

Galtere Inc. Part 2A of Form ADV The Brochure

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This brochure provides information about the qualifications and business practices of Galtere Inc. If you have any questions about the contents of this brochure, please contact us at 212-598-1837. 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 the Applicant is also available on the SEC's website at: www.adviserinfo.sec.gov.

Material Changes

We last filed an annual update to this Brochure in March 2015 and have not updated this Brochure since that annual update. While this update to our Brochure contains changes and updates to certain information, we do not feel that they constitute material changes since we last filed the annual update of this Brochure.

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Advisory Business

Galtere Inc. provides investment advisory services to private funds (herein referred to as the “Funds”) and is a sub-adviser to a registered investment company (the “RIC”). The Funds and the RIC shall herein be collectively referred to as “Clients”.

Galtere Inc. was founded in 1997 and is 100% owned by The Renee Haugerud Revocable Trust. As of December 31, 2015 Galtere Inc. managed approximately \$298 million on a discretionary basis on behalf of 4 Clients.

Fees and Compensation

Galtere Inc.’s compensation is in all cases in accordance with the Funds’ private placement memoranda or Client advisory agreement(s). The management fees are accrued and paid at the end of each month based on the value of the assets of each capital account as of month end. Fees are negotiable at