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Annual Updated Company Brochure
December 2015

This Brochure provides information about the qualifications and business practices of Zafiro Capital Sarl ("Zafiro" or the "Firm").

If you have any questions about the contents of this Brochure, please contact us at +41 22 519 0537 or contact@zafiro-capital.com.

The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Zafiro Capital Sarl also is available on the SEC's website at www.adviserinfo.sec.gov.

Registration as an Investment Adviser does not imply that Zafiro 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

The Brochure will be updated on an annual basis and any material changes to it will be identified in this section.

Item 10: Michael Pelton has replaced Edward Mellor as an Approved Person.

Item 15: ADM Investor Services International Limited have replaced Jeffries Bache Ltd as Clearing Broker.

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Item 4: Advisory Business

Zafiro Capital Sarl (“Zafiro” or the “Firm”) was incorporated in Switzerland in July 2014 to act as Investment Manager for a commodity-focussed hedge fund being established by Mr Stephen Smethurst, a 23 year veteran energy and commodity trader. Mr Smethurst owns 100% of the Firm. The Firm is a member of ARIF, a self-regulatory body in charge of the fight against anti-money laundering and recognised by FINMA in Switzerland.

The Firm’s clients currently comprise unregulated collective investment schemes (“Funds”) and potentially in the future also managed accounts (“Accounts”), together (the “Clients”).

The Firm manages assets for these Clients largely by investing and trading in exchange traded commodity futures, but which will also have a minor weighting in exchange traded options on commodity futures with a focus on Energy which comprises crude oil, oil products, natural gas power, coal and emissions.

The Funds managed by the Firm are governed by their respective prospectuses. These give the funds a wider ability to invest in underlying assets without the same strict diversification requirements as regulated funds.

The Funds managed by the Firm are as follows:

Fund	Short name	Type of fund
Unregulated funds		
Zafiro Capital Commodities Trading Fund	n/a	Private fund (Cayman Islands)
Zafiro Capital Commodities Trading Master Fund	n/a	Private fund (Cayman Islands)

Zafiro Capital Commodities Trading Fund is a feeder fund (the “Feeder Fund”) which invests only in the associated master fund, the Zafiro Capital Commodities Trading Master Fund (the “Master Fund”)

Each Fund managed by the Firm may contain a number of different share classes, which differ as to matters such as reporting currency, minimum investment, redemption terms, treatment of income and fees.

The information contained in this Brochure summarises the details contained within the prospectuses prepared for each of the Funds. The Brochure is not required to provide all the information which a prospective investor will require prior to making an investment.

Accounts managed by the Firm will typically be invested across asset classes and geographies although will generally look to mirror the investments of the Master Fund. However before determining an appropriate asset allocation, the Firm obtains a thorough understanding of each client’s financial situation, return objectives and risk profile. Should clients wish to impose restrictions on investing in certain types of securities, then the Firm discusses and documents these requirements at the outset of the relationship.

As at 31 December 2015, the Firm managed US \$1.888m, all of which is managed on a discretionary basis.

Item 5: Fees and Compensation

Management Fees

The Firm charges each Client a management fee. For the Funds, these fees are based on the Net Asset Value ("NAV") of each class within the Funds and are deducted from the portfolio on a monthly basis. For the Accounts, fees charged are based on a percentage of the monthly average net asset value of the account over the quarter (adjusted for cash flows).

The management fees charged for the Funds varies between share classes. A summary of the current fee schedule is set out below:

Fund	Fee range
<i>Unregulated funds</i>	
Share Class A	2%
Share Class A (>\$20m year 1 investment)	1.75%
Share Class B (12 month lock)	1.5%
Share Class B (>\$20m year 1 investment)	1.25%

As determined on a case by case basis, certain Clients may receive reduced fees or a partial rebate of their fees.

Management fees charged to the Accounts are generally based on a fixed percentage of assets managed. This percentage will depend on the client type, the strategy and the size of the mandate.

Our current fee schedule for individual Accounts is as follows:

Portfolio size	Fee range
n/a – no managed account clients	n/a

Fees are payable in arrears and are charged only in respect of the period for which the fund or account was managed.

Other fees

Other fees that may be charged to the Funds are set out below:

Administrator fees

Fees are charged on a sliding scale depending on the amount of assets managed. The administrator will also be reimbursed any reasonable out-of-pocket expenses or costs necessarily incurred in the performance of its duties.

