

RUBY CAPITAL PARTNERS LLP

Form ADV Part 2A

15-16 Seymour Mews
London, W1H 6BG
United Kingdom

+44 203 514-1255

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This Brochure provides information about the qualifications and business practices of Ruby Capital Partners LLP (“Ruby Capital” or the “Firm”). If you have any questions about the contents of this Brochure, please contact the Chief Compliance Officer, Mark George, at +44 203 514-1255 or mark@infusive.com. 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 Ruby Capital can be found on the SEC’s website at www.adviserinfo.sec.gov.

Registration of an investment adviser does not imply that Ruby Capital, or any of its principals or employees, possesses a particular level of skill or training in the investment advisory business or any other business.

Item 2: Material Changes

Since our initial ADV Part 2A filing dated August 10, 2015, there have been no material changes to this Brochure.

Item 3: Table of Contents

Item 1: Cover Page	1
Item 2: Material Changes.....	2
Item 3: Table of Contents	3
Item 4: Advisory Business	4
Item 5: Fees and Compensation	4
Item 6: Performance-Based Fees	5
Item 7: Types of Clients.....	5
Item 8: Methods of Analysis, Investment Strategies and Risk of Loss	5
Item 9: Disciplinary Information	16
Item 10: Other Financial Industry Activities and Affiliations.....	16
Item 11: Code of Ethics, Participation or Interest in Client Transactions Personal Trading..	16
Item 12: Brokerage Practices	17
Item 13: Review of Accounts	18
Item 14: Client Referrals and Other Compensation	18
Item 15: Custody.....	18
Item 16: Investment Discretion	18
Item 17: Voting Client Securities.....	18
Item 18: Financial Information.....	19

Item 4: Advisory Business

Ruby Capital Partners LLP ("**Ruby Capital**", the "**Firm**", "**we**", "**us**", or "**our**"), a limited liability partnership registered in England and Wales, was formed in March 2005. Ruby Capital is owned directly by Ruby Capital Services Limited and has its principal office and place of business in London, United Kingdom.

We currently provide investment advisory services to private funds (the "**Private Fund Clients**"), and manage a registered investment company regulated by the SEC under the Investment Company Act of 1940 (the "Company Act"). Ruby Capital provides discretionary investment management services to qualified investors through its private pooled investment funds, via: Consumer Alpha Global Leaders Master Fund Limited (the "**Master Fund**"); Consumer AlphaTM Global Leaders Fund LP (the "**Onshore Fund**") and Consumer AlphaTM Global Leaders Fund Limited (the "**Offshore Fund**"). The Onshore and Offshore Funds invest a substantial portion of their assets in the Master Fund. Unless specified, from hereinafter the Master Fund, Offshore Fund and Onshore Fund will each be referred to as a "**Fund**" or collectively as the "**Funds**".

Ruby Capital Partners serves as investment manager (the "Investment Manager") with responsibility for the investment and reinvestment of the assets of the Master Fund subject to the overall supervision, control and policies of the board of directors of the Master Fund.

The Funds are managed pursuant to the objectives specified in the materials by which each Fund offers its ownership interests to investors.

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As of March 31, 2016, Ruby Capital managed Regulatory Assets under Management ("**RAUM**") of approximately US \$7,654,000 on a discretionary basis.

Item 5: Fees and Compensation

The Fund pays to the Investment Manager a fee for management services (the "Investment Management Fee"), payable monthly as of the last day of each month, equal to the Management Fee Percentage of the Net Asset Value of each series of Shares as of the end of such month. The "Management Fee Percentage" is 0.125% (1.5% per annum) in respect of A Shares and AI Shares, 0.104% (1.25% per annum) in respect of B Shares, 0.083% (1.0% per annum) in respect of C Shares and BI Shares and 0.0% (0.0% per annum) in respect of CI Shares. The Management Fee will be calculated and paid in arrears. Our management fees typically are not negotiable and will not vary based upon the assets in the Master Fund account and other factors.

The Fund bears its own expenses and its pro rata share of the Master Fund's expenses. The Master Fund would pay for its organizational expenses (if any), as well as custodial, accounting, auditing, tax preparation, legal and trading expenses (including brokerage commissions) incurred in connection with the management of the fund. With respect to brokerage and other transaction costs, please see the discussion below under Item 12, "Brokerage Practices."

Following an issuance of shares in the Master Fund, the fees and compensation we will charge the Master Fund will be described in its prospectus and statement of additional information ("SAI"). On an annual basis, the Master Fund's Board of Directors/Trustees, including the independent Board members (the "Board"), considers renewal of our investment management services agreement, including any management fee paid that the Master Fund will pay to us.

Item 6: Performance-Based Fees

Ruby Capital will not earn a performance-based fee based on achieving certain targets as set forth in its management agreement with the Master Fund.

Item 7: Types of Clients

As discussed in Item 4, we provide investment advisory services to the Private Fund Clients, and manage the Master Fund, which will be regulated by the SEC under the Company Act.

