



**ITEM 1
COVER PAGE**

**PART 2A OF FORM ADV
FIRM BROCHURE**

PALESTRA CAPITAL MANAGEMENT LLC

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This brochure provides information about the qualifications and business practices of Palestra Capital Management LLC ("Palestra" or the "Company"). If you have any questions about the contents of this brochure, please contact us at (212) 291-7480. Palestra is registered as an investment adviser with the United States Securities and Exchange Commission ("SEC"). Registration with the SEC does not imply a certain level of skill or training, and the information in this brochure has not been verified by the SEC or any state securities authority.

Additional information about Palestra is available on the SEC's website at:
www.adviserinfo.sec.gov.

ITEM 2
MATERIAL CHANGES

As a newly formed investment adviser, Palestra does not have any changes to its business to report at this time. In subsequent filings Palestra will use this portion of the brochure to describe material changes to the information in this brochure.

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ADVISORY BUSINESS

Palestra was founded in September 2011 by Jeremy Schiffman and Andrew Immerman. Mr. Schiffman and Mr. Immerman are equal owners of Palestra and serve as the Company's portfolio managers.

Palestra expects to launch a private fund during the first quarter of 2012 with approximately \$160 million in capital. Due to the use of leverage and short selling, the Company expects that once investment activities commence it will have "regulatory assets under management," as defined by the SEC, in excess of \$160 million. Palestra anticipates that most or all investments will be made through a master fund, and that investors will contribute capital through affiliated onshore and offshore feeder funds. References to Palestra's "private fund" include the master fund and each feeder fund. All information about Palestra and the private fund contained in this brochure is qualified in its entirety by the information in the private fund's confidential offering materials.

Palestra will manage its private fund using fundamental, research-intensive analytic processes. The Company will primarily make long and short investments in equities, and will also selectively invest in credit and derivative opportunities. Investments will be tailored to reflect the stated investment objectives and restrictions of the Company's private fund, but will generally not be tailored to reflect the needs or restrictions of individual investors.

ITEM 5
FEES AND COMPENSATION

Palestra and its affiliates debit fees directly from the private fund; investors are not invoiced separately for fees.

Palestra and its affiliates may waive or modify the management fee and incentive allocations for certain investors, including employees, relatives of employees, and certain large or strategic investors.

In addition to management fees and incentive allocations, investors will indirectly bear costs associated with the private fund's operation. These costs, which are more fully described in the private fund's confidential offering materials, will be for services including fund administration, legal, audit and tax preparation, custody, research and brokerage. The private fund may invest in other pooled investment vehicles, in which case it will be indirectly responsible for its pro-rata share of the expenses of those pools.

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

Because Palestra's affiliates have the opportunity to collect incentive allocations, the Company may have an incentive to recommend investments that are more speculative than would otherwise be prudent in an effort to generate outsized gains. Palestra seeks to mitigate this potential conflict of interest by providing investors with monthly risk reports and quarterly letters discussing the private fund's investment activities.

Some investment managers experience a conflict of interest because they manage accounts with differing fee structures, which could lead to the favorable treatment of accounts paying higher fees at the expense of accounts paying lower fees. Palestra seeks to mitigate this potential conflict of interest by making substantially all investments through a single master fund.

ITEM 7
TYPES OF CLIENTS

Palestra provides investment advice to a private fund. Investments in the private fund are subject to a \$2 million minimum for initial investments only, which may be waived at the discretion of an affiliate of Palestra.

ITEM 8

METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

Methods of Analysis

We generate investment ideas by evaluating our investment universe and searching for opportunities where our fundamental-based investment approach and industry expertise enable us to develop a differentiated view relative to the market. We identify these opportunities through bottom-up work on companies, industry-specific thematic work, special situations and screening.

We conduct rigorous, fundamental analysis of a potential investment, its products and services and the industry in which it operates. We execute a repeatable process characterized by a number of tasks including the following: a review of relevant public documents including company filings, Wall Street and independent third-party research, and trade publications, an analysis of historical financial results, discussions with company management and competitors, customers and suppliers, and consultations with industry experts, legal and accounting firms, and other proprietary contacts that our investment team has cultivated.

