect to the Funds' and the Managed Accounts' investment activities. Vollero Beach expects that leverage levels will be moderate and that the Funds' and the Managed Accounts' leverage ratio on long positions will not generally exceed 150% and the leverage ratio on gross positions (long and short positions combined) will generally not exceed 300%. The use of leverage can increase both the proportionate amount of potential gain, as well as of potential loss, relative to the Funds' and the Managed Accounts' equity capital.

Vollero Beach leverage utilization and the extent to which leverage is employed are irrespective of any leverage employed by Managed Account clients to “notionally” establish the asset levels traded by Vollero Beach. Certain Managed Account clients may select to notionally fund their account by borrowing on margin at the prime brokers to attain the equivalent of a “fully-funded” Managed Account.

Short Selling. Short selling is employed as part of the Vollero Beach investment strategy. Short positions may involve both investment or trading situations, where Vollero Beach, on the basis of its methodology, believes the security sold short is likely to decline in price or be a “relative underperformer” compared with its most closely affiliated peer group; where Vollero Beach engages in “pair trading” or similar situations, where a short position (or group of short positions) is coupled with a long position in a similar security perceived to be fundamentally superior or a “relative outperformer”, or comparable strategies in competing subsectors or industries; and hedging situations, where the position is intended to wholly or partially offset another position in a related security or to limit portfolio exposure to a particular risk or risks. Selling securities short involves selling securities that the Funds and/or the Managed Accounts do not own. In order to make delivery to its purchaser, the Funds and/or the Managed Accounts must borrow securities from a third party lender. The Funds and/or the Managed Accounts subsequently return the borrowed securities to the lender by delivering to the lender securities purchased in the open market. The Funds and/or the Managed Accounts must generally pledge cash with the lender equal to the sales proceeds of the borrowed securities, as well as any additional cash or securities required as collateral under applicable margin regulations. The Funds and/or the Managed Accounts will generally realize a profit or a loss as a result of a short sale if the price of the security decreases or increases between the date of the short sale and the date on which the Funds and/or the Managed Accounts cover its short position (i.e., purchases the security to replace the borrowed security) in an amount greater than its cost of establishing and maintaining its short position.

Options and Other Instruments. The Funds and the Managed Accounts engage in various types of options transactions, including hedging and speculative positions in options on securities, indices and other investments, including both put and call options. In certain situations, the Funds and/or the Managed Accounts may purchase put options as an alternative (in whole or in part) to establishing a short position. The Funds and/or the Managed Accounts may write or sell

options on securities and other instruments, whether or not such options are covered. An option written by the Funds and/or the Managed Accounts is “covered” if (in the case of a call option) the Funds and/or the Managed Accounts own the security, currency or other instrument underlying the option or has a right to acquire such underlying instrument without additional cash consideration (or for additional cash consideration held in a segregated account) or (in the case of a put option) the Funds and/or the Managed Accounts have an equivalent short position, or offsetting long put position, in the underlying instrument. The Funds and the Managed Accounts may also utilize certain market-wide options, such as various types of index or “market basket” options, as an investment technique or in an effort to hedge against certain market-related risks, as Vollero Beach deems appropriate. Accordingly, the Funds and the Managed Accounts may have positions in a variety of options or other derivative instruments.

Equity Swaps. In order to obtain exposure to certain equities, indices or baskets of equities, the Funds and the Managed Accounts will enter into swap arrangements relating to such securities. Most often, equity swaps will function as “synthetic” equity positions. In other words, an equity swap will be structured to emulate the economics of holding the underlying cash equity position, or a weighted basket of equity positions. For example, a long equity swap position should deliver the gains or losses similar to holding the underlying security long, while the interest component should represent the theoretical expense of financing the purchase of the security. On the other hand, a short equity swap position should deliver the gains or losses similar to holding the underlying security short position, while the interest component should represent the theoretical rebate earned from borrowing the security to short and earning interest on the proceeds of the short sale being pledged as collateral to the lending bank.

Futures. The Funds and the Managed Accounts may buy or sell of futures contracts for hedging purposes. Equity index futures could be utilized to hedge against systematic risk (risk that the prices of individual securities will be adversely impacted by fluctuations in the overall equity markets). Currency futures could be utilized to hedge the risk of foreign positions not valued in U.S. dollars losing their value as their denominating currencies fluctuate against the U.S. dollar. Other financial futures, such as fixed income and single name contracts, could also be utilized for specific hedging purposes. The Portfolio Managers do not currently use or plan to use commodity futures to hedge against the impact of fluctuations in commodity prices on the values of the equities held.

Although there is no absolute prohibition against uncovered options transactions, Vollero Beach is fully cognizant of the risks associated with such transactions. Accordingly, uncovered options transactions will be engaged in on a limited basis and not as an integral aspect of the Vollero Beach investment strategy.

Vollero Beach is authorized to invest in all types of securities and other instruments, and engage in a broad variety of investment techniques, in furtherance of the investment strategy, subject to restrictions and limitations at the Managed Accounts as established by the Managed Accounts’ advisory agreements. Accordingly, such possible investments and investment techniques to be utilized by Vollero Beach will not necessarily be limited to those described above.