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

The Investment Manager seeks to take long positions in businesses that generate a rate of return over and above their cost of capital and have the ability to compound this return over a prolonged period of time.

In selecting the companies that it believes are best placed to deliver these returns, the Investment Manager looks for four critical elements: the presence of Consumer Alpha™, reliable stewardship of capital, deep "economic moats", and favourable industry dynamics. The Investment Manager then seeks to invest in these businesses at attractive valuations.

Consumer Alpha™ companies are considered to be inherently highly cash generative. Their allocation of capital returns is therefore central to their long run performance. Thus the Investment Manager looks for good stewards of capital. The Investment Manager examines management's capital allocation history to gain comfort that the Consumer Alpha™ harnessed by its holdings is passed on to the Master Fund.

Without the presence of "economic moats", any return a company earns above the cost of capital will slowly be eroded as new competitors enter the market. Only through deep and durable economic moats can a business maintain its competitive advantage over its peers. The Investment Manager focuses on three core moats that are difficult to replicate: brands, scale and advantaged process such as preferred and secured locations or industry expertise. Understanding market dynamics is critical to appreciating how a company's cash flow's will persist. The Investment Manager invests in firms that are either leaders in fast growing emerging industries, or are dominant in mature markets that correspondingly face little competition, and thus earn oligopolistic profits.

The Investment Manager believes that companies that are advantaged in terms of Consumer Alpha™ products, strong economic moats and favourable market dynamics have the ability to compound their excess returns over a sustained period of time, and generate consistent and growing free cash flows to the benefit of their shareholders.

A critical aspect of the Investment Manager's investment approach is to purchase leading Consumer Alpha™ companies at below intrinsic value. The Investment Manager utilises numerous valuation tools - relative and absolute - to determine whether the current market price allows it to achieve the target rate of return.

The Investment Manager will seek to reduce volatility and magnify the long-term impact of compounding through the selective use of single name and broad sector shorts to limit market risk associated with the long portfolio and generate incremental returns through active security selection. The Investment Manager may short single stocks, broad indices as well as sector, sub-sector and geographic indices.

The Investment Manager does not generally trade around short-term non-material news flow and takes its investment decisions based on the long term investment case. The Investment Manager constantly challenges portfolio holdings, and rotates the portfolio when it believes the long term return profile of candidate companies materially outperforms current constituents.

The Investment Manager may use hedging techniques such as put buying to enhance performance. In cases where volatility is low the Investment Manager may use these strategies to provide a cost effective method to protect and smooth shortfall risk scenarios.

Where it makes sense, the Investment Manager may trade via swap to enhance dividends and to provide synthetic access. The Investment Manager believes that it has the skill-set to employ a dynamic methodology to enhance performance by utilising the full suite of service providers.

Portfolio construction

The Firm has established an Investment Committee which is initially made up of the Portfolio Manager, the Chief Executive Officer and the Head of Research. The committee meets on a regular basis to discuss capital allocation. However, the final investment decision is the sole prerogative of the Portfolio Manager.

The Investment Manager breaks the long exposure of the portfolio into two categories:

1. Consumer AlphaTM Champions (typically with market cap above US\$50 billion)
 - Global champions with predictable and resilient cash generation;
 - Typically represents 50-75% of the portfolio's long exposure;
 - Concentrated portfolio with high conviction holdings;
 - Long-term investment horizon, 3 – 5 year target holding; and
 - Low absolute return hurdle, generally 8 - 12% on an annualised basis.
2. Consumer AlphaTM Opportunities (typically with market cap in excess of US\$2 billion)
 - Emergent and niche companies with meaningful growth potential;
 - Value investments with significant opportunities for self-help and re-rating;
 - Typically represents 25-50% of the portfolios long exposure;
 - Diversified portfolio of 10 – 20 with opportunistic holdings;
 - Medium-term investment horizon, 1 – 3 year target holding period; and
 - Elevated absolute return hurdle, generally >15% on an annualised basis.

The Investment Manager does not generally trade around short-term non-material news flow and takes its investment decisions based on the long term investment case. The Investment Manager constantly challenges portfolio holdings, and rotates the portfolio when it believes the long term return profile of candidate companies materially outperforms current constituents.

The Firm may use hedging techniques such as put buying to enhance performance. In cases where volatility is low the Firm may use these strategies to provide a cost effective method to protect and smooth shortfall risk scenarios.

Where it makes sense, the Firm may trade via swap to enhance dividends and to provide synthetic access. The Firm believes that it has the skill-set to employ a dynamic methodology to enhance performance by utilising the full suite of service providers.

Risk Management

The Investment Manager 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 Investment Manager's risk management policy will include such procedures as are necessary to enable the Investment Manager 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 Investment Manager have been exceeded (or are likely to be exceeded) and the remedial measures taken. The Fund or the Investment Manager 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.