We will evaluate the intrinsic value of a potential investment through multiple lenses, including traditional metrics such as discounted cash flow and comparable company analysis and non-traditional metrics such as strategic value, break-up scenarios and restructuring potential. We will typically analyze several scenarios in our assessment of risk and reward including both micro factors relating to the company and macro factors relating to the broader economy. We utilize our evaluation of risk, reward, and conviction in order to determine the appropriate size of any given long or short investment.

Investment Strategies

Palestra seeks to own securities that we believe trade at a significant discount to intrinsic value and to sell short securities we believe trade at a premium to intrinsic value. The Company focuses where we believe our fundamental-based approach to industry and company-specific research provide us with a differentiated view relative to the market. Lastly, we seek to evaluate the timeliness and path to value of each investment.

Long Investments. Typical long investments may include the following:

- Contrarian and Deep-Value Opportunities: These situations are characterized by securities trading at deep discounts to intrinsic value predicated on fear or pessimism, often occurring after a period of underperformance.
- Companies with Underappreciated Quality or Growth: These companies may trade at reasonable multiples relative to the broader market, but are undergoing a positive shift that has yet to be fully appreciated. Examples include companies experiencing improving unit economics or increasing returns to scale which have yet to be recognized by the market.
- Companies Nearing Inflection Points: These opportunities are characterized by inflection points in growth or profitability which can result from the change in a

variety of factors including end-market supply and demand dynamics, product cycles or pricing power.

- Special Situations: Examples include takeover situations, restructurings, spin-offs, and “hidden assets” such as land, reserves or other non-EBITDA-producing assets that are not being appropriately valued by the market.

Short Investments. Palestra views short investing as an integral part of our investment strategy. Short investments are intended to be profit contributors in addition to helping protect capital in the event of a significant decline in market indices. In general, each short position must stand on its own, although we may use a short position as a hedge if deemed appropriate. We utilize the same investment framework for short investments as we do for long investments, but given the higher loss potential of a short investment, we generally seek to be more tactical and give careful consideration to the risk of loss.

The characteristics of typical short investments are generally the opposite of the long investments described previously. Examples include the following:

- Companies Facing Increasing Competition: These short investments are characterized by increasing competition relative to history, which can be driven by current competitors, new entrants, or from substitute products or services. In our experience, when competition increases in a company’s market, it often results in negative earnings surprises and multiple compression for an extended period of time.
- Companies Transitioning from “Great” to “Good”: Companies with historically high growth rates or margins are often rewarded with high earnings multiples despite, in certain instances, lower growth prospects going forward. In other words, the multiple assigned to these companies may be backward looking, not forward looking. Examples may include companies experiencing an end to “low-hanging” market share gains or companies historically viewed as “growth stocks” reaching a downward inflection point in their growth trajectory.
- Companies with Unsustainable Business Models: These investments can be broken into two buckets. First, younger companies who, despite often robust revenue growth, have business models that are unlikely to create enduring shareholder profits and economic value. Second, companies who have taken advantage of temporary opportunities in the marketplace to earn high returns, but cannot defend these returns over time due to various factors including low barriers to entry or poor competitive positioning.
- Other common characteristics of short investments include poor management (characterized often by poor capital allocation decisions), declining returns on invested capital, aggressive or fraudulent accounting, and cyclical growth that is perceived by the market to be secular.

Material Risks

An investment in the private fund is speculative and is not intended as a complete investment program. It is designed only for experienced and sophisticated persons who are able to bear the risk of the substantial impairment or loss of their entire investment in the private fund. The following information is intended to present a partial summary of the material risks associated with an investment in the private fund. Any prospective investor in the private fund should carefully review the risk factors described in the private fund's confidential offering materials.

