

**AMPLITUDE CAPITAL INTERNATIONAL LIMITED**

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**CRD Number 158886****March 2017**

This Brochure provides information about the qualifications and business practices of Amplitude Capital International Limited (“Amplitude”).

If you have any questions about the contents of this Brochure, please contact us at +1 (345) 640-2295. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

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

Registration as an Investment Adviser does not imply that Amplitude or any of its principals or employees possesses a particular level of skill or training in the Investment Advisory business or any other business.

Pursuant to an exemption from the Commodities Futures Trading Commission (the “CFTC”) in connection with accounts of qualified eligible persons, this brochure is not required to be, and has not been filed with the CFTC. The CFTC does not pass upon the merits of participating in a trading program or upon the adequacy or accuracy of commodity trading advisor disclosure. Consequently, the CFTC has not reviewed this trading program or this brochure.

**Item 2: Material changes**

This is the annual update to the Firm's brochure as required by the SEC. Effective January 2017, Amplitude became a wholly owned subsidiary of Amplitude Capital (Holdings) Limited ("ACHL"). In addition, the ownership of its affiliated companies changed.

Approximately 74% of the share capital of ACHL is indirectly owned by Mr Karsten Schroeder, and approximately 26% is directly owned by Mrs Nicola Harrison.

Amplitude now has one wholly owned subsidiary, Amplitude Capital (UK) Limited ("ACUK"). ACUK is a private company limited by shares, which is incorporated and existing under the laws of England & Wales. ACUK is authorized and regulated in the United Kingdom by the Financial Conduct Authority.

ACUK now has one wholly owned subsidiary, Amplitude Capital AG ("ACAG"). ACAG is a private company incorporated and existing under the laws of the Canton of Zug, Switzerland.

There were no other material changes during the year.

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**Item 4: Advisory Business**

Amplitude is an exempted company incorporated in the Cayman Islands on 19 August 2004.

Amplitude is registered with the Commodity Futures Trading Commission (“CFTC”) as a commodity pool operator and commodity trading advisor and has been a member of the National Futures Association (“NFA”) since January 21, 2010. Amplitude’s Chief Executive Officer, Mr. Karsten Schroeder, indirectly owns approximately 74% of the outstanding shares of Amplitude.

Amplitude’s primary investment strategies involve trading and investing in long and short positions in exchanged-traded equity index futures and options, fixed income, equities, interest rate and bond futures and options, currency futures, commodities and derivatives through managed accounts and private investments funds pursuant to Amplitude’s proprietary systematic trading systems.

Amplitude also provides discretionary investment management services regarding securities portfolios (primarily U.S. government securities, cash and cash equivalents, which may include treasuries, money market mutual funds, bank deposits, certificates of deposits and similar bank instruments) to certain private investment fund advisory clients (each, a “Fund” and together with Amplitude’s managed account clients, the “Clients” or “Accounts”). Currently, the Funds, and not any Clients, are Amplitude’s only “investment advisory clients” for purposes of the Investment Advisers Act of 1940, as amended. Therefore, the Accounts are generally not discussed in this Brochure except in the context of conflicts of interest that may arise between Amplitude’s management of the Funds and the Accounts.

Information about the Funds, including information about investment strategies, fees, risks and other material information, is contained in each Fund’s respective offering documents (collectively, “Memorandum”).

Amplitude generally pursues the same investment strategy for each of its Clients. Clients generally come to Amplitude seeking exposure to Amplitude’s investment program having determined its suitability to their overall investment objectives. Accordingly, Amplitude’s advisory services are generally not tailored to each Client, although in limited circumstances Clients may impose investment restrictions that limit the financial instruments and securities or types of investments which Amplitude may make on their behalf. Any specific investment guidelines and restrictions are approved by the Client prior to implementation. The investment guidelines and restrictions applicable to the Funds are set forth in each Fund’s Memorandum.

As at 31 December 2016 Amplitude managed approximately \$35 million of Fund assets on a discretionary basis, and approximately \$1.5 billion in the aggregate, including assets managed pursuant to its primary futures and commodities-related strategies for all Client accounts. Amplitude has no assets under management on a non-discretionary basis.