Prime broker and custodian fees

Prime broker and custodian fees will not exceed normal commercial rates. They may also levy transaction charges and other charges which can include Value Added Tax.

Other fees and expenses

Other fees and expenses charged may include the following:

- (a) investment-related travel expenses (which are travel expenses related to the purchase, sale or transmittal of the Master Fund's investments incurred by the Manager or the Investment Manager)
- (b) professional fees (including expenses of consultants, investment bankers, attorneys, accountants and other experts) relating to investments
- (c) fees and expenses relating to software tools, programs or other technology utilised in managing the Fund and the Master Fund (including third party software licensing, implementation, data management and recovery services and custom development costs)
- (d) research and market data (including any computer hardware and connectivity hardware (e.g., telephone and fibre optic lines) incorporated into the cost of obtaining such research and market data); administrative expenses (including fees and expenses of the Administrator and other similar service providers);
- (e) legal expenses; external accounting and valuation expenses (including the cost of accounting software packages); audit and tax preparation expenses;
- (f) fees of the Directors
- (g) costs relating to directors' and officers' liability insurance
- (h) costs of printing and mailing reports and notices
- (i) entity-level taxes
- (j) corporate licensing
- (k) regulatory expenses (including filing fees)
- (l) listing fees
- (m) organisational expenses;
- (n) expenses incurred in connection with the offering and sale of the Shares and other similar expenses related to the Fund; indemnification expenses; and extraordinary expenses.

Please see the section on “Brokerage practices” for a description of other brokerage charges.

In the case of the Accounts only additional custody fees are applicable which are paid directly to the applicable custodian under the contract signed directly between the Account holder and the custodian.

Item 6: Performance-Based Fees and Side-By-Side Management

The Firm is entitled to receive an annual performance allocation with respect to each Fund which is calculated based upon a percentage of the net capital appreciation of the relevant Fund. The performance allocations are charged in compliance with Rule 205-3 of the Investment Advisers Act of 1940, as amended (the “**Advisers Act**”).

The Firm is also entitled to receive performance fees from the following funds:

Fund	Fee range
<i>Unregulated funds</i>	
Zafiro Capital Commodities Trading Fund	20% (high watermark applies)
Zafiro Capital Commodities Trading Master Fund	Not applicable – all fees are charged at Feeder Fund level

Where performance fees are due, these are calculated in respect of discrete periods based on the increase in the NAV per share of each class within the Funds. No performance fee becomes due unless the NAV exceeds the previous high point reached (termed a high watermark). Depending on the Fund performance fees are deducted from the portfolio on an annual basis in arrears and may not be chargeable to all of the sub classes within the Funds. Performance fees are included in the NAV and are not charged separately.

Performance fees may also be charged to individual Accounts and as agreed on a case by case basis, this will typically be based on a high watermark. The fee will depend on the Client type, the strategy and the size of the mandate.

No other hourly, flat or asset-based fees are charged to the Funds and Accounts.

Item 7: Types of Clients

Funds

The Funds managed by the Firm are described above under “Advisory Business”.

Each Fund where the Firm acts as investment adviser specifies minimum subscription limits and the subscription and redemption terms applicable. These may vary according to the sub fund and base currency of each individual share class. Minimum subscription limits and redemption terms by Fund are as follows:

Zafiro Capital Commodities Trading Fund

The Zafiro Capital Commodities Trading Fund (the “Feeder Fund” is a Cayman Islands domiciled unregulated collective investment scheme which invest all, or substantially all, if its assets in the Zafiro Capital Commodities Trading Master Fund. The investment limit for the Feeder Fund is US\$1m although, subject to the discretion of the fund directors, smaller subscriptions may be accepted though in any event they will be no lower than US\$ 100,000.

Investors may subscribe on the first business day of each month. Subsequent redemptions may be made on the last business day of each month provided 15 day’s notice has been given to the fund administrator. Investors will have no right to redeem all, or any portion, of its B Shares prior to the last day of the month occurring one year after the date such Shares were acquired.

Zafiro Capital Commodities Trading Master Fund

The Zafiro Capital Commodities Trading Master Fund is a Cayman Islands domiciled unregulated collective investment scheme. It does not accept any direct investments; all investments must be made in the Feeder Fund.

Accounts

The Firm may provide investment advisory services to individual Accounts. Minimum Accounts are generally US \$20m although lower Account sizes may be accepted at the Firm's discretion.