Risk Management

Risk management is the final and an integral part of the Vollero Beach investment process. The Portfolio Managers' risk philosophy is one of capital preservation and avoiding large losses. In Vollero Beach's view, the relative value strategy itself, as well as the characteristics it emphasizes in portfolio construction, such as intensive fundamental analysis, broad diversification within industries, and liquidity and trading considerations, are all factors that inherently contribute to risk management. Vollero Beach intends to constantly monitor and manage the risk/reward characteristics of the Funds' and the Managed Accounts' portfolio at every level – from the position level to the portfolio as a whole. This ongoing process is supplemented by procedures to monitor the portfolio's systematic risk.

Vollero Beach monitors the portfolio through a variety of screens and analyses with the intent of ensuring that unintended systematic risks or "factor biases" are avoided or minimized. Of particular importance to Vollero Beach is "factor risk". Vollero Beach focuses significant effort to screen for factors that could expose the portfolio to unintended risk, such as hidden commonality of positions (e.g., commodity exposure bias, liquidity/market capitalization bias, "momentum" bias, etc.).

The Portfolio Managers believe that the tight parameters applied in their investment process and relative value approach have provided the Portfolio Managers with certain risk management advantages. In their view, the demands of the strategy necessarily compel them to be sensitive to changes in the market or portfolio's risk profile and to manage those changes effectively as an inherent part of their strategy.

Notwithstanding such risk management practices, the Vollero Beach investment strategy inherently involves certain significant risks. Moreover, there can be no assurance that the above practices will necessarily be applied in most or all cases, or if applied, will successfully limit risk to acceptable levels.

CERTAIN RISK FACTORS

There are a number of general risks relating to the intended investment strategy of the Funds and the Managed Accounts, including, but not necessarily limited to, the following:

Dependence Upon Portfolio Managers. The success of the Funds and the Managed Accounts critically depends upon the efforts of the Portfolio Managers, Messrs. Vollero and Beach. In the event that either of them ceases to be involved in investment management for the Funds and/or the Managed Accounts, the operations of the Funds and/or the Managed Accounts could be adversely affected. The Portfolio Managers consider the conduct of the Funds and the Managed Accounts to be a priority matter and currently devote substantially all of their business time to management thereof. The Portfolio Managers are permitted to have other investment vehicles and accounts, and possibly other business responsibilities.

Although Vollero Beach uses a variety of methodologies, including both fundamental and technical analysis, in its investment decision-making, the ultimate selection of investments for the Funds' and the Managed Accounts' portfolio may be expected to involve, to a considerable degree, subjective factors and judgment on the part of the Portfolio Managers. Accordingly,

success of the Funds and the Managed Accounts is dependent to a large extent on the Portfolio Managers' investment expertise, skills and judgment.

Risks Relating to Investing in Commodity and Old Economy Companies. Although the Vollero Beach relative value strategy is intended to be substantially independent of overall price movements in specific commodity markets, there are numerous events and circumstances that can impact commodity markets and Commodity and Old Economy companies, many of which are highly significant and widely recognized. These include, but are not limited to, general economic and political conditions; war, other armed conflicts, acts of terrorism and criminality; fire, flood and other natural disasters; actions by governmental authorities, such as increased regulation, enforcement or restraints on trade; actions by a major producer or producers, such as OPEC; significant changes in supply and demand, which may be sudden and unforeseen; commodity speculation or other disruptive market effects; disruptions in the delivery of commodities and related raw materials; changes in laws affecting Energy companies or other Commodity and Old Economy businesses; and environmental laws and regulation. In addition to such commodity-related risks, Commodity and Old Economy companies themselves are subject to a wide range of risks attendant to many of the commodity industries and subsectors. These include, among others, frequently high costs of operation, such as the development of new oilfields or mining areas; high capital expenditure requirements, which often require significant liquidity in banking and financial markets, some of which, as happened in 2008, may be subject to periodic shocks and restrictions; other input and service costs; availability and cost of skilled labor in certain industries; risks of technological change or obsolescence; competition, often intense, among companies with competing Energy or other Commodity-related and Old Economy products and services; regulation of particular industries, subsectors or companies; availability of requisite financing on attractive terms; and other risks.

Risks Relating to the Relative Value Strategy. As discussed above, relative value investing depends, to a considerable degree, in successfully identifying key differentiating factors, whether between companies, subsectors or industries, that eventually produce profitable relative price movements between the related positions. There are a variety of risks that could potentially prevent such a strategy from succeeding. As discussed above, the Portfolio Managers have identified the size, breadth, depth and dynamism of the Energy or other Commodity-related and Old Economy industries as key characteristics that aptly suit a relative value approach. If these characteristics were to change significantly, or to behave in a manner other than as anticipated by the Portfolio Managers, they could adversely affect the performance of the strategy. For example, if the dynamism of these industries were to lessen substantially (e.g., little change in overall operating environments or conditions) resulting in relatively quiet environments, the strategy could be impacted. Secondly, successful relative value investing is dependent upon attractive levels of price differentiation among the stocks traded. If such differentiation became extremely low on a sustained basis (i.e. correlations became very high), attractive investment opportunities could become significantly limited. Conversely, unanticipated, irrational or random price dispersions could also adversely impact an accurate assessment of the risk/reward characteristics of particular positions. In general, if by reason of market conditions, unanticipated developments, misidentification or faulty analysis of differentials or other conditions, among other factors, the expected favorable relative price movement of particular positions fail to materialize, the strategy may produce limited gains and possibly losses.