**Item 5: Fees and Compensation**

Amplitude does not have a standardized fee schedule with respect to the Funds. Amplitude charges both management fees based on the net asset value of the Fund and performance-based fees equal to a percentage of the net realized and unrealized trading gains of a Fund above a “high water mark” (i.e., the previous highest net asset value at which performance-based fees were paid). Management fees generally are 1-3% per annum of the net asset value of a Fund, and performance-based fees generally are 20-35% per annum of the net realized and unrealized trading gains of a Fund subject to a high water mark.

Management fees generally are charged monthly in arrears and performance-based fees generally are charged quarterly in arrears. Performance-based compensation will be in conformity with Rule 205-3 under the Investment Advisers Act of 1940 (the “Advisers Act”), as applicable. Fees may be negotiable depending upon, among other factors, the relationship between Amplitude and investors in the Funds, the amount of investment, timing and length of time in which the investment has been pledged.

In addition to the foregoing fees, the Funds are subject to prime broker custody fees, generally not more than 20 basis points. Investors in the Funds should therefore be aware that such fees are separate and distinct from the fees paid to Amplitude resulting in an additional layer of fees and expenses on such investments.

Fees are generally deducted from Fund assets, not billed separately. The specific manner in which fees are charged by Amplitude is set forth in a Fund’s governing Memorandum. Generally, management fees are computed before taking into account any redemptions or withdrawals made at the end of the applicable calculation period.

Fund advisory agreements are generally terminable upon 60 - 90 days’ prior written notice to Amplitude, without penalty. Redemptions by investors in a Fund are governed by such Fund’s Memorandum.

Amplitude’s fees do not include brokerage and transaction fees, costs and charges, and other costs and expenses related to the trading and maintenance of the Funds, including, but not limited to administrative fees and costs, directors’ fees, commissions, custodial fees and taxes. All such fees, costs and charges are borne by the applicable Fund. Such fees, costs and charges are exclusive of and in addition to Amplitude’s fee, and Amplitude does not receive any portion of these fees, costs and charges.

Item 12 further describes the factors that Amplitude considers in selecting or recommending broker-dealers for Fund transactions and determining the reasonableness of their compensation (e.g., commissions).

**Item 6: Performance-Based Fees and side by side management**

As set forth in Item 5 above, Amplitude’s performance-based compensation is generally 20-35% per annum of the net realized and unrealized trading gains of a Fund above a high water mark and generally is charged quarterly in arrears. Please see Item 5 for more information. Fees charged with respect to Amplitude’s Clients may be similar or different to those charged to the Funds.

Performance-based fee arrangements may create an incentive for Amplitude to recommend investments which may be riskier or more speculative than those which would be recommended under a different fee arrangement. Managing accounts that are charged performance-based compensation and accounts that are not, and/or accounts that are charged different levels of management fees, may give rise to a potential conflict of interest, as a manager may have an incentive to favor the accounts of clients for which such manager receives performance-based compensation or higher management fees over accounts for which it receives no performance based fee or lower asset-based fees. In general, such a conflict is not applicable with respect to Amplitude because all Clients generally receive the same investment advisory services through Amplitude's proprietary systematic trading system.

In addition, Amplitude has procedures designed and implemented to monitor that all Clients are treated equitably in the allocation of investment opportunities and trades. Please see Item 12 for more information.

### **Item 7: Types of Clients**

Amplitude's only "investment advisory clients" are the Funds. Investors in the Funds may include pension funds, sovereign funds, institutional clients and high net worth qualified individual investors. In addition, Amplitude generally provides investment advice to its managed account clients, which may include pension funds, sovereign funds and institutional clients.

The Funds have a minimum investment requirement for investors of \$1,000,000, which may be waived or modified by a Fund's directors, but in no event can any investment in a Fund be less than \$100,000. Minimum managed account client investments must generally be at least \$10,000,000, which may be waived or modified by Amplitude.

Lower account sizes may be accepted at Amplitude's discretion.

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

Amplitude provides discretionary investment management services regarding securities portfolios (primarily U.S. government securities, equities, cash and cash equivalents, which may include treasuries, money market mutual funds, bank deposits, certificates of deposits and similar bank instruments).