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

Methods of Analysis

The Firm's method of analysis includes deep fundamental research of potential investment opportunities. The main sources of information the Firm uses include:

- News sources
- Research materials provided by third parties
- Industry contacts

The main focus of investments is exchange-traded commodity futures and options on futures and consequently the Funds expect to have a high degree of liquidity under normal market conditions.

Investment Strategies

The investment approaches adopted in respect of each of the Funds and Accounts managed are as follows:

Unregulated funds

The investment objective of the Feeder and Master Funds are to seek to achieve superior absolute returns. The feeder Fund will pursue its investment objective by investing all of its investable assets in the Master Fund.

The Master Fund will seek to achieve its objective by largely investing and trading in exchange traded commodity futures, but which will also have a minor weighting in exchange traded options on commodity futures.

It is anticipated that the Firm will trade in the following products and markets:

- Futures Cash settled Swaps and options on the following:
 - Energy which comprises crude oil, oil products, natural gas power, coal and emissions
 - Metals including base and precious plus iron ore
 - Agriculturals: grains, oil seeds and soft commodities

The foregoing should not in any way be interpreted as limiting products and markets. New products or markets may be added from time to time and the Firm may cease to trade products and markets from time to time. No representation or warranty is given that all of the above products and markets will be traded and, to the extent that a product or market is traded, allocations thereto may change significantly from time to time. The Firm will seek to maintain sector diversity by carrying a balance of positions between most or all of the portfolio's major investment sectors. The ratio of risk between the various commodity sectors can change significantly over time depending on sector opportunity.

The Firm has complete flexibility to trade in a wide range of asset classes. However, the Firm expects a majority of investments to be exchange-traded futures ("ETFs") and options or cash-settled over the counter ("OTC") derivatives.

Whilst the Firm expects the portfolio to display a macro theme from time to time, it will be specifically designed to contain a heavy weighting of micro-reasoned positions to create diversity and de-correlation from other managers, strategies and the overall macro environment. Directional strategies are initiated to follow the current fundamental trends or are designed to take advantage of a perceived long-term change in a particular markets supply/demand structure. Relative value strategies are designed to take advantage of market-neutral or relative-value opportunities specific to a certain commodity, financial instrument, spread, arbitrage or volatility strategy.

Research is entirely fundamental. The Firm will make little use of technical analysis other than for historical price research and gauging market momentum. Financial flows related to investment in commodity indices, hybrid products, ETFs and black-box strategies will also be monitored closely, as well as any potential influence from large trade hedges that are being executed in the market.

The Firm expects to make use of option, spread and arbitrage strategies which should lead to increased trade diversity and also optimise strategy and portfolio risk/reward. These can be executed for directional, relative-value and volatility purposes.

The use of options is often employed to protect the portfolio from the possibility of exogenous economic, geopolitical and weather events, while it can also be used to take advantage of the potential for incalculable volatility events during times of political or seasonal weather-related uncertainty.

When a potential opportunity has been identified, an assessment is made as to the probability of the trade being profitable as opposed to any potential pitfalls or events that could occur to counter the Firm's analysis and cause the proposed trade to lose money. These assessments use forward modelling of the probable supply/demand situation over the expected period of the trade, combining stock-consumption ratios, seasonal factors, legislative changes, historical price analysis and political factors, in an effort to gauge if there is a high probability that there could be a re-pricing of the instrument. Equally, there is an assessment undertaken which tries to identify anything that could alter the fundamentals of the perceived opportunity for the worse, including the potential for miscalculation by the supply/demand model or something more exogenous such as political and weather risks.

Once a trade has been positively identified it can then be placed in the portfolio, assuming that the new trade will not present too much correlated risk if other trades with a similar sector or macro bias already exist. Should this be the case, other correlated trades that are currently held in the portfolio may be reduced to accommodate the entry of the new trade. The fundamentals and risk/reward of every trade in the portfolio are normally assessed on a daily basis and the Firm may seek to liquidate a trade early in its perceived life cycle if it appears that the fundamentals or risk/reward of the trade has changed for the worse. If this is the case, the trade will be reduced or liquidated, which could result in either a profit or a loss depending on how well the trade has performed up to that point.

Once the portfolio becomes mature, somewhere between five and ten trades are likely to be held in the portfolio at any one time. Typically, the higher risk level will be taken on trades which are designed to have greater longevity. Trades will generally be designed to have a longevity of between eight weeks and six months, so stop levels will be a very long way away from the initiation price or will be automatically protected via options. This

allows the strategy to mature without being affected too much by general market gyrations and incidental news which may adversely affect the trade, but which may not be significant to the overall fundamentals of the strategy.