Risks Relating to Industry Concentration. The Funds and the Managed Accounts invest primarily in Commodity and Old Economy industries. Moreover, Energy-related industries are a particular focus of the portfolio and it is possible that at times substantially all of the Funds' and the Managed Accounts' positions will be in Energy-related companies. Although the portfolio is expected to be broadly diversified as to individual issuers, there are no fixed restrictions as to the percentage of the Funds' and the Managed Accounts' assets that may be invested in any particular industry or subsector. Concentration of investments in a limited number of industries or subsectors can have the effect of exposing a significant portion of invested capital to the same or similar risks, as well as return or other characteristics, and thereby increase investment risk as well as portfolio volatility, when compared with a portfolio that is broadly diversified among substantially different industries.

Competitive Conditions. Profitability of the Vollero Beach strategy can fluctuate with competitive conditions. Vollero Beach competes with a large number of firms, many of which have substantially greater financial resources and larger research and trading staffs than those available to Vollero Beach. Competitive investment activity from other firms may reduce the Funds' and the Managed Accounts' opportunity to profit from relative value opportunities Vollero Beach attempts to exploit.

Overall Investment Risk. As with any investment approach or strategy, the Vollero Beach investment approach, strategy and methodology cannot assure any given level of investment return or that the Funds' and the Managed Accounts' investment objective will in fact be realized. Any past successes with the methodology cannot assure future results. There can be no assurance that use of the methodology will necessarily result in profitability or that the Funds and/or the Managed Accounts will not incur losses. As the Vollero Beach strategy is highly specialized, it may be appropriate for only a limited part of an overall investment program.

Risks Relating to Investment Techniques

There may be a number of significant risks due to the Vollero Beach investment techniques. Such risks include the following:

Short Selling. Short selling is a core aspect of the Vollero Beach investment strategy and is utilized (i) in situations where Vollero Beach believes, on the basis of its investment methodology, that the securities in question are weak or overvalued, and therefore likely to experience unfavorable price movements over time; (ii) in "pair trading" or similar situations, where a short position is coupled with a long position in a similar security perceived to be fundamentally stronger, or comparable strategies in competing subsectors or industries; or (iii) as a hedge or offset to long positions. Short selling inherently involves certain additional risks. Selling securities short creates the risk of losing an amount greater than the initial investment and the theoretically unlimited risk of an increase in the market price of the securities sold short. Short selling can involve significant borrowing and other costs which can reduce the profit or create losses in particular positions. Additionally, should the security sold or held short become delisted from trading on the stock exchange on which that security trades, or the trading of its shares become temporarily halted, as a result of either financial distress or other causes, the Funds or the Managed Accounts may become delayed from closing out the short position and

may be obligated to pay the cost of borrowing the shares sold short until necessary shares become available to close out the short position.

Success of the Vollero Beach strategy depends, to a significant degree, upon the ability to identify and carry short positions in important markets. On occasion, market conditions and other factors can limit the availability of securities (so-called "hard-to-borrow" stocks) for short selling purposes. In recent years, short selling has come under increased regulatory scrutiny, including the temporary prohibition on shorting certain stocks in the U.S. and Europe, increased reporting requirements and consideration of possible additional regulation. Future changes in short sale regulation could adversely affect the execution of the Vollero Beach relative value investment strategy.

Leverage; Interest Rates. Subject to the limitations described herein, Vollero Beach may employ leverage opportunistically, as it deems appropriate, on behalf of the Funds and Managed Accounts in order to increase investment positions or to make additional investments. As discussed herein, Vollero Beach imposes limits upon gross and net exposures, both of which are affected by leverage. Risk of loss and the magnitude of possible gains are both generally increased by the use of leverage. Fluctuations in the market value of the Funds' and the Managed Accounts' portfolio will have a greater effect relative to capital than would be the case in the absence of leverage. Adverse market fluctuations may require the untimely liquidation of one or more investment positions. Interest cost is an expense of the Funds and the Managed Accounts and therefore both leverage levels and fluctuations in interest rates may affect the operating results of the strategy.

Certain Managed Account clients may choose to fund their accounts notionally, providing only a portion of the actual trading level (or assets under management) of the Managed Accounts, and relying on the prime broker's balance sheet to provide the remaining funds necessary to execute and maintain the positions (trade on margin). This levered allocation could result in the client experiencing a loss that is much greater than the loss experienced by the Funds and unlevered Managed Accounts.

Options. Vollero Beach utilizes options in furtherance of its investment strategy for both investment and hedging purposes. Options positions may include long positions, where Vollero Beach is the holder of put or call options, as well as short positions, where Vollero Beach is the seller (writer) of an option. Although option techniques can increase investment returns, they can also involve a relatively higher level of risk. The writing (selling) of uncovered options involves a theoretically unlimited risk of a price increase or decline, as the case may be, in the underlying security. The expiration of unexercised long option positions effectively results in the loss of the entire cost or premium paid for the option. Option premium costs, as well as the cost of covering options written by Vollero Beach, can reduce or eliminate position profits or create losses as well.

Equity Securities Generally. The value of equity securities of public and private, listed and unlisted companies and equity derivatives generally varies with the performance of the issuer and movements in the equity markets. As a result, the Partnership may suffer losses if it invests in equity instruments of issuers whose performance diverges from the Advisor's expectations or if equity markets generally move in a single direction and the Partnership has not hedged against

such a general move. The Partnership also may be exposed to risks that issuers will not fulfill contractual obligations such as, in the case of convertible securities or private placements, delivering marketable common stock upon conversions of convertible securities and registering restricted securities for public resale.