Amplitude's investment analysis utilizes a number of systematic, technical analysis-driven trading strategies which work in parallel but on different time scales. In this way, Amplitude seeks to identify different medium-term market movements and enable Funds to exploit non-random effects that can be captured in the markets to achieve profitable trades. Instructions to place orders to open and close positions are generally generated by systematic analytical computer trading models rather than at the personal discretion of the individual trader. However, Amplitude may act on a discretionary basis to widen the basket of markets traded and in unforeseen circumstances such as systems failure, may execute against signals generated by the model or close out open positions. Amplitude may also override on a discretionary basis the signals generated by the model or close out open positions in certain other circumstances.

There can be no assurances that a Fund will achieve its investment objective or that the strategy pursued and methods utilized by Amplitude will be successful under all or any market conditions. Investing in securities involves risk of loss that investors in the Funds should be prepared to bear. A brief explanation of the material risks associated with Amplitude's principal investment strategies and methods of analysis follows.

Additional risk factors are set forth in the Memorandum.

There is no assurance that any program will provide an acceptable return to investors or will not incur substantial losses. Amplitude's securities trading system trades in a limited amount of securities and therefore does not reflect a fully diversified portfolio. Investments may be made in securities including U.S. government obligations (such as U.S. Treasury Bills and similar instruments). U.S. government securities are debt securities (including bills, notes, and bonds) that are subject to interest rate and market risks. The prices of government securities tend to fall as interest rates rise. In addition, securities that have longer maturities tend to fluctuate more in price in response to changes in market interest rates than do securities with shorter maturities.

Amplitude's trading methods are based on systematic, technical analysis-driven trading strategies, and do not consider fundamental factors such as weather, supply, demand and political or economic events except to the extent that such fundamental factors are reflected in technical input data analyzed by the system. Thus, there is a risk that technical methods like Amplitude's systems may be unable to respond to fundamental causative events until after their impact has ceased to influence the market, and positions dictated by such methods may be incorrect in light of the fundamental factors then affecting the market. A further limitation inherent in technical strategies like Amplitude's systems is the need for price trends or relative value developments sufficient to dictate an entry or exit decision. If there is no substantial price movement, or if a price movement is erratic or ill-defined, the systems may not be able to identify a trend on which to act, or may react to a minor price movement in establishing a position contrary to the overall price trend.

The foregoing does not purport to be a complete explanation of the risks involved in trading securities or with respect to any trading system.

#### **Item 9: Disciplinary Information**

Amplitude has not been subject to any disciplinary action, whether criminal, civil or administrative (including regulatory) in any jurisdiction. Likewise, no persons involved in the management of the Firm have been subject to such action.

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

Amplitude is also a commodity pool operator and commodity trading advisor registered with the CFTC and is a member of the National Futures Association. See also Item 4.

Amplitude maintains a record of any potential conflicts of interest, including external appointments held by all staff, including the management persons listed above. This list is updated when necessary and completeness is confirmed on an annual basis. None of the relationships notified to Amplitude by the individuals concerned create a material conflict of interest between Amplitude and its Clients or between Clients.

**Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

Amplitude has adopted a Code of Ethics (the “Code”) which sets forth the ethical and fiduciary principles and related compliance requirements under which Amplitude operates and the procedures for implementing those principles. The Code includes provisions which govern fiduciary duty, Client opportunities, insider trading, personal trading, gifts and entertainment, political contributions, outside business activities and confidentiality.

With respect to personal trading by its principals, employees and related accounts (collectively “Employees”), Employees may be permitted to invest in Amplitude sponsored investment vehicles with the prior permission of the Chief Compliance Officer and Chief Executive Officer.

Employees are permitted to maintain personal securities and futures accounts provided that such accounts are disclosed to Amplitude and that any personal trading is consistent with applicable law and with the Code. Subject to compliance with the Code, Employees and Amplitude may buy, sell or hold, for their own respective personal or proprietary trading accounts, securities or futures contracts that Amplitude also may buy, sell or hold for Clients, provided that Employees are not trading on inside information nor making trading decisions based upon the holdings in the Amplitude Client or Fund portfolios. However, due to the liquid nature and availability of such securities and futures contracts, Employee trading in such securities or futures contracts should not present material conflicts of interest.

Certain Amplitude proprietary accounts and related person accounts may trade in the same securities or futures contracts, and in different directions, with Client accounts on an aggregated basis when consistent with the Client’s investment objectives. Given the liquid nature and availability of such securities and futures contracts, such trading should not present material conflicts of interest between Clients and Amplitude proprietary accounts and related person accounts.