The Firm will maintain an adequate and documented risk management policy that seeks to identify all relevant risks to which the Master Fund is or may be exposed. The Firm's risk management policy will include such procedures as are necessary to enable the Firm to assess the Master Fund's exposure to market, liquidity, counterparty and operational risks as well as all other relevant material risks.

The risk profile of the Master Fund will be disclosed to Shareholders, including, (i) the measures taken to assess the sensitivity of the Master Fund's portfolio to the most relevant risks to which the Master Fund is or could be exposed, and (ii) a description of the circumstances where the risk limits, if any, set by the Firm have been exceeded (or are likely to be exceeded) and the remedial measures taken. The Fund or the Firm will make this information available to all Shareholders to the extent not already made through this Memorandum through appropriate Investor Disclosure at least annually or sooner if required by applicable law.

Leverage

The Master Fund has the authority to borrow, trade on margin, utilise derivatives and otherwise obtain leverage from brokers, banks and others on a secured or unsecured basis. The Master Fund may utilise leverage to the extent deemed appropriate by the Firm, and the amount of leverage utilised by the Master Fund may be significant. The overall leverage of the Master Fund will depend on the investment strategies employed by the Master Fund and specific market opportunities.

In addition, the Master Fund may borrow for cash management purposes, such as to satisfy redemption requests. To facilitate such borrowings, the Master Fund may, among other things, enter into a credit facility with a service provider to the Master Fund or a third party credit institution.

Notwithstanding the foregoing, the Firm does not currently expect to use borrowed funds in pursuing the Master Fund's investment objective. However, the nature of the majority of the expected investments is such that only a relatively small amount of margin may be required to be placed in order to establish the position and as such there is significant embedded leverage. Further, as the majority of the Master Fund's investments will be traded on margin, it is expected that the Master Fund will typically hold significant cash balances. These will typically largely be held with a custodian bank or invested in cash equivalents such as money market funds.

The leverage limitation provisions of the AIFM Directive do not apply to the Master Fund. Accordingly, the Master Fund has no pre-determined limitations on the amount of leverage calculated in accordance with the AIFM Directive's gross and commitment methods which may be employed in connection with the Master Fund's investment program.

The Fund or the Firm will disclose to all Shareholders the total amount of leverage calculated in accordance with the AIFM Directive's gross and commitment methods employed by the Master Fund as well as any changes to the maximum level of leverage calculated in accordance with such methods which may be employed by the Master Fund (including where any such limitation is imposed) through appropriate Investor Disclosure at least annually or sooner if required by applicable law. Any determination to limit the amount

of leverage which may be employed by the Master Fund and/or the level thereof may be changed by the Master Fund or the Firm without the consent of Shareholders.

The Master Fund, and not the Feeder Fund, will employ leverage.

While leverage presents opportunities for increasing the total return on investments, it has the effect of potentially increasing losses as well. Accordingly, any event which adversely affects the value of an investment could be magnified to the extent leverage is utilised and may result in a substantial loss to the Master Fund.

Risk of Loss Factors

Investing involves risk of loss that clients should be prepared to bear. Investors should consider the following factors before investing in any of the funds referred to in this Brochure. The following list of risk factors does not purport to be a complete enumeration or explanation of the risks involved in an investment in each of the funds. Prospective investors are urged to consult their professional advisers and the fund prospectuses before deciding to invest in the funds.

General Risks of Investing

An investment in the Fund is highly speculative and involves a high degree of risk due to the nature of the Master Fund's investments and the investment strategies and trading strategies to be employed. An investment in the Fund should not in itself be considered a balanced investment program. Investors should be able to withstand the loss of their entire investment.

Market Value Borrowing and Derivatives; Financing Arrangements; Availability of Credit

In general, the anticipated use of margin borrowings and other borrowings based on the market value of the portfolio and derivatives which require the Master Fund to post margin results add certain additional risks to the Master Fund. For example, should the assets pledged to brokers to secure the Master Fund's margin accounts decline in value, the Master Fund could be subject to a "margin call," pursuant to which the Master Fund must either deposit additional funds or assets with the broker or suffer mandatory liquidation of the pledged assets to compensate for the decline in value. In the event of a sudden drop in the value of the Master Fund's portfolio, the Master Fund might not be able to liquidate investments quickly enough to satisfy their margin requirements or may be required to close out positions at losses, which if the Master Fund had continued to hold would have been profitable.