Equity Swaps. The Funds and the Managed Account utilize equity swaps. Depending on their structure, equity swaps may increase or decrease the Funds' and the Managed Accounts' exposure to equity securities. Whether the Funds' and the Managed Accounts' use of equity swaps will be successful depends on the Portfolio Managers' ability to select appropriate transactions for the Funds and the Managed Accounts. Equity swaps may be highly illiquid and may increase or decrease the volatility of the Funds' and the Managed Accounts' portfolio. Moreover, the Funds and the Managed Accounts bear the risk of loss of the amount expected to be received under a swap agreement in the event of the default or insolvency of its counterparty. The Funds and the Managed Accounts will also bear the risk of loss related to equity swaps, for example, for breaches of such agreements or the failure of the Funds and the Managed Accounts to post or maintain required collateral. It is possible that developments in the swap markets, including potential government regulation, could adversely affect the Funds' or the Managed Accounts' ability to terminate existing swap transactions or to realize amounts to be received under such transactions.

Futures Contracts. The Funds and the Managed Accounts may utilize a variety of financial futures contracts in connection with its investment activities. Uses of futures may include, but will not be limited to, equity index proxies and hedging interest rate exposures. However, it is not Vollero Beach's intention to trade commodity futures or forwards or other direct interests in commodities. Futures trading is highly leveraged and can result in significant losses. Trading futures can subject the Funds and the Managed Accounts to regulation by the CFTC, which imposes a variety of restrictions as to trading techniques and positions.

Hedging. Although not required to, Vollero Beach employs from time to time a number of hedging strategies. For example, certain paired long and short positions may have hedging effects. Hedging against a decline in the value of a portfolio position does not eliminate fluctuations in the values of portfolio positions or prevent losses if the values of such positions decline, but establishes other positions designed to gain from those same developments. For a variety of reasons, however, Vollero Beach may not seek or be able to establish a sufficiently accurate correlation between hedging instruments and the portfolio holding or holdings sought to be hedged. Such imperfect correlation may prevent Vollero Beach from achieving the intended hedge or expose the strategy to risk of loss. In addition, there may be risks that are not identified, and therefore unhedged, or there may be risks where an efficient hedging strategy is unavailable. In general, it is not a fundamental policy of Vollero Beach to seek hedging as an independent element of its investment strategy.

Possible Use of Other Instruments. Although the Funds' and the Managed Accounts' portfolio consists predominantly of long and short positions in the common equity of numerous issuers, Vollero Beach has the authority to make a broad range of investments and may utilize a variety of other investments and instruments, such as preferred, hybrid and convertible securities, shares of exchange traded funds ("ETFs") and other investment companies, synthetic securities, derivatives or other instruments where deemed in furtherance of the Funds' and the Managed

Accounts' investment strategies. Such instruments may involve additional risks, such as enhanced leverage, specific to such instruments.

Non-U.S. Securities. With respect to certain countries, there is a possibility of expropriation, confiscatory taxation, imposition of withholding or other taxes on dividends, interest, capital gains, other income or gross sales or disposition proceeds, limitations on the removal of funds or other assets of the Funds and the Managed Accounts, political or social instability or diplomatic developments that could affect investments in those countries. An issuer of securities may be domiciled in a country other than the country in whose currency the instrument is denominated. The values and relative yields of investments in the securities markets of different countries, and their associated risks, are expected to change independently of each other.

Overall Investment Risk. On account of the highly specialized focus of the Funds' and the Managed Accounts' strategy in the dynamic investment area of Commodity and Old Economy equity investing, an investment in the Funds or the Managed Accounts should be regarded as one of high risk. Investors in the Funds or the Managed Accounts should be prepared to accept the risk of the loss of all or substantially all of their investment.

Institutional Risk

The institutions, including brokerage firms and banks, with which Vollero Beach does business, or to which securities have been entrusted for custodial purposes, may encounter financial difficulties that impair the operational capabilities or the capital position of the Funds or Managed Accounts. Vollero Beach has the authority to select the custodians for the Funds, while the Managed Account clients retain the authority to select the custodians for their specific Managed Accounts. Vollero Beach attempts to limit its transactions to well capitalized and established banks and brokerage firms in an effort to mitigate such risks. All Fund assets are held in accounts in the name of the Master Fund and custodied at different financial institutions, as Vollero Beach, with the approval of the Boards of Directors of the Master Fund, may select from time to time. However, as recent events have shown, market conditions can be severely volatile or otherwise highly adverse, causing problems for virtually all market participants. Accordingly, there can be no assurance that despite the Funds' efforts to control institutional risk, counterparties will not face such difficulties in a manner that may adversely impact the Funds.

Please see Items 4 (Advisory Business), 10 (Other Financial Industry Activities and Affiliations), 11 (Code of Ethics, Participation in Client Transactions and Personal Trading), and 12 (Brokerage Practices).

Item 9 DISCIPLINARY INFORMATION

In an administrative proceeding, the SEC found that Vollero Beach violated Rule 105 of Regulation M under the Securities Exchange Act of 1934 in connection with short sales in advance of one public offering in 2009 and one public offering in 2010. Without admitting or denying the SEC's findings, Vollero Beach agreed to cease and desist from committing or causing any violations or any future violations of Rule 105 and to pay disgorgement of \$594,292.00, a civil monetary penalty of \$214,964.00 and prejudgment interest of \$55,171.00. The SEC's Order notes that in connection with one of the two offerings at issue, Vollero Beach

consulted with its then-outside counsel and received erroneous advice that Rule 105 did not apply to the type of registration form on which the offering was filed with the Commission.