Nature of Investments

Palestra has broad discretion in making investments for the private fund. Investments will generally consist of equity securities, equity-related instruments, credit instruments and other assets that may be affected by business, financial market or legal uncertainties. There can be no assurance that the Company will correctly evaluate the nature and magnitude of the various factors that could affect the value of and return on investments. Prices of investments may be volatile, and a variety of factors that are inherently difficult to predict, such as domestic or international economic and political developments, may significantly affect the results of the private fund's activities and the value of its investments. In addition, the value of the private fund's portfolio may fluctuate as the general level of interest rates fluctuates. No guarantee or representation is made that the private fund's investment objective will be achieved.

Equity-Related Instruments in General

Palestra may use equity-related instruments in its investment program. Certain options and other equity-related instruments may be subject to various types of risks, including market risk, liquidity risk, counterparty credit risk, legal risk and operations risk. In addition, equity-related instruments can involve significant economic leverage and may, in some cases, involve significant risks of loss.

Use of Leverage

The private fund may utilize leverage. This results in the private fund controlling substantially more assets than the private fund has equity. Leverage increases the private fund's returns if the private fund earns a greater return on investments purchased with borrowed funds than the private fund's cost of borrowing. However, the use of leverage exposes the private fund to additional levels of risk, including (i) greater losses from investments than would otherwise have been the case had the private fund not borrowed to make the investments, (ii) margin calls or interim margin requirements which may force premature liquidations of investment positions and (iii) losses on investments where the investment fails to earn a return that equals or exceeds the private fund's cost of borrowing. In the event of a sudden, precipitous drop in value of the private fund's assets, the private fund might not be able to liquidate assets quickly enough to repay its borrowings, further magnifying its losses. In an unsettled credit environment, the Company may find it difficult or impossible to obtain leverage for the private fund. In such event, the private fund could find it difficult to implement its strategy. In addition, any leverage obtained, if terminated on short notice by the lender, could result in Palestra being forced to unwind positions quickly and at prices below what the Company deems to be fair value for such positions.

Short Sales

Short sales can, in certain circumstances, substantially increase the impact of adverse price movements on the private fund's portfolio. A short sale involves the risk of a theoretically unlimited increase in the market price of the particular investment sold short, which could result in an inability to cover the short position and a theoretically unlimited loss. There can be no assurance that securities necessary to cover a short position will be available for purchase.

Options

The purchase or sale of an option involves the payment or receipt of a premium by the investor and the corresponding right or obligation, as the case may be, to either purchase or sell the underlying security, commodity or other instrument for a specific price at a certain time or during a certain period. Purchasing options involves the risk that the underlying instrument will not change price in the manner expected, so that the investor loses its premium. Selling options involves potentially greater risk because the investor is exposed to the extent of the actual price movement in the underlying security rather than only the premium payment received (which could result in a potentially unlimited loss). Over-the-counter options also involve counterparty solvency risk.

Small to Medium Capitalization Companies

The private fund may invest a portion of its assets in the stocks of companies with small-to medium-sized market capitalizations. While the Company believes these investments often provide significant potential for appreciation, those stocks, particularly smaller-capitalization stocks, involve higher risks in some respects than do investments in stocks of larger companies. For example, prices of such stocks are often more volatile than prices of large-capitalization stocks. In addition, due to thin trading in some such stocks, an investment in these stocks may be more illiquid than that of larger capitalization stocks.

Non-U.S. Securities

Investing in securities of non-U.S. governments and companies that are generally denominated in non-U.S. currencies and utilization of options on non-U.S. securities involves certain considerations comprising both risks and opportunities not typically associated with investing in securities of the United States government or United States companies. These considerations include changes in exchange rates and exchange control regulations, political and social instability, expropriation, imposition of foreign taxes, less liquid markets and less available information than is generally the case in the United States, higher transaction costs, foreign government restrictions, less government supervision of exchanges, brokers and issuers, greater risks associated with counterparties and settlement, difficulty in enforcing contractual obligations, lack of uniform accounting and auditing standards and greater price volatility.

Lack of Diversification

The private fund's portfolio may not be as diversified as other investment vehicles. Accordingly, the private fund's portfolio may be subject to more rapid change in value than would be the case if the private fund were required to maintain a wide diversification.