As a general matter, the banks and dealers that provide financing to the Master Fund can apply essentially discretionary margin, "haircut" financing as well as financial instrument and collateral valuation policies. Changes by banks and dealers in such policies, or the imposition of other credit limitations or restrictions, whether due to market circumstances or government, regulatory or judicial action, may result in large margin calls, loss of financing, forced liquidations of positions at disadvantageous prices, termination of swap and repurchase agreements and cross-defaults to agreements with other dealers. Any such adverse effects may be exacerbated in the event that such limitations or restrictions are imposed suddenly and/or by multiple market participants. The imposition of any such limitations or restrictions could compel the Master Fund to liquidate all or part of its portfolio at disadvantageous prices, perhaps leading to a complete loss of the Master Fund's equity.

Counterparty Risk

The stability and liquidity of over-the-counter derivative transactions depend in large part on the creditworthiness of the parties to the transactions. It is expected that the Master Fund will monitor on an ongoing basis the creditworthiness of firms with which it will enter into over-the-counter derivative transactions. If there is a default by the counterparty to such a transaction, the Master Fund will under most normal circumstances have contractual remedies pursuant to the agreements related to the transaction. However, exercising such contractual rights may involve delays or costs which could result in the net asset value of the Master Fund being less than if the Master Fund had not entered into the transaction. Furthermore, there is a risk that any of such counterparties could become insolvent and/or the subject of insolvency proceedings. If one or more of the Master Fund's counterparties were to become insolvent or the subject of insolvency proceedings, there exists the risk that the recovery of the Master Fund's assets from such prime broker or broker-dealer will be delayed or be of a value less than the value of the assets originally entrusted to such prime broker or broker-dealer. Investors should assume that the insolvency of any counterparty would result in a loss to the Master Fund, which could be material.

Currency Exposure

The Master Fund may invest in financial instruments denominated in non-US currencies, the prices of which are determined with reference to currencies other than the US Dollar. The Master Fund, however, values its financial instruments in US Dollars. The Master Fund may or may not seek to hedge its non-US currency exposure by entering into currency hedging transactions, such as treasury locks, forward contracts, futures contracts and cross-currency swaps. There can be no guarantee that financial instruments suitable for hedging currency or market shifts will be available at the time when the Master Fund wishes to use them, or that hedging techniques employed by the Master Fund will be effective. Furthermore, certain currency market risks may not be fully hedged or hedged at all. To the extent unhedged, the value of the Master Fund's positions denominated in currencies other than US Dollars will fluctuate with US Dollar exchange rates as well as with the price changes of the investments in the various local markets and currencies. In such cases, an increase in the value of the US Dollar compared to the other currencies in which the Master Fund makes investments will reduce the effect of any increases and magnify the effect of any decreases in the prices of the Master Fund's investments in their local markets and may result in a loss to the Master Fund. Conversely, a decrease in the value of the US Dollar will have the opposite effect on the Master Fund's non-US Dollar investments.

Legal, Tax and Regulatory Considerations

The legal, tax and regulatory environment worldwide for private investment funds (such as the Fund and the Master Fund) and their managers is evolving, and changes in the regulation of private investment funds, their managers and their trading and investing activities may have a material adverse effect on the ability of the Master Fund to pursue its investment program and the value of investments held by the Master Fund. There has been an increase in scrutiny of the alternative investment industry by governmental agencies and self-regulatory organisations. New laws and regulations or actions taken by regulators that restrict the ability of the Master Fund to pursue its investment program or employ brokers and other counterparties could have a material adverse effect on the Fund and the Shareholders' investment therein. In addition, the Board of Directors and the board of directors of the Master Fund may, in their sole discretion, cause the Fund and/or Master Fund to be subject to certain laws and regulations if they believe that an investment or business activity is in the Fund's and/or Master Fund's interest, even if such laws and regulations may have a detrimental effect on one or more Shareholders.