Risk of Loss Factors

All investments entail a risk of loss, including substantial or even total loss. No assurances can be given that we will achieve our objective on behalf of the Master Fund, and our investment management performance may vary substantially over time and from period to period. In addition, the performance of the Master Fund may vary substantially as a result of differing restrictions and the employment of differing investment strategies.

The following are certain of the material risks involved in our investment strategy of the Master Fund.

An investment in the Master Fund involves a high degree of risk, including the risk that the entire amount invested may be lost. As the Master Fund executes its investment program by investing all of its investable assets in the Master Fund, references herein to the Master Fund's investments and investment program, and the risks associated therewith, include references to the Master Fund's investment program through its investment in the Master Fund and the risks associated therewith. The Master Fund may utilise investment techniques such as option transactions, derivatives trading and futures and forward contracts, which practices can involve substantial volatility and can, in certain circumstances, substantially increase any potential adverse impact to which the Master Fund's investment portfolio may be subject.

Prospective investors should consider the following additional factors in determining whether an investment in the Master Fund is a suitable investment. The Board of Directors and the Firm have included the following risk factors based upon their determination of what is most significant to a prospective investor. However, certain of the risks described below may never materialise. The Board of Directors does not actively manage for each risk described below but rather focuses the risk management of the Master Fund on those risks it deems most relevant to the Master Fund at any given time. In addition, over time the risks may evolve or change, with new risks appearing and some risks ceasing to be applicable. The probability of a certain risk having an effect on the Master Fund may also vary over time.

General Risks

General Risks of Investing in Securities. Any investment in securities carries certain market risks. 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.

All Investments in Securities Risk the Loss of Capital. No guarantee or representation is made that the Master Fund's investment program will be successful. Certain investment techniques of the Master Fund can, in certain circumstances, magnify the impact of adverse market moves to which the Master Fund may be subject. In addition, the Master Fund's investment in financial instruments may be materially affected by conditions in the financial markets and overall economic conditions occurring globally and in particular countries or markets where the Master Fund may invest its assets.

The Master Fund's method of minimising such risks may not accurately predict future risk exposures. Risk management techniques are based in part on the observation of historical market behaviour, which may not predict market divergences that are larger than historical indicators. Also, information used to manage risks may not be accurate, complete or current, and such information may be misinterpreted.

Discretion of the Investment Manager; New Strategies and Techniques. The Investment Manager has considerable discretion in the types of securities which the Master Fund may trade and has the right to modify the trading strategies or hedging techniques of the Master Fund without the consent of the Shareholders. Any of these new trading techniques may not be thoroughly tested in the market before being employed and may have operational shortcomings which could result in unsuccessful trades and, ultimately, losses to the Master Fund. In addition, any new trading strategies or hedging technique developed by the Master Fund may be more speculative than earlier techniques and may increase the risk of an investment in the Fund.

Competition; Availability of Investment Strategies. The success of the Master Fund's investment activities will depend on the Firm's ability to identify investment opportunities as well as to assess the importance of news and events that may affect the financial markets. Identification and exploitation of the investment strategies to be pursued by the Master Fund involves a high degree of uncertainty. No assurance can be given that the Firm will be able to locate suitable investment opportunities in which to deploy all of the Master Fund's assets or to exploit discrepancies in the securities and derivatives markets.

Eurozone. Given the nature of the Economic and Monetary Union ("EMU"), it is possible that a member of the EMU may exit the EMU and return to a national currency. It is also possible that the Euro ceases to exist and all of the members of the EMU return to their national currency. The effect of such events on the Master Fund is impossible to predict with certainty but could result in material losses to the Master Fund.

Sovereign Default Risk. In certain jurisdictions including Greece, Portugal, Italy, Spain and Ireland, there has been a surge in the cost of insuring against default on sovereign debt based on concerns that government funding costs are becoming unsustainable. Additional economic disruptions in such jurisdictions could lead to increased volatility in equity and other markets and a sovereign default could lead to substantial losses in value in these markets, potentially compounded by currency and foreign exchange conversion restrictions. In the event that such disruption leads to the exit of one or more countries from the Euro there may be additional difficulties in analysing, valuing and/or realising holdings in such jurisdiction as a result of the

change in reference currency. Such events could lead to a material, if not complete, loss of the Master Fund's investment in that jurisdiction. European sovereign debt risk and pressure on bond and currency markets have been a drag on financial markets and are a risk to recovery in those markets. The markets' perception of risk in certain countries including Greece, Portugal, Italy, Spain and Ireland has increased, raising the prospect of financial contagion across European countries and beyond. The Master Fund may suffer from substantial losses in such jurisdictions.