Item 10 OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

The following is a list of private pooled investment vehicles together with the names of the applicable investment managers and/or general partners:

<u><i>Vollero Beach Fund</i></u>	<u><i>Investment Manager</i></u>	<u><i>General Partner</i></u>
Vollero Beach Capital Fund, LP	Vollero Beach Capital Partners, LLC	Vollero Beach Associates, LLC
Vollero Beach Capital Offshore, Ltd	Vollero Beach Capital Partners, LLC	N/A
Vollero Beach Master Fund, Ltd	Vollero Beach Capital Partners, LLC	N/A

Vollero Beach Capital Partners, LLC also serves as investment manager to the Managed Accounts.

CERTAIN CONFLICTS OF INTEREST

The Funds and Managed Accounts are subject to a number of actual and potential conflicts of interest, as described below:

Possible Additional Investment Vehicles and Clients. The Portfolio Managers consider the conduct of the Funds and the Managed Accounts to be a priority matter and currently devote a substantial amount of their business time to the Funds and Managed Accounts. The Portfolio Managers are permitted, however, to enter into other businesses and ventures, including the management of other investment vehicles and advisory clients. The existence of such multiple clients or vehicles in the future may create a number of conflicts of interest.

Investment Allocations. Allocation of investments among the Funds and the Managed Accounts are generally on a pro rata basis, in accordance with relative amounts of available capital; however, Vollero Beach may be constrained from being able to effectively manage the allocation of all trades in such fashion due to other factors such as existing positions in the same or similar securities, liquidity factors and leverage, sufficient availability of securities necessary to establish a short position, market access, mandates or restrictions specific to certain accounts or investors, regulatory or tax restrictions, and investor capital inflows and outflows, and, as a consequence, the resultant allocations may not be pro rata. None of the Funds and the Managed Accounts are entitled to priority or necessarily pro rata treatment as to common investments and may not necessarily participate in every investment opportunity. In certain instances, participation in common investments by the Funds and/or the Managed Accounts may reduce, perhaps significantly, the amount of securities available, or the attractiveness of pricing and other terms. Additionally, specific mandates and possible prohibition on securities and markets traded for the Managed Accounts may result in the Managed Accounts not participating pro rata in every investment or having investments not held by certain of the Funds and/or other Managed Accounts.

Time Commitments. The Portfolio Managers intend to devote their primary efforts to management of the Funds and the Managed Accounts. However, should the Portfolio Managers have additional clients or other business responsibilities in the future, such commitments may have the effect of reducing the time the Portfolio Managers devote to the investment activities of the Funds and the Managed Accounts. Vollero Beach may retain additional personnel as the Portfolio Managers deem necessary. The Portfolio Managers are currently plaintiffs in litigation with the investment adviser (and its principal) with which they were previously employed. Among other potential effects, such litigation may consume the time and attention of the Portfolio Managers.

Management of the Funds. An affiliate of Vollero Beach acts as general partner to, and is responsible for a variety of important matters affecting, the domestic feeder fund. In general, the affiliate has broad discretion as to the determination or resolution of a wide variety of matters, including economic and tax allocations, limited partner withdrawals (other than on regular withdrawal dates), distributions and other issues, any of which could significantly affect a particular limited partner. Similarly, one of the Vollero Beach officers, Michael Lubman, serves as a director of the offshore feeder fund and the Master Fund, with a majority of the initial directors consisting of non-U.S. persons affiliated with the registered agent of the offshore feeder fund. The Board of Directors is ultimately responsible for management of the affairs of the offshore feeder fund and the Master Fund, and is responsible for a variety of important matters affecting both the offshore feeder fund and the Master Fund.

Incentive Allocations/Fees. The terms of the Incentive Allocation arrangements with the Funds, while customary, were determined by Vollero Beach unilaterally and are not the result of arm's length bargaining with any Fund or investor therein. However, certain investors may be subject to lower Incentive Allocations because of the commitment of their investments to a time frame of one to two years. With respect to the Managed Accounts, the terms of such Incentive Fee arrangements may be the result of arm's length bargaining with a Managed Account client. The fact that such Incentive Allocation/Fee is based on capital appreciation of the Funds or Managed Account may create an incentive for Vollero Beach to make investments that are more speculative than would be the case in the absence of such a performance-based advisory fee. Incentive Allocations/Fees are typically based upon both unrealized and realized gains, net of realized and unrealized losses. Therefore, it is possible that the Incentive Allocation/Fee charged could reflect unrealized gains in securities positions which are not ultimately realized by the Funds or the Managed Accounts.

Portfolio Valuations. The administrator of the Funds is responsible for calculating the value of the Master Fund's assets, although specific valuations may require pricing services and other third parties selected by Vollero Beach. Such valuations will affect both reported Fund performance as well as the calculation of both the Incentive Allocation and the Management Fee and accordingly Vollero Beach may have a conflict in this regard.