The US Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act") was enacted in July 2010. The Dodd-Frank Act has resulted in extensive rulemaking and regulatory changes that affect private fund managers, the funds that they manage and the

financial industry as a whole. Additionally, under the Dodd-Frank Act, the SEC has mandated (and will mandate) new recordkeeping and reporting requirements for investment advisers, which are expected to add costs to the legal, operational and compliance obligations of the Investment Manager and possibly the Master Fund and increase the amount of time that the Investment Manager spends on non-investment-related activities. Until the SEC and other agencies have completed implementation of the new requirements, it is unknown how burdensome such requirements will be. The Dodd-Frank Act affects a broad range of market participants with whom the Master Fund interacts or may interact, including banks, non-bank financial institutions, rating agencies, mortgage brokers, credit unions, insurance companies, payday lenders and broker dealers, and may change the way in which the Master Fund or the Firm conducts business with counterparties. It may take years to understand the impact of the Dodd-Frank Act on the financial industry as a whole, and therefore, the continued uncertainty may make markets more volatile and make it difficult for the Firm to execute the investment program of the Master Fund.

Futures Contracts

The value of futures depends upon the price of the financial instruments, such as commodities, underlying them. The prices of futures are highly volatile, and price movements of futures contracts can be influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies. In addition, investments in futures are also subject to the risk of the failure of any of the exchanges on which the Master Fund's positions trade or of its clearing houses or counterparties.

Futures positions may be illiquid because certain commodity exchanges limit fluctuations in certain futures contract prices during a single day by regulations referred to as "daily price fluctuation limits" or "daily limits." Under such daily limits, during a single trading day, no trades may be executed at prices beyond the daily limits. Once the price of a particular futures contract has increased or decreased by an amount equal to the daily limit, positions in that contract can neither be taken nor liquidated unless traders are willing to effect trades at or within the limit. This could prevent the Master Fund from promptly liquidating unfavourable positions and subject the Master Fund to substantial losses or prevent it from entering into desired trades. In extraordinary circumstances, a futures exchange or regulator could suspend trading in a particular futures contract, or order liquidation or settlement of all open positions in such contract.

Liquidity Risks

Liquidity is important to the Master Fund's businesses. Under certain market conditions, such as during volatile markets or when trading in a financial instrument or market is otherwise impaired, the liquidity of the Master Fund's portfolio positions may be reduced. In addition, the Master Fund may from time to time hold large positions with respect to a specific type of financial instrument, which may reduce the Master Fund's liquidity. During such times, the Master Fund may be unable to dispose of certain investments, including longer-term investments, which would adversely affect its ability to rebalance its portfolios or to meet redemption requests. In addition, such circumstances may force the Master Fund to dispose of investments at reduced prices, thereby adversely affecting its performance. If there are other market participants seeking to dispose of similar financial instruments at the same time, the Master Fund may be unable to sell such investments or prevent losses relating to such investments. Furthermore, if the Master Fund incurs substantial trading losses, the need for liquidity could rise sharply while its access to liquidity could be impaired. In addition, in conjunction with a market downturn, the Master Fund's counterparties could incur losses of their own, thereby weakening their financial condition and increasing the Master Fund's credit risk to them.

Volatility Risk

The Master Fund's investment program may involve the purchase and sale of relatively volatile instruments such as derivatives, which are frequently valued based on implied volatilities of such derivatives compared to the historical volatility of underlying assets. Fluctuations or prolonged changes in the volatility of such assets, therefore, can adversely affect the value of investments held by the Master Fund.

Item 9: Disciplinary Information

The Firm 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

The FIRM is registered with the CFTC as a commodity pool operator ("CPO") and is a member of the National Futures Association (Registration Number: 0478882). The following are registered as associated persons:

- Stephen Smethurst
- Michael Pelton

The Firm 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 the Firm by the individuals concerned create a material conflict of interest between the Firm and its clients or between clients.

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

The Firm has in place a Code of Ethics which sets out the procedures in place governing personal trading. The Code of Ethics is available to Clients or prospective Clients upon request and includes the following provisions:

- All personal brokerage accounts used by staff and their spouses and dependent children ("related persons") must be notified to the Firm.
- Prior approval is required before a trade can be executed.
- Initial and annual holdings reports are submitted to the Firm by all staff. These are checked back to the original approvals and contract notes where appropriate.

The Firm may promote the Funds to clients in which related persons may also have an investment. This is disclosed to the Client at the time of investment. No other securities are bought or sold for client Accounts in which the Firm's related persons have a material financial interest. Such activity is considered to be an alignment of interest between the related persons and the Client.

It is the policy of the Firm to forbid any employees from trading commodities. This policy is in place to mitigate any risk that employees will trade in a manner that is detrimental to the Firm or the Funds.