Risks Relating to the Shares

Limited Liquidity. An investment in the Fund provides limited liquidity since the Shares are not freely transferable and a Shareholder's right to redeem is subject to the terms and restrictions set forth in this Memorandum (including any supplement thereto), the Articles and the Subscription Agreement. The Master Fund may invest a portion of its assets in financial instruments that are not publicly traded. The Master Fund may not be able to readily dispose of such non-publicly traded financial instruments and, in some cases, may be contractually prohibited from disposing of such securities for a specified period of time. Accordingly, the Master Fund may be forced to sell its more liquid positions at a disadvantageous time, resulting in a greater percentage of the portfolio consisting of illiquid securities and/or assets. The Fund may also suspend the redemption rights of the Shareholders. In the event that the Fund suspends the payment of redemption proceeds, investors who have redeemed will be treated as creditors and may have certain rights accordingly. An investment in the Fund is suitable only for sophisticated investors who do not require immediate liquidity for their investment.

Counterparty Risk. Some of the markets in which the Master Fund may effect transactions are not "exchanged-based", including "over-the-counter" or "interdealer" markets. The participants in such markets are typically not subject to the credit evaluation and regulatory oversight to which members of "exchange-based" markets are subject. The lack of evaluation and oversight of over-the-counter markets exposes the Master Fund to the risk that a counterparty will not settle a transaction in accordance with its terms and conditions because of a dispute over the terms of the contract (whether or not bona fide) or because of a credit or liquidity problem, thus causing the Master Fund to suffer a loss. Such "counterparty risk" is accentuated for contracts with longer maturities where events may intervene to prevent settlement, or where the Master Fund has concentrated its transactions with a single or small group of counterparties. Generally, the Master Fund will not be restricted from dealing with any particular counterparties. The Investment Manager's evaluation of the creditworthiness of its counterparties may not prove sufficient. The lack of a complete and "foolproof" evaluation of the financial capabilities of the Master Fund's counterparties and the absence of a regulated market to facilitate settlement may increase the potential for losses by the Master Fund.

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 security 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 securities 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.

Leverage. The Master Fund may use "leverage" as part of the investment program. Leverage may take the form of, among other things, any of the securities described herein, including, derivative instruments which are inherently leveraged and trading in products with embedded leverage such as options, short sales, swaps and forwards. The use of leverage will allow the Master Fund to make additional investments, thereby increasing its exposure to assets, such that its total assets may be greater than its capital, however, leverage will also magnify the volatility of changes in the value of the Master Fund's portfolio. The effect of the use of leverage by the Master Fund in a market that moves adversely to its investments could result in substantial losses to the Master Fund, which would be greater than if the Master Fund were not leveraged. In addition, the Master Fund will have the authority to borrow money for cash management purposes and to meet redemptions that would otherwise result in the premature liquidation of its investments. The level of interest rates generally, and the rates at which the Master Fund can borrow particularly will affect the operating results of the Master Fund. Although currently not intended, the amount of borrowings and leverage which the Master Fund may have outstanding at any time may be substantial in relation to its capital.

The instruments and borrowings utilised by the Master Fund to leverage investments may be collateralised by the Master Fund's portfolio. Accordingly, the Master Fund may pledge its securities in order to borrow or otherwise obtain leverage for investment or other purposes. Should the securities 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 securities with the broker or suffer mandatory liquidation of the pledged securities to compensate for the decline in value. The banks and dealers that provide financing to the Master Fund can apply essentially discretionary margin, haircut, financing and collateral valuation policies. Changes by banks and dealers in any of the foregoing may result in large margin calls, loss of financing and forced liquidations of positions at disadvantageous prices. There can be no assurance that the Master Fund will be able to secure or maintain adequate financing.

Stabilised Investments. The Investment Manager may effect transactions in investments the prices of which may be the subject of stabilisation. Stabilisation enables the market price of a security to be maintained artificially during the period when a new issue of securities is sold to the public. Stabilisation may affect not only the price of the new issue but also the price of other securities related to it.

Risks Related to Certain Investment Strategies 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 securities. Fluctuations or prolonged changes in the volatility of such securities, therefore, can adversely affect the value of investments held by the Master Fund.

Long-Term Investments. The Master Fund may pursue investment opportunities for the Master Fund that seek to maximise asset value or create market opportunities on a long-term basis. In pursuing such long-term strategies, the Master Fund may forego value in the short term or temporary investments in order to be able to avail the Master Fund of additional and/or longer-term opportunities in the future. Consequently, the Master Fund may not capture maximum available value in the short term, which may be disadvantageous, for example, for Shareholders who redeem all or a portion of their Shares before such long-term value may be realised by the Master Fund.

Short-Term Market Considerations. The Investment Manager's trading decisions may be made on the basis of short-term market considerations, and the portfolio turnover rate could result in significant trading related expenses.