The Code contains policies and procedures that, among other things:

- prohibit Employees from taking personal advantage of opportunities belonging to Clients or Funds;
- prohibit trading on the basis of material non-public information;
- place limitations on personal trading by Employees and impose preclearance (in certain cases) and reporting obligations with respect to trading; and
- require initial and annual reports of securities holdings and quarterly transaction reports by Employees.

Amplitude’s Code of Ethics is available upon request to any Fund investor or prospective investors by contacting Amplitude at +1 (345) 640-2295.

Amplitude does not engage in principal transactions with Client accounts. Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account, buys from



or sells any security to any advisory client. Further to this Amplitude does not engage in cross trading between the Clients and the Funds,

### **Item 12: Brokerage Practices**

Amplitude has the authority to determine, without obtaining consent from Fund investors, (1) securities to be bought and sold, (2) amount of securities to be bought and sold, (3) the broker or dealer to be used, and (4) commission rates paid. Limitations on Amplitude's authority are guided by, among other things, (i) its responsibility to act as a fiduciary when handling Fund assets, (ii) the investment strategies and objectives of the Funds, and (iii) each Fund's Memorandum.

Amplitude recommends and effects transactions through various brokerage firms, which may include futures commission merchants (collectively, "Brokers") which are considered reputable and financially secure to execute its trades, and which it believes can offer best execution, on an overall or transaction basis. In selecting Brokers to execute transactions a number of factors are also considered, including, among others, financial strength, quality and depth of services, price, reliability, execution, commission rate and responsiveness to Amplitude. The commissions and/or fees charged by Brokers are exclusive of, and in addition to, Amplitude's fees.

In selecting Brokers to execute transactions, Amplitude need not solicit competitive bids and does not have an obligation to seek the lowest available commission cost to be charged by the Brokers it selects. Based on the nature of its advisory activities, trading system and investment strategies, Amplitude does not utilize research products or services from Brokers and does not intend to enter into any soft dollar arrangements with, or receive any soft dollar benefits from, Brokers. Amplitude does not consider Client referrals when selecting or recommending Brokers, and does not engage in directed brokerage arrangements.

From time to time, Amplitude may aggregate Client orders with respect to securities and futures contracts to achieve a more timely execution and potentially better pricing than would be possible if orders were submitted separately for each Client. As a general rule, such orders are combined (or bunched) and allocations among Clients acquiring the same instrument on the same day are effected on a pro rata basis, based on the relative size of the accounts, or otherwise on a fair allocation amount determined at the time of the order. The same allocation logic is applied to the split of transaction costs relating to the aggregated orders. All portions of a block trade executed through the same broker-dealer will be allocated at the average price obtained by the broker-dealer on that day. In determining how much of a security to allocate to a particular account, Amplitude may consider one or more of the following factors related to the account or the particular investment: investment restrictions, investment objectives, risk tolerance, leverage constraints, time horizon, tax sensitivity, nature and size, tolerance for portfolio turnover, liquidity and size limitations, availability of cash or buying power, desired market capitalization range, suitability, credit quality of the security, maturity of the security and eligibility to participate in a trade pursuant to compliance regulations. If one or more accounts would be unable to meet an investment objective, or if a pro rata allocation results in a de minimis allocation to certain accounts, Amplitude may deviate from the pre-allocation formula. While Amplitude's goal is to be fundamentally fair on an overall basis with respect to all Clients, there can be no assurance that on a trade-by-trade basis that any particular Client will not be treated more favorably than another. To monitor that all accounts are treated fairly and that there is no material difference in performance, Amplitude from time to time reviews that all accounts are obtaining

relatively equal performance and that certain accounts are not be advantaged over other accounts based on Amplitude's allocation decisions or for other reasons.

As a fiduciary, Amplitude has the responsibility to effect orders correctly, promptly and in the best interests of the Funds and Accounts. In the event any error occurs in the handling of any transactions, due to our actions, or inaction, or actions of others, our policy is to assess and rectify each trade error on a case-by-case basis.

Generally where Amplitude is deemed to be negligent in the event of a trade error Amplitude will make good the error from its own funds, conversely any gain resulting from a trade error will remain with the affected Client or Fund.