Portfolio Turnover

The investment strategy of the private fund may require Palestra to actively trade the private fund's portfolio, and as a result, turnover and brokerage commission expenses of the private fund may significantly exceed those of other investment entities of comparable size. Active trading can also increase the tax burden of clients and investors.

Counterparty Risk

To the extent that the private fund invests in swaps, "synthetic" or derivative instruments, repurchase agreements, forward contracts, certain types of options or other customized financial instruments, or, in certain circumstances, non-U.S. securities, the private fund takes the risk of non-performance by the other party to the contract. This risk may include credit risk of the counterparty and the risk of settlement default. This risk may differ materially from those entailed in exchange-traded transactions that generally are supported by guarantees of clearing organizations, daily mark-to-market and settlement, and segregation and minimum capital requirements applicable to intermediaries. Transactions entered directly between two counterparties generally do not benefit from such protections and expose the parties to the risk of counterparty default.

Brokerage and Custodial Risk

There are risks involved in dealing with the custodians or prime brokers who settle fund trades. Although Palestra monitors the prime brokers and believes that they are appropriate custodians, there is no guarantee that the prime brokers, or any other custodian that the private fund may use from time to time, will not become bankrupt or insolvent. While both the U.S. Bankruptcy Code and the U.S. Securities Investor Protection Act of 1970 seek to protect customer property in the event of a bankruptcy, insolvency, failure, or liquidation of a broker-dealer, there is no certainty that, in the event of a failure of a broker-dealer that has custody of fund assets, the private fund would not incur losses due to its assets being unavailable for a period of time, the ultimate receipt of less than full recovery of its assets, or both.

The private fund and/or the custodians used by the private fund may appoint sub-custodians in certain non-U.S. jurisdictions to hold the assets of the private fund. The prime brokers may not be responsible for cash or assets which are held by sub-custodians in certain non-U.S. jurisdictions, nor for any losses suffered by the private fund as a result of the bankruptcy or insolvency of any such sub-custodian. The private fund may therefore have a potential exposure on the default of any sub-custodian and, as a result, many of the protections that would normally be provided to a fund by a custodian may not be available to the private fund. Under certain circumstances, including certain transactions where the private fund's assets are pledged as collateral for leverage from a non-broker-dealer custodian or a non-broker-dealer affiliate of the prime brokers, or where the private fund's assets are held at a non-U.S. custodian, the securities and other assets deposited with the custodian or broker may not be clearly identified as being assets of the private fund and the private fund could be exposed to a credit risk with regard to such parties. Custody services in certain non-U.S. jurisdictions remain undeveloped and, accordingly, there is a transaction and custody risk of dealing in certain non-U.S. jurisdictions. Given the undeveloped state of regulations on custodial activities and bankruptcy, insolvency, or mismanagement in certain non-U.S. jurisdictions, the ability of the private fund to recover assets held by a sub-custodian in the event of the sub-custodian's bankruptcy or insolvency could be in doubt, as the private fund may

be subject to significantly less favorable laws than many of the protections that would be available under U.S. laws. In addition, there may be practical or time problems associated with enforcing the private fund's rights to its assets in the case of a bankruptcy or insolvency of any such party.

Lack of Liquidity of Fund Investments

While Palestra expects the vast majority of the private fund's portfolio to be liquid, fund assets may, at any given time, include securities and other financial instruments or obligations that are thinly-traded or for which no market exists and/or which are restricted as to their transferability under applicable securities laws. The sale of any such investments may be possible only at substantial discounts, and it may be extremely difficult to accurately value any such investments.

Limited Redemption and Transfer Rights

An investor in Palestra's fund generally will be permitted to redeem all or any portion of its holdings only in accordance with the terms described in the private fund's confidential offering materials. Transfers of interests will be permitted only with the written consent of the private fund's directors. Accordingly, investments should only be made by investors willing and able to commit their assets for an appreciable period of time.

Incentive Allocation

The allocation of a percentage of the private fund's net profits to an affiliate of Palestra may cause the Company to make investments that are riskier or more speculative than would be the case if this allocation were not made. Since the allocation is calculated on a basis that includes unrealized appreciation of assets, such allocation may be greater than if it were based solely on realized gains.