Short Selling. Short selling involves selling securities which are not owned by the short seller, and borrowing them for delivery to the purchaser, with an obligation to replace the borrowed securities at a later date. Short selling allows the seller to profit from a decline in market price to the extent such decline exceeds the transaction costs and the costs of borrowing the securities. The extent to which the Master Fund engages in short sales will depend upon the Investment Manager's investment strategy and opportunities. A short sale creates the risk of a theoretically unlimited loss, in that the price of the underlying security could theoretically increase without limit, thus increasing the cost to the Master Fund of buying those securities to cover the short position. There can be no assurance that the Master Fund will be able to maintain the ability to borrow securities sold short. In such cases, the Master Fund can be "bought in" (i.e., forced to repurchase securities in the open market to return to the lender). There also can be no assurance that the securities necessary to cover a short position will be available for purchase at or near prices quoted in the market. Purchasing securities to close out a short position can itself cause the price of the securities to rise further, thereby exacerbating the loss. Legal and regulatory restrictions may impact on the ability of the Master Fund to sell a security short and/or may require the Master Fund to disclose any short position with possible adverse consequences to the Master Fund

Equity Price Risk. The Master Fund's investment portfolios may include long and short positions in equity securities of public and private, listed and unlisted companies. Equity securities fluctuate in value in response to many factors, including, among others, the activities and financial condition of individual companies, geographic markets, industry market conditions, interest rates and general economic environments. In addition, events such as the domestic and international political environments, terrorism and natural disasters, may be unforeseeable and contribute to market volatility in ways that may adversely affect investments made by the Master Fund.

Hedging Transactions. The Master Fund may utilise financial instruments both for investment purposes and for risk management purposes in order to (i) protect against possible changes in the market value of the Master Fund's investment portfolios resulting from fluctuations in the markets and changes in interest rates; (ii) protect the Master Fund's unrealised appreciation in the value of its investment portfolio; (iii) facilitate the sale of any such investments; (iv) enhance or preserve returns, spreads or appreciation on any investment in the Master Fund's portfolios; (v) hedge against a directional trade; (vi) hedge the interest rate, credit or currency exchange rate on any of the Master Fund's investments; (vii) protect against any increase in the price of any investments the Fund anticipates purchasing at a later date; or (viii) act for any other reason that the Investment Manager deems appropriate. The Master Fund will not be required to hedge any particular risk in connection with a particular transaction or its portfolios generally. While the Master Fund may enter into hedging transactions to seek to reduce risk, such transactions may result in a poorer overall performance for the Master Fund than if it had not engaged in any such hedging transaction. Moreover, it should be noted that the portfolio will always be exposed to certain risks that may not be hedged

Emerging Market Investments. The Master Fund may invest in securities of companies located in emerging countries or issued by the governments of such countries. Investing in such securities involves certain considerations not usually associated with

investing in securities of companies located in developed countries or issued by the government of such countries, including security and economic considerations, such as greater risks of expropriation, confiscatory taxation, imposition of withholding or other taxes on dividends, interest, capital gains, other income or gross sale or disposition proceeds, limitations on the removal of funds, nationalisation and general social, political and economic instability; the small size of the securities markets in such countries and the low volume of trading, resulting in potential lack of liquidity and in price volatility; fluctuations in the rate of exchange between currencies and costs associated with currency conversion; certain government policies that may restrict the Master Fund's investment opportunities; and problems that may arise in connection with the clearance and settlement of trades. In addition, accounting and financial reporting standards that prevail in certain of such countries generally are not equivalent to standards in more developed countries and, consequently, less information is available to investors in companies located in these countries than is available to investors in companies located in more developed countries. There is also less regulation, generally, of the securities markets in emerging countries than there is in more developed countries. Placing securities with a custodian in an emerging country may also present considerable risks.

Currency Risks. 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.

Risks Related to Certain Financial Instruments

Equity Securities. The value of equity securities of public and private, listed and unlisted companies and equity derivatives generally varies with the performance of the issuer and movements in the equity markets. As a result, the Master Fund may suffer losses if it invests in equity instruments of issuers whose performance diverges from the Investment Manager's expectations or if equity markets generally move in a single direction and the Master Fund has not hedged against such a general move. The Master Fund also may be exposed to risks that issuers will not fulfil contractual obligations such as, in the case of convertible securities or private placements, delivering marketable common stock upon conversions of convertible securities and registering restricted securities for public resale.

Small and Medium Capitalisation Companies. Investments in securities of smaller-capitalisation companies involve higher risks in some respects than do investments in securities of larger "blue-chip" companies. For example, prices of securities of small-

capitalisation and even medium-capitalisation companies are often more volatile than prices of securities of large-capitalisation companies and may not be based on standard pricing models that are applicable to securities of large-capitalisation companies. Furthermore, the risk of bankruptcy or insolvency of many smaller companies (with the attendant losses to investors) may be higher than for larger, “blue-chip” companies. Finally, due to thin trading in the securities of some small-capitalisation companies, an investment in those companies may be illiquid.