Possible Conflicts Regarding Brokerage Allocations. As investment advisor to the Funds and the Managed Accounts, Vollero Beach has the authority to employ brokers and utilize allocations of commission dollars to pay for products or services that qualify as "research and brokerage services," within the meaning of Section 28(e) of the Securities Exchange Act of 1934, pursuant to arrangements that meet the other requirements of that Section. The agreements between

Vollero Beach and the Funds, and between Vollero Beach and the Managed Accounts, contain provisions expressly authorizing the use of brokerage allocations and commissions for such purposes. Such services and other benefits derived from such arrangements may not be allocated proportionately to the accounts which actually generated such services or other benefits. To the extent such arrangements result in the payment by such brokers of expenses that would otherwise be borne by Vollero Beach or its affiliates, Vollero Beach may realize an economic benefit from such transactions. As a result of the foregoing, such arrangements and services may create a conflict of interest with respect to Vollero Beach's allocation of portfolio transactions among brokers.

Role of Counsel. U.S. counsel to the Funds has represented, and continues to represent, Vollero Beach in certain matters. Such counsel does not purport to represent the separate interests of the investors in the Funds and has assumed no obligation to do so. Accordingly, such investors will not have had the benefit of independent counsel in the structuring of the Funds or determination of the relative interests of the investors and Vollero Beach, its affiliates and the directors of the Funds.

Please see Items 4 (Advisory Business), 8 (Methods of Analysis, Investment Strategies and Risk of Loss), 11 (Code of Ethics, Participation in Client Transactions and Personal Trading), and 12 (Brokerage Practices).

Item 11 CODE OF ETHICS, PARTICIPATION IN CLIENT TRANSACTIONS AND PERSONAL TRADING

Vollero Beach has established and implemented a Code of Ethics (the "Code"). The Code provides guidelines and restrictions relating to trading of personal accounts by employees. Every Vollero Beach owner (the "Managing Partners"), officer and employee must read the Code and sign a form acknowledging they have read the Code, understand it, and agree to abide by it. They must also sign the Code whenever it has been updated.

The Code establishes that the Vollero Beach Managing Partners, officers and employees owe a fiduciary duty to Vollero Beach clients when conducting their personal investment transactions. Vollero Beach Managing Partners, officers and employees must place the interest of clients first and avoid activities, interests and relationships that might interfere with the duty to make decisions in the best interests of the clients. All personal securities transactions are to be conducted in a manner consistent with the Code and in such a manner as to avoid any actual or potential conflict of interest or any abuse of an individual's position of trust and responsibility. All personal securities transactions must also be conducted in compliance with all applicable federal securities laws. The fundamental standard to be followed in personal securities transactions is that any member of Vollero Beach may not take inappropriate advantage of their positions.

Vollero Beach maintains a "restricted list" that it monitors for trading by its officers and employees. These are securities that are in the realm of its expertise and the focus of its research. These securities may be held in the portfolio of the Funds and/or the Managed Accounts, or are being considered as potential investments in the future. Trading in these securities by any Vollero Beach Managing Partner, officer or employee is prohibited.

All Managing Partners, officers and employees must submit to the Chief Compliance Officer (the “CCO”), periodic statements for all personal investment accounts, as well as accounts over which any of the Managing Partners, officers and employees have discretion, including immediate family. In certain instances, the CCO also has access to the user name and password of certain employees’ brokerage accounts, which enables him to do a “spot check” at any point, real time.

Vollero Beach has engaged Financial Tracking, a compliance technology platform that monitors personal investment accounts and activity, facilitates electronic authorization of personal trading activity, and ensures that all activity and holdings do not violate company policies and have adequate approval. (Vollero Beach has also engaged Smarsh to archive all corporate emails, corporate instant messages, and Bloomberg communications, pursuant to the record keeping requirements of the Vollero Beach Compliance Manual.).

All personal account transactions must be authorized prior to execution by submitting the request to affect any personal account transaction into Financial Tracking. Financial Tracking will screen the requested personal account transactions against the Restricted List maintained by the CCO. Once an employee has received an approval, they have until the end of the trading day (or noon the following day if the request was approved after 3 PM) to execute the trade, and they may not dispose of the security for a minimum of 60 days thereafter.

The Code establishes that no Vollero Beach Managing Partner, officer or employee shall recommend or execute any securities transaction for the Funds or Managed Accounts, without having disclosed, in writing, to the COO and the Managing Partners, any direct or indirect interest in such securities or issuers. Any such recommendation or execution requires prior written approval from both the COO and the Managing Partners.

The Code places restrictions on gifts and entertainment to mitigate any conflicts of interest that may arise when a Vollero Beach Managing Partner, officer or employee accepts or gives a gift, favor, entertainment, special accommodation, or other items of value. As a general matter, no person may accept or give a gift or provide or receive entertainment exceeding a *de minimis* value, which, for purposes of the Code, is set at \$300.

Existing or prospective investors may obtain a copy of Vollero Beach’s Code upon written request directed to the CCO, Michael Lubman, Vollero Beach Capital Partners LLC, 777 Third Avenue, 14th Floor, New York, NY 10017.

In addition to the Code, Vollero Beach maintains a separate Policy Regarding Material Nonpublic Information. The Policy establishes that no Vollero Beach Managing Partner, officer or employee may trade in a security while in possession of material, non-public information about the issuer or the market for that security, even if they have satisfied all other requirements of the Code. Anyone discovered to have knowingly and willingly traded on non-public information may be dismissed immediately, and such violations could be reported to the appropriate regulatory agencies and legal authorities.

Please see Items 10 (Other Financial Industry Activities and Affiliations) and 12 (Brokerage Practices).