Strategic Investors

Strategic investors will be granted certain rights in exchange for a commitment to make a significant seed investment in the private fund. The strategic investors' investment should not be construed as a recommendation to other prospective investors. The strategic investors will not be involved in the management or performance of the private fund or Palestra. Among other rights, the strategic investors will be entitled to receive (i) a portion of the management fee and incentive allocation, (ii) capacity rights, (iii) special redemption rights in limited circumstances, and (iv) reports on a more frequent basis. The strategic investors may exit, in whole or in part, without notice to other investors. In the event that the strategic investors were to make a substantial redemption, such event may have an adverse effect on the private fund. In addition, the private fund will indemnify the strategic investors in accordance with the relevant seed investment agreement with each strategic investor.

Reliance on Andrew Immerman and Jeremy Schiffman

The private fund relies heavily on the services of the managing members of the Company, Messrs. Andrew Immerman and Jeremy Schiffman. Messrs. Immerman and Schiffman are responsible for all of the major decisions affecting the private fund. Should Messrs. Immerman or Schiffman determine to discontinue managing the affairs of, or withdraw from, the Company or should Mr. Immerman or Mr. Schiffman die, be incapacitated or, for some other reason, be unable to effectively manage the affairs of the Company, the business and results of the operations of the private fund may be adversely affected.

Side Letters

The private fund may enter into agreements ("Side Letters") with certain prospective or existing investors whereby such investors may be subject to terms and conditions that are more advantageous than those that are offered or available to other investors. For example, such terms and conditions may provide for special rights to make future investments in the private fund, other investment vehicles or managed accounts; special redemption rights, relating to frequency or notice; a reduction or rebate in fees or redemption charges to be paid by the investor and/or other terms; rights to receive reports from the private fund on a more frequent basis or that include information not provided to other investors (including, without limitation, more detailed information regarding portfolio positions) and such other rights as may be negotiated by the private fund and such investors. The modifications are solely at the discretion of the private fund and may, among other things, be based on the size of the investor's investment in the private fund or affiliated investment entity, an agreement by an investor to maintain such investment in the private fund for a significant period of time, or other similar commitment by an investor to the private fund.

Non-Disclosure of Positions

In an effort to protect the confidentiality of its positions, the private fund generally will not disclose all of its positions to investors on an ongoing basis, although the Company, in its sole discretion, may permit such disclosure on a select basis to certain investors, if it determines that there are sufficient confidentiality agreements and procedures in place. The private fund's directors, in their sole discretion, may determine to issue a new class of shares to such investors in these circumstances.

Potential Conflicts of Interest

The Company will use its best efforts in connection with the purposes and objectives of the private fund and will devote so much of its time and effort to the affairs of the private fund as may, in its judgment, be necessary to accomplish the purposes of the private fund. Under the terms of the private fund's management agreement, Palestra and its affiliates may conduct any other business, including any business within the securities industry, whether or not such business is in competition with the private fund. Without limiting the generality of the foregoing, Palestra and its affiliates may act as investment adviser or investment manager for others, may manage funds, separate accounts or capital for others, may have, make and maintain investments in their own name or through other entities and may serve as an officer, director, consultant, partner or stockholder of one or more investment funds, partnerships, securities firms or advisory firms. Such other entities or accounts may have investment objectives or may implement investment strategies similar or different to those of the private fund. In addition, Palestra and its affiliates may, through other investments, including other investment funds, have interests in the securities in which the private fund invests as well as interests in investments in which the private fund does not invest. Palestra and its affiliates may give advice or take action with respect to such other entities or accounts that differs from the advice given with respect to the private fund. To the extent a particular investment is suitable for both the private fund and other clients of Palestra or its affiliates, such investments will be allocated between the private fund and the other clients in a manner that Palestra and its affiliates determine is fair and equitable under the circumstances to all clients, including the private fund.

As a result of the foregoing, Palestra and its affiliates may have conflicts of interest in allocating their time and activity between the private fund and other entities, in allocating investments among the private fund and other entities and in effecting transactions for the private fund and other entities, including ones in which the Company or its affiliates may have a greater financial interest.