Preferred Stock. Investments in preferred stock involve risks related to preferred stocks priority in the event of bankruptcy, insolvency or liquidation of the issuing company and how dividends are declared. Preferred stock ranks junior to debt securities in an issuer’s capital structure and, accordingly, is subordinate to all debt in bankruptcy. Preferred stock generally has a preference as to dividends. Such dividends are generally paid in cash (or additional shares of preferred stock) at a defined rate, but unlike interest payments on debt securities, preferred stock dividends are payable only if declared by the issuer’s board of directors. Dividends on preferred stock may be cumulative, meaning that, in the event the issuer fails to make one or more dividend payments on the preferred stock, no dividends may be paid on the issuer’s common stock until all unpaid preferred stock dividends have been paid. Preferred stock may also be subject to optional or mandatory redemption provisions.

Convertible/Exchangeable Securities. A convertible security may be subject to redemption at the option of the issuer at a price established in the convertible security’s governing instrument. If a convertible security held by the Master Fund is called for redemption, the Master Fund will be required to permit the issuer to redeem the security, convert it into the underlying common stock or sell it to a third party. Any of these actions could have an adverse effect on the Master Fund’s ability to achieve its investment objective.

Investments in Initial Public Offerings. Investments in initial public offerings (or shortly thereafter) may involve higher risks than investments issued in secondary public offerings or purchases on a secondary market due to a variety of factors, including, without limitation, the limited number of shares available for trading, unseasoned trading, lack of investor knowledge of the issuer and limited operating history of the issuer. In addition, some companies in initial public offerings are involved in relatively new industries or lines of business, which may not be widely understood by investors. Some of these companies may be undercapitalised or regarded as developmental stage companies, without revenues or operating income, or the near-term prospects of achieving them. These factors may contribute to substantial price volatility for such securities and, thus, for the value of the Master Fund.

Debt Securities. The Master Fund may invest in private debt securities and other similar instruments. The Master Fund may invest in debt instruments that are unrated, and whether or not rated, the debt instruments may have speculative characteristics. The issuers of such instruments, including sovereign issuers, may face significant ongoing uncertainties and exposure to adverse conditions that may undermine the issuer’s ability to make timely payment of interest and principal. Such instruments are regarded as predominantly speculative with respect to the issuer’s capacity to pay interest and repay principal in accordance with the terms of the obligations and involve major risk exposure to adverse conditions.

The Master Fund may invest in bonds or other fixed income securities, including without limitation “higher yielding” (including non-investment grade) debt securities. Such

securities are generally not exchange traded and, as a result, these financial instruments trade in the over-the-counter marketplace, which is less transparent and has wider bid/ask spreads than the exchange-traded marketplace. In addition, the Master Fund may invest in bonds of issuers that do not have publicly-traded equity securities, making it more difficult to hedge the risks associated with such investments. Also, the market for credit spreads is often inefficient and illiquid, making it difficult to accurately calculate discounting spreads for valuing financial instruments. High yield securities face ongoing uncertainties and exposure to adverse business, financial or economic conditions which could lead to the issuer's inability to meet timely interest and principal payments. High yield securities are generally more volatile and may or may not be subordinated to certain other outstanding securities and obligations of the issuer, which may be secured by substantially all of the issuer's assets. High yield securities may also not be protected by financial covenants or limitations on additional indebtedness. The market values of certain of these lower-rated and unrated debt securities tend to reflect individual corporate developments to a greater extent than do higher-rated securities which react primarily to fluctuations in the general level of interest rates, and tend to be more sensitive to economic conditions than are higher-rated securities. Companies that issue such securities may be highly leveraged and may not have available to them more traditional methods of financing.

Derivative Instruments. Certain swaps, options and other derivative instruments may be subject to various types of risks, including market risk, liquidity risk, the risk of non-performance by the counterparty (including risks relating to the financial soundness and creditworthiness of the counterparty), legal risk and operations risk. In addition, the Master Fund may, in the future, take advantage of opportunities with respect to certain other derivative instruments that are not presently contemplated for use or that are currently not available. Special risks may apply in the future that cannot be determined at this time. The regulatory and tax environment for derivative instruments in which the Master Fund may participate is evolving, and changes in the regulation or taxation of such financial instruments may have a material adverse effect on the Master Fund.

The Master Fund may incur risks associated with the sale and purchase of put options. The seller (writer) of a put option which is covered (i.e., the writer has a short position in the underlying security) assumes the risk of an increase in the market price of the underlying security above the sales price (in establishing the short position) of the underlying security plus the premium received, and gives up the opportunity for gain on the underlying security if the market price falls below the exercise price of the option. The seller of an uncovered put option assumes the risk of a decline in the market price of the underlying security below the exercise price of the option. The buyer of a put option assumes the risk of losing its entire investment in the put option.

Commodity-Related Instruments. The production and marketing of commodities may be affected by actions and changes in governments. In addition, commodity-related instruments may be cyclical in nature. During periods of economic or financial instability, commodity-related instruments may be subject to broad price fluctuations, reflecting volatility of energy and basic material prices and possible instability of supply of various commodities. Commodity-related instruments may also experience greater price fluctuations than the relevant commodity. In periods of rising commodity prices, such instruments may rise at a faster rate; and conversely, in times of falling commodity prices, such instruments may suffer a greater price decline.