Item 12 BROKERAGE PRACTICES

Vollero Beach has full investment discretion with respect to the initiation of all portfolio securities transactions for the Funds and the Managed Accounts, as well as full authority to select broker-dealers to execute such transactions. Vollero Beach uses a number of broker-dealers to effect transactions for the Funds and the Managed Accounts. Broker-dealers are selected in accordance with the principals of best execution, including the amount of commission, quality of execution, expertise in particular markets, the reputation, experience and financial stability of the broker-dealer involved and the quality of service, familiarity both with investment practices generally and the techniques employed by Vollero Beach, research and analytic services and clearing and settlement capabilities. With respect to the Funds, Vollero Beach in its discretion, and upon approval of the Board of Directors of the Master Fund, may change its selection of prime brokers or add additional prime brokers. The Managed Account clients maintain the discretion and authority to select the prime brokers for their specific Managed Accounts.

Vollero Beach also allocates a portion of the brokerage business to other brokers on the basis of certain considerations, including the investment research provided by such firms, securities allocation, or special execution capabilities or other services provided to the Funds and the Managed Accounts. In so allocating brokerage, the commissions Vollero Beach pays to such brokers do not necessarily represent the lowest commission rates available, but reflects Vollero Beach's evaluation of the research and other brokerage related services supplied by such brokers and which benefit the Funds and/or Managed Accounts, either individually or in aggregate with the other clients of Vollero Beach or its affiliates. In general, any and all brokerage allocations for the Funds and the Managed Accounts are subject to principles of best execution and the other allocation policies described above, as well as any restrictions imposed by applicable law.

The use of soft dollars by the Funds and the Managed Accounts, to obtain investment research, brokerage and other services that provide lawful and appropriate assistance to the Portfolio Managers, falls within the safe harbor created by Section 28(e) of the Securities Exchange Act of 1934. Under Section 28(e), research obtained with soft dollars generated by the Funds and/or the Managed Accounts may be used by Vollero Beach in servicing other accounts. Any such arrangement is confined to products or services that qualify as "research and brokerage services" within the meaning of Section 28(e) and that meet the other requirements of that Section. The Funds and the Managed Accounts have authorized the use of brokerage allocations and commissions for the purposes described above. In general, any and all brokerage allocations are subject to principles of best execution and the other allocation policies described above, as well as any restrictions imposed by applicable law.

The ability to use commission dollars to obtain certain products and services creates an incentive for Vollero Beach to select or recommend broker-dealers based on Vollero Beach's interest in receiving research or other products and services, rather than on the applicable client's interest in receiving the most favorable execution. This ability may also cause the Funds and/or the Managed Accounts to pay commissions (or markups or markdowns) higher than those charged by other broker-dealers in return for soft-dollar benefits (known as "paying up"). As all clients generally participate ratably in all Vollero Beach transactions, all clients are charged a proportionate amount of commissions and receive a proportionate benefit from the soft dollars. The services received through commission dollars during the last fiscal year were limited to

research and research-related services, trading systems and services, data services, and risk modeling services. Vollero Beach has commission sharing accounts with third party brokers whereby commission credits are earned through client trading and used to pay for both soft dollar services and research and corporate access provided by various full service brokers.

As Vollero Beach deems it to be in the best interest of the Funds and the Managed Accounts, it will generally aggregate the securities to be purchased or sold in order to obtain superior execution and/or lower brokerage expenses. In particular, execution prices for identical securities purchased or sold on behalf of multiple accounts in any one business day may be averaged. In such events, allocation of the securities purchased or sold, as well as expenses incurred in the transaction, will be made among the Funds and the Managed Accounts by applying such considerations as Vollero Beach and its affiliates deem appropriate, including relative account size of such entities and clients, amount of available capital, size of existing positions in the same or similar securities, impact of leverage, tax considerations and other factors. Vollero Beach endeavors to make all investment allocations in a manner that it considers to be the most equitable to each of the Funds and the Managed Accounts.

Additionally, certain broker-dealers that provide either execution or prime brokerage services to Vollero Beach have either organized or invited Vollero Beach to participate in capital introduction events, or have provided Vollero Beach with introductions to prospective investors. Vollero Beach has not agreed to nor entered into any arrangements or agreements where the broker-dealers are compensated or provided with additional commission business in exchange for capital introduction services.

Please see Item 10 (Other Financial Industry Activities and Affiliations).

Item 13 REVIEW OF ACCOUNTS

Vollero Beach conducts several reviews of the accounts of the Funds and the Managed Accounts over varying time periods for specific purposes and out of differing obligations.

Vollero Beach monitors the accounts of the Funds and the Managed Accounts throughout the day on a real-time basis, regularly checking the performance, position sizes, and gross and net exposure of the Funds and Managed Accounts side-by-side, pursuant to (i) policies designed to mitigate potential conflicts of interest, (ii) contractual obligations to ensure that Managed Accounts perform similarly to the Funds and receive proportionally equivalent shares of trade allocations, (iii) fiduciary obligations to the Funds and the Managed Account clients. Any discrepancies would indicate a divergence in performance among the Funds and the Managed Accounts, indicating the possibility of disproportionate allocations of trades or improper sizing of positions. Vollero Beach's operational staff would then determine the cause of such discrepancy and act to correct any trade errors or other issues.