In addition, purchase and sale transactions (including swaps) may be effected between the private fund and the other entities or accounts subject to the following guidelines: (i) such transactions shall be effected for cash consideration at the current market price of the particular securities, and (ii) no extraordinary brokerage commissions or fees (i.e., except for customary transfer fees or commissions) or other remuneration shall be paid in connection with any such transaction.

From the standpoint of the private fund, simultaneous identical portfolio transactions for the private fund and the other clients may tend to decrease the prices received, and increase the prices required to be paid, by the private fund for its portfolio sales and purchases. Where less than the maximum desired number of shares of a particular security to be purchased is available at a favorable price, the shares purchased will be allocated among the private fund and the other clients in an equitable manner as determined by Palestra or its affiliates. Further, it may not always be possible or consistent with the investment objectives of the various persons or entities described above and of the private fund for the same investment positions to be taken or liquidated at the same time or at the same price; however, all transactions will be made on a “best execution” basis.

It should be noted that the private fund’s prime brokers and administrator each acts as prime broker and administrator for other funds and thus may have conflicts from time to time.

ITEM 9
DISCIPLINARY INFORMATION

Neither Palestra nor any management person has been involved in legal or disciplinary events that would be material to a current or prospective client or investor.

ITEM 10
OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

As described above, Palestra's private fund received seed investments from two strategic investors. These strategic investors are financial services firms that are, or have affiliates, that are investment advisers and broker-dealers. The private fund's strategic investors may also be, or have affiliates, that are active in other financial services capacities.

Palestra and the private fund may trade through affiliates of the strategic investors. The Company will trade with affiliates of the strategic investors only when such transactions are expected to offer best execution. Palestra's executives, including the Chief Compliance Officer, will periodically and systematically evaluate the execution quality obtained from all trading counterparties. Palestra and the private fund may receive other types of products and services from affiliates of the strategic investors, including prime brokerage services. The Company and the private fund will seek to negotiate the purchase of products and services from affiliates of the strategic investors at arm's length, and the Chief Compliance Officer will monitor the use of such vendors on an ongoing basis.

ITEM 11
CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS
AND PERSONAL TRADING

Palestra has adopted a written code of ethics that is applicable to all employees. Among other things, the code requires Palestra and its employees to act in clients' best interests, abide by all applicable regulations, avoid even the appearance of insider trading, and pre-clear and report on many types of personal securities transactions. Palestra's restrictions on personal securities trading apply to employees, as well as employees' family members living in the same household. A copy of Palestra's code of ethics is available upon request.

Palestra's employees are generally prohibited from buying publicly traded common stocks. Employees may sell other types of securities that were previously purchased, so it is possible that an employee and a client could transact in the same security at or around the same time. However, the code of ethics prohibits personal trading that would give even the appearance of impropriety, and employee transactions are reviewed by the Chief Compliance Officer on a quarterly basis.

ITEM 12

BROKERAGE PRACTICES

Palestra seeks to transact with broker-dealers that offer best execution. The Company's Managing Members, Chief Compliance Officer and Trader meet at least twice per year to evaluate the execution quality that the Company has received. In evaluating execution quality, the Company considers a variety of qualitative and quantitative factors including, among other things, price and transaction costs, speed, availability of trading algorithms, access to IPOs, expertise in trading certain types of securities, responsiveness, back-office controls, and the provision of research. Although cost is an important factor in Palestra's selection of trading counterparties, the Company may trade with broker-dealers that charge more than the lowest available commissions. Palestra does not consider the referral of investors when evaluating execution quality or setting long-term commission targets.

Palestra receives research products and services from the broker-dealers with which it trades. All such soft dollar benefits are consistent with the regulatory safe harbor described in Section 28(e) of the Securities Exchange Act of 1934. Soft dollar benefits may include, among other things, proprietary research generated by broker-dealers, as well as Bloomberg terminals, third party analysis, reports, and data. Palestra may also use soft dollar benefits to consult with paid industry experts, and to pay for the Company's order management system. Because Palestra manages a single private fund, all benefits associated with soft dollars accrue to the same client that paid the associated commissions. Palestra does not aggregate and allocate orders because all investor assets are invested through one private master fund.