The Master Fund may seek to gain exposure to the commodity markets by investing in commodity swap agreements, and may also invest in other commodity-linked derivatives. The value of a commodity-linked derivative investment generally is based upon the price

movements of a physical commodity (such as energy, mineral or agricultural products), a commodity futures contract or commodity index, or other economic variable based upon changes in the value of commodities or the commodity markets.

The risk of loss in trading commodities can be substantial. If the Master Fund purchases a commodity option, it may sustain a total loss of the premium and of all transaction costs. If the Master Fund purchases or sells a commodity futures contract or sells a commodity option, it may sustain a total loss of the initial margin funds and any additional funds that it deposits with its broker to establish or maintain its position. If the market moves against its position, the Master Fund may be called upon by its broker to deposit a substantial amount of additional margin funds, on short notice, in order to maintain its position. If it does not provide the requested funds within the prescribed time, its position may be liquidated at a loss, and it will be liable for any resulting deficit in its account.

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.

Forward Trading. Forward contracts and options thereon, unlike futures contracts, are not traded on exchanges and are not standardised; rather, banks and dealers act as principals in these markets, negotiating each transaction on an individual basis. Forward and "cash" trading is substantially unregulated; there is no limitation on daily price movements and speculative position limits are not applicable. The principals who deal in the forward markets are not required to continue to make markets in the currencies or commodities they trade, and these markets can experience periods of illiquidity, sometimes of significant duration. There have been periods during which certain participants in these markets have refused to quote prices for certain currencies or commodities or have quoted prices with an unusually wide spread between the price at which they were prepared to buy and that at which they were prepared to sell. Disruptions can occur in forward markets due to unusually high trading volume, political intervention or other factors.

Repurchase and Reverse Repurchase Agreements. The Master Fund may enter into repurchase and reverse repurchase agreements. When the Master Fund enters into a repurchase agreement, it "sells" securities to a broker-dealer or financial institution, and agrees to repurchase such securities on a mutually agreed date for the price paid by the broker-dealer or financial institution, plus interest at a negotiated rate. In a reverse repurchase transaction, the Master Fund "buys" securities issued from a broker-dealer or financial institution, subject to the obligation of the broker-dealer or financial institution to repurchase such securities at the price paid by the Master Fund, plus interest at a negotiated rate. The use of repurchase and reverse repurchase agreements by the Master Fund involves certain risks. For example, if the seller of securities to the Master Fund under a reverse repurchase agreement defaults on its obligation to repurchase the underlying securities, as a result of its bankruptcy or otherwise, the Master Fund will seek to dispose of such securities, which action could involve costs or delays. If the seller becomes insolvent and subject to liquidation or reorganisation under applicable bankruptcy or other laws, the Master Fund's ability to dispose of the underlying securities may be restricted. It is possible, in a bankruptcy or liquidation scenario, that the Master

Fund may not be able to substantiate its interest in the underlying securities. Finally, if a seller defaults on its obligation to repurchase securities under a reverse repurchase agreement, the Master Fund may suffer a loss to the extent that it is forced to liquidate its position in the market, and proceeds from the sale of the underlying securities are less than the repurchase price agreed to by the defaulting seller. Similar elements of risk arise in the event of the bankruptcy or insolvency of the buyer.

Item 9: Disciplinary Information

We have no legal or disciplinary events to report in response to this item.

Item 10: Other Financial Industry Activities and Affiliations

Ruby Capital and its employees do not have any relationships or arrangements with other financial services companies that pose material conflicts of interest. Our personnel are committed to devoting the majority of their time as needed to the management of the client accounts.

Infusive Asset Management serves as investment manager to the Firm with responsibility for the investment and reinvestment of the assets of the Master Fund subject to the overall supervision, control and policies of the board of directors of the Master Fund.

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

Code of Ethics and Employee Investment Policy

Pursuant to the Code of Ethics Rule under the Investment Advisers Act of 1940 (the “Advisers Act”), we have adopted a Code of Ethics. Our Code of Ethics is based on the principles that our employees:

- must at all times place the interests of our clients first;
- must make sure that all personal securities transactions are conducted consistent with our “Employee Investment Policy”; and
- must not take inappropriate advantage of their positions with us or knowledge of our activities on behalf of our clients for their personal benefit.

All employees are required to certify their adherence to the Code of Ethics annually. In addition, employees must obtain the approval of our chief compliance officer (the “CCO”) before acquiring securities for their own account in an initial public offering, before engaging in any outside business activities and before buying privately placed securities.

Our Employee Investment Policy applies to all personal transactions involving equity, debt, options, or futures. It does not apply to transactions involving government securities, open-end mutual funds, money market funds or other securities with respect to which reporting of transactions is not required under the Codes of Ethics Rule.

All of our employees are instructed to direct their brokers to send duplicate brokerage statements to the CCO. These records are used to monitor compliance with the Employee Investment Policy.