As a part of daily operational procedures, as well as due to contractual and fiduciary obligations, Vollero Beach conducts a daily operational review of all accounts for breaks, errors, and misallocations, and prepares a daily performance calculation. Any operational issues are resolved as rapidly as possible. If certain operational issues are recurring, Vollero Beach works to identify the cause and implement necessary controls and/or policies to prevent future occurrences.

Performance discrepancies are identified and, if necessary, remedied through reallocations of trades, subject to the approval of the COO.

On a monthly basis, Vollero Beach runs a month-end calculation of performance and accounting for the Funds, as well as performance calculations and analysis for the Managed Accounts. Any discrepancies between the Funds and the Managed Accounts are identified and reconciled. Similar accounting and analysis is conducted on a quarterly and an annual basis.

Investors in the Funds receive monthly written reports on the applicable Fund's operations which contain information about the performance of such Fund, as well as such Fund's annual financial statements, audited by an independent public accounting firm. Certain Managed Account clients received monthly or quarterly performance reports. All investors receive investor letters on a monthly basis, or as frequently as Vollero Beach prepares its investor letters.

Item 14 CLIENT REFERRALS AND OTHER COMPENSATION

Vollero Beach has entered into marketing arrangements with FINRA-registered broker-dealers and their associated representatives. The broker-dealers provide Vollero Beach with introductions to prospective investors. For any prospective investors that invest with Vollero Beach, Vollero Beach pays the broker-dealers a fee based on a share of the Management and Incentive Fees earned on those investors. Certain broker-dealers have also established "feeder funds" that invest directly in the Funds. These broker-dealers market these feeder funds directly to their investors. Vollero Beach pays these broker-dealers a fee based on a share of the Management Fee and Incentive Allocation earned on the feeder funds. The rates that determine the fees paid to the broker-dealers range between 15% and 20%.

Please see Items 10 (Other Financial Industry Activities and Affiliations) and 12 (Brokerage Practices).

Item 15 CUSTODY

The assets of the Funds are maintained with qualified custodians. However, Vollero Beach is viewed as having custody of the assets of the Funds. The Funds distribute their annual audited financial statements to their investors within 120 days of their fiscal year-end. Vollero Beach urges an investor to carefully review the audited financial statements of each Fund in which the investor owns units, and should compare such financial statements to the periodic reports received from Vollero Beach.

Vollero Beach does not have custody of the assets of the Managed Accounts.

Item 16 INVESTMENT DISCRETION

Vollero Beach exercises discretion in managing the investments of the Funds and the Managed Accounts, based on their particular investment objectives, policies and strategies. Vollero Beach exercises investment discretion with respect to the Managed Accounts pursuant to a power of attorney delivered to, and executed by, each Managed Account client, granting such discretion to Vollero Beach. For more information, please see Item 4 (Advisory Business), above.

Item 17 VOTING CLIENT SECURITIES

Vollero Beach has been granted the authority to vote shareholder proxies on behalf of the Funds and the Managed Accounts, and has adopted a proxy voting policy in accordance with Advisers Act Rule 206(4)-6. Vollero Beach generally holds relatively small positions in the companies in which it invests, and those positions are typically held for relatively short periods of time. As a result, Vollero Beach will only vote shareholder proxies in instances where the aggregate position in said company equals or exceeds 2% of that company's outstanding shares, unless voting such proxies were deemed to be prudent and in the best interests of the Funds and/or Managed Accounts.

Where Vollero Beach determines to vote shareholder proxies, its chief compliance officer will be primarily responsible for receiving, processing and voting such shareholder proxies. The Chief Compliance Officer will be responsible for the following:

- (i) logging the receipt of the proxy materials received in a pending file until the proxy is voted by Vollero Beach (or a determination not to vote the proxy is made);
- (ii) determine whether the client(s) that are the beneficial owner(s) of the securities subject to the proxy has/have delegated proxy voting authority to Vollero Beach;
- (iii) confirm that the proxy materials received relate to the correct number of shares, as of the Record Date;
- (iv) identify any material conflicts of interest in regard to voting on the matter presented to shareholders in the proxy, such identification process to include a review of the relationship of Vollero Beach with the issuer of each security and any of the issuer's affiliates to determine whether the issuer is a client of Vollero Beach or has some other relationship with: (a) Vollero Beach; (b) its principals or employees; or (c) any client of Vollero Beach; and
- (v) vote on all matters presented in proxies by completing them and mailing them or responding electronically in a timely and appropriate manner in compliance with the guidelines set forth in Vollero Beach's Proxy Voting Policy.

Vollero Beach's Proxy Voting Policy contains guidelines for identifying conflicts of interest between Vollero Beach and the Funds and/or the Managed Accounts with respect to proxy votes. If Vollero Beach identifies a material conflict of interest, it will either disclose the conflict to each relevant client and obtain written approval from the client prior to voting the proxy, or abstain from voting the proxy.

Generally, clients cannot direct how Vollero Beach votes a particular proxy.

Existing or prospective investors may obtain a copy of Vollero Beach's Proxy Voting Policy upon written request directed to the CCO, Michael Lubman, Vollero Beach Capital Partners LLC, 777 Third Avenue, 14th Floor, New York, NY 10017.

Item 18 FINANCIAL INFORMATION

Vollero Beach does not require or solicit prepayment of advisory fees six months or more in advance.

Vollero Beach is not aware of any financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients.

Vollero Beach has not been the subject of a bankruptcy petition at any time during the past ten years.

Item 19 REQUIREMENTS FOR STATE REGISTERED ADVISERS

Not applicable.