Item 12: Brokerage Practices

General arrangements

The Firm is not authorised and regulated by the Financial Conduct Authority (“FCA”) but has decided to follow the spirit of the FCA’s rules as best practice. These rules forbid it from paying commission except where there would be a benefit to the Client from doing so. Where any commissions are to be paid for research services receivable, such services would only be permitted if they:

- Are capable of adding value to the Clients’ portfolios by providing new insights;
- Represent original thought;
- Have intellectual rigour; and
- Involve analysis or manipulation of data to reach meaningful conclusions.

The FCA forbids the payment of commission to brokers for research services which it does not see as meeting the requirements.

The Firm maintains a list of brokers with whom it may deal for the Funds managed. This list is reviewed at least on a quarterly basis and brokers are added or deleted according to the Firm’s view of the quality and cost of the service provided. Brokers are used by the Firm at its own discretion.

Funds and accounts

All brokerage costs paid by the Firm are paid in respect of execution services received only. Brokers with whom the Firm trades are therefore selected on the basis of the following execution factors, with particular emphasis being given to the price:

- Price
- Costs
- Speed
- Likelihood of execution and settlement
- Size
- Nature
- Other considerations relevant to the execution of an order

The Firm is not incentivised to select a more expensive broker over another when executing trades.

When trading in collective investment schemes, the Firm will typically transact with the specific administrator for that particular fund and will trade at the prevailing net asset value of the fund.

Trades are pre-allocated on a client by client basis. Where possible trades will be bulked for execution and average pricing / client order trade randomisation ensures that pricing across clients is as equitable as possible.

Item 13: Review of Accounts

The Firm review the Funds, and as applicable Accounts, on a continual basis to assure conformity with investment objectives and guidelines. The Firm engages in active management for the Funds and Accounts and, accordingly review transactions, positions and cash balances on a daily basis.

The Firm reports to the boards of the Funds on a quarterly basis. These reports comprise of analysis of risk and return drivers during the period in question, major asset allocation changes, benchmark or peer analysis as well as a review of any trading or operational factors.

Reporting

The Firm will distribute audited financial reports for the Funds with respect to the previous fiscal year to all investors in such Funds within 120 days of year-end.

Statements are generally sent to clients with segregated Accounts on a monthly basis by the Custodian. These reports contain a detailed analysis of the holdings as at the reporting date and transactions during the period. In addition the Firm sends a report on either a monthly or quarterly basis which analyses the portfolios risk and return characteristics along with commentary on the market and the portfolio itself.

Item 14: Client Referrals and Other Compensation

At this time no third party marketers are in place or used, though the Firm does not exclude their use at some point in the future.

Item 15: Custody

The Firm does not have direct custody over any assets but will comply with the requirements of the Rule 206(4)-2 of the Advisers Act with regards to custody of assets of the Investment Vehicles ("Custody Rule").

The Funds currently use State Street Bank and Trust Company as the custodians and
ADM Investor Services International Limited
and Morgan Stanley & Co. LLC as the Clearing Brokers.

. Through these arrangements, the Custodian and Clearing Brokers will provide, among other things, clearing, custodial and record keeping services.

Annually, upon completion of each Funds' annual audit, the Firm will distribute the audited financials to investors in the Funds.

The CCO shall ensure that the Funds' audited financials are delivered to all investors within 120 days of the fiscal year end.

All segregated Accounts managed by the Firm use external custodians and with whom the clients have a direct agreement. The firm does not send out account statements.

Item 16: Investment Discretion

The Firm has discretionary authority to manage accounts on behalf of all its Funds and Accounts.

The investment guidelines governing the Firm's management of the Funds are typically widely drafted and contain no specific limitations.

With the Accounts, Clients may request from time to time that the Firm must not invest in specific assets or utilise specific investment techniques. The Firm is able to customise its approach to each individual Client.

Prior to accepting an appointment to act as a discretionary manager for an Account, the Firm conducts a full "know your customer" assessment. This is performed so that the Firm understands each Client's investment objectives and is then able to manage the portfolio in a suitable manner.

Item 17: Voting Client Securities

The Firm does not generally invest in Securities as part of its investment strategy and as such does not require a proxy voting policy. Should this change in the future the Firm will establish proxy voting policies and procedures.

Item 18: Financial Information

Registered investment advisers are required in this item to provide you with certain financial information or disclosures about Firm's financial condition.

The Firm does not require or solicit pre-payment of any type of client fees in advance. The Firm has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.