Palestra's receipt of soft dollar benefits presents a conflict of interest because trading activity by the private fund is used to pay for research that the Company could pay for using hard dollars or potentially generate internally. Palestra could also have an incentive to trade through broker-dealers that offer soft dollar credits, even though other broker-dealers might offer superior or lower-cost execution. The Company's selection of trading counterparties and use of soft dollars is reviewed in connection with periodic best execution reviews.

If Palestra makes an error while placing a trade, the Company will document the error and seek to correct it promptly in a way that mitigates any losses. Any gains or losses associated with trading errors will be borne by the private fund, except that losses associated with errors due to gross negligence or willful misconduct will be borne by Palestra. The Company is subject to a conflict of interest in determining whether an error was due to gross negligence or willful misconduct.

ITEM 13

REVIEW OF ACCOUNTS

Palestra's founders serve as the Company's co-portfolio managers. The co-portfolio managers monitor the private fund's positions on an ongoing basis. Geographic, political, macro-economic, and/or issuer-specific events may prompt particular scrutiny of the Company's investments, but even in the absence of material events the co-portfolio managers are actively involved in the monitoring of private fund investments on a daily basis.

Palestra will send investors weekly and monthly performance estimates, as well as unaudited monthly investor statements. The Company will also provide current and prospective investors with monthly statistical reports and quarterly letters. The quarterly letters will generally include qualitative discussions of the portfolio's positioning, outlook and performance.

ITEM 14
CLIENT REFERRALS AND OTHER COMPENSATION

Palestra does not compensate any third parties for client or investor referrals.

ITEM 15
CUSTODY

The Company is deemed to have custody over the private fund's assets because affiliates of Palestra serve as the general partner to the private fund's various legal entities. All of the private fund's assets are held by qualified custodians, and audited financial statements for the private fund are distributed to all investors on an annual basis within no greater than 120 days of the fiscal year end.

ITEM 16
INVESTMENT DISCRETION

Palestra has investment discretion over the private fund's assets. The private fund grants the Company discretionary authority through the execution of an investment management agreement.

ITEM 17

VOTING CLIENT SECURITIES

In accordance with its fiduciary duty to clients and Rule 206(4)-6 of the Investment Advisers Act, Palestra has adopted and implemented written policies and procedures governing the voting of client securities. All proxies that Palestra receives will be treated in accordance with these policies and procedures. Investors in the private fund cannot influence the Company's proxy voting activities, but may request a copy of Palestra's written policies and procedures, as well as information regarding specific votes cast. Investors should contact the Chief Compliance Officer, John Rogers, at 212-291-7485 for more information about proxy voting.

For each routine proxy that does not pose an apparent conflict of interest, the Chief Compliance Officer will be responsible for casting a vote that is believed to be in the best interests of the private fund. Palestra anticipates that the Chief Compliance Officer will generally vote in accordance with management recommendations for such routine proxies.

If a proxy appears to be material, the Chief Compliance Officer will vote in accordance with instructions provided by the Managing Member and Research Analyst who are most familiar with the position.

If a proxy appears to pose a conflict of interest, the Chief Compliance Officer will convene a meeting with both Managing Members. The Chief Compliance Officer will describe the proxy vote under consideration and identify the perceived conflict of interest. The Chief Compliance Officer and Managing Members will review any documentation associated with the proxy vote and seek to determine how to vote in the private fund's best interests. If the Chief Compliance Officer and Managing Members reach a unanimous voting decision then the Chief Compliance Officer will vote the proxy accordingly. If the Chief Compliance Officer and Managing Members do not reach a unanimous conclusion, they will consult with a professional proxy voting service or with outside legal counsel. The voting recommendation from the voting service or outside legal counsel will be binding on Palestra.

ITEM 18
FINANCIAL INFORMATION

Palestra has never filed for bankruptcy and is not aware of any financial condition that is expected to affect its ability to manage client accounts.