Our Code of Ethics is available to clients upon request.

Item 12: Brokerage Practices

We will have discretionary authority to manage the Master Fund, including the authority to make decisions with respect to which securities are bought and sold, the amount and price of those securities, the brokers or dealers to be used for a particular transaction, and the commissions paid. Our authority is governed by the terms of the investment management agreement governing our relationship with the Master Fund.

The Investment Manager is authorised to determine the brokers or dealers to be used for each securities transaction for the Master Fund. It is the Investment Manager's policy when executing securities transactions to take all reasonable steps to obtain the best possible result taking into consideration relevant "execution factors", including price, costs, speed, likelihood of execution and settlement, size, nature or any other consideration relevant to the execution of the transaction.

Soft Dollar Usage

We may take into account broker-dealers' research ideas, analysis and thoughts concerning investment strategies in selecting which broker-dealers to use. Currently, we do not enter into "soft dollar" arrangements with brokers – that is, pay a higher brokerage fee than is necessary to obtain best execution for client transactions in order to obtain research and additional brokerage services from a broker. We may, however, engage in soft dollar arrangements in the future and, if so, we will comply with the safe harbor provision under Section 28(e) of the Securities Exchange Act of 1934.

Aggregation of Orders

When we purchase or sell the same security for the account of two or more client accounts, we may aggregate trade orders for the participating client accounts in order to achieve more efficient execution or to provide for equitable treatment among the accounts. The client accounts participating in aggregated trades will be allocated securities based on the average price achieved for such trades.

Allocation

Our policy prohibits any allocation of trades in a manner that would favor any particular client(s) or group of clients over other clients.

We have adopted a policy for the fair and equitable allocation of transactions that generally analyses each trade on an investment by investment basis, taking into consideration the specifics of each trade and the characteristics of each client account. To the extent that multiple accounts participate in a particular transaction and it is not feasible to purchase or sell the instrument in question for all such accounts in the full desired quantity or at the best obtainable price, purchases or sales will generally be allocated pro-rata among such client accounts, unless facts specific to the transaction and the trade warrant an alternative allocation methodology. The CCO will document the reason for any alternative allocation method.

Trade Errors

The Investment Manager will seek to detect Trade Errors prior to settlement and promptly correct and mitigate any Trade Error Losses. If an IM Indemnified Party (or broker or agent of the Master Fund selected, engaged or retained by such IM Indemnified Party) is entitled to exculpation pursuant to the Investment Management Agreement in connection with the acts or omissions that result in any Trade Error Loss, such Trade Error Loss will be borne directly out of the assets of the Master Fund. The Investment Manager will evaluate each Trade Error to determine whether a particular Trade Error Loss must be paid for by the Master Fund. To the extent that a Trade Error is caused by a counterparty of the Master Fund, such as a broker or agent, the Investment Manager will seek to recover any related Trade Error Losses from such counterparty. The Investment Manager in its sole discretion may offset any Trade Error Income with Trade Error Losses.

Item 13: Review of Accounts

Review of Accounts

We will review the Master Fund account on a continual basis to assess its investment performance, positions and cash balances and to assure conformity with the Master Fund account's investment objectives and guidelines. We provide monthly or quarterly reports (as requested by a client) to our clients concerning the performance of their accounts and are available for client consultation at any time during normal business hours.

Item 14: Client Referrals and Other Compensation

We do not currently utilize any third-party marketers or solicitors and do not receive an economic benefit from any other person for providing our investment management services to our clients.

Item 15: Custody

This item currently does not apply to Ruby Capital.

Item 16: Investment Discretion

Subject to restrictions set forth in the applicable investment management agreement, our management agreements may contain a power of attorney granting us discretionary authority to determine, without obtaining specific consent, securities to be bought or sold, the amount of securities to be bought or sold, the broker-dealer to be used, and the commission rates paid.

Item 17: Voting Client Securities

Proxy Voting Policy

Clients may or may not delegate proxy voting authority to us with respect to the securities held in their accounts. If proxy voting authority is delegated to us, we will exercise the applicable voting rights in a manner that we believe to be in the client's best interest, and we will not seek (and we will not accept) the client's instructions on how to vote. If a client does

not delegate such powers to us, we assure that the client's custodian is instructed to send proxy materials to the client and do not offer the client advice as to how to vote. We believe we will not generally have conflicts of interest in voting securities on behalf of our clients because we will have no affiliations with the issuers of the securities for which we may vote proxies. If, unusually, one of our principals or employees holds another class of securities in an issuer whose securities are held in a client account and the interests of the holders of that other class of securities could be adversely affected by a vote of the client account's securities, we will take measures to assure that the principal or employee in question does not participate in or influence the decision as to how to vote the client account's securities.

Upon request, we will provide our clients with a copy of our proxy voting policies and procedures and/or a record of all proxy votes cast for such client.

Item 18: Financial Information

We are not required to provide a balance sheet or other disclosures under this item.