### **Item 13: Review of Accounts**

Fund assets, including portfolio positions, are generally reviewed quarterly by Amplitude's Chief Executive Officer, Karsten Schroeder. Fund investors are provided with written monthly unaudited reports that include information regarding such Fund's performance and the current balance of the investor's investment in such Fund, and annual audited fiscal year-end financial information.

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

Amplitude does not compensate third parties for Fund investor referrals and does not receive an economic benefit for providing advice to the Funds from anyone other than Fund investors.

### **Item 15: Custody**

Amplitude does not have actual custody of any Client assets under Rule 206(4)-2 of the Advisers Act and all Fund assets are held with an independent third party qualified custodian. Notwithstanding, as a matter of best practice and in accordance with Rule 206(4)-2, financial statements audited by an independent public accountant are furnished annually to all investors in the Funds. Fund investors are urged to carefully review all account statements and contact Amplitude if they have any questions. All managed account clients of Amplitude use external custodians with whom the clients have a direct agreement.

### **Item 16: Investment Discretion**

Amplitude has the authority to determine, without obtaining consent from Fund investors, (1) securities to be bought and sold and (2) the amount of securities to be bought and sold. Limitations on Amplitude's authority are guided by, among other things, (i) its responsibility to act as a fiduciary when handling Fund assets, (ii) the investment strategies and objectives of the Funds, and (iii) each Fund's Memorandum. Amplitude abides by the investment guidelines and restrictions set forth in each Fund's Memorandum.

### **Item 17: Voting Client Securities**

The Firm's authority to vote proxies for the Clients is established by the investment advisory agreements, or comparable documents. The Firm has established proxy voting policies and

procedures. The proxy voting procedures are designed to ensure that proxies are voted in the best interest of the Funds. The Firm analyses proxies on a case-by-case basis.

**Item 18: Financial Information**

Amplitude has no financial condition that impairs its ability to meet contractual commitments to Clients, and has not been the subject of a bankruptcy proceeding.

## **Annex I: Privacy Policy**

Amplitude requires that you provide current and accurate financial and personal information.

Amplitude will protect the information you have provided in a manner that is safe, secure and professional. Amplitude and its employees are committed to protecting your privacy and to safeguarding that information.

### **Safeguarding Customer Documents**

We may collect non-public customer data in checklists, forms, in written notations, and in documentation provided to us by our customers for evaluation, registration, licensing or related consulting services. We also create internal lists of such data.

During regular business hours, access to customer records is monitored so that only those with approval may access the files. During hours in which the company is not in operation, the customer records will be locked.

No individual who is not so authorized shall obtain or seek to obtain personal and financial customer information. No individual with authorization to access personal and financial customer information shall share that information in any manner without the specific consent of a firm principal. Failure to observe Amplitude's procedures regarding customer and consumer privacy will result in discipline and may lead to termination.

### **Sharing Non-public Personal and Financial Information**

Amplitude is committed to the protection and privacy of its customers' and consumers' personal and financial information. Amplitude will not share such information with any affiliated or non-affiliated third party except:

- when necessary to complete a transaction in a customer account, such as with the clearing firm or account custodians;
- when required to maintain or service a customer account;
- to resolve customer disputes or inquiries;
- with persons acting in a fiduciary or representative capacity on behalf of the customer;
- with rating agencies, persons assessing compliance with industry standards, or to the attorneys, accountants and auditors of the firm;
- in connection with a sale or merger of Amplitude's business;
- to protect against or prevent actual or potential fraud, identity theft, unauthorized transactions, claims or other liability;
- to comply with federal, state or local laws, rules and other applicable legal requirements;
- in connection with a written agreement to provide investment management or advisory services when the information is released for the sole purpose of providing the products or services covered by the agreement;
- in any circumstances with the customer's instruction or consent; or
- pursuant to any other exceptions enumerated in the California Information Privacy Act.

**Opt-Out Provisions**

It is not a policy of Amplitude to share non-public personal and financial information with affiliated or unaffiliated third parties except under the circumstances noted above. Since sharing under the circumstances noted above is necessary to service customer accounts or is mandated by law, there are no allowances made for clients to opt out.

**Who to contact with questions**

If you have any questions about this Privacy Policy Notice please contact the Chief Compliance Officer, John Harrison at [jh@ampcap.com](mailto:jh@ampcap.com).

**Annex 2: ADV2bs**

These are available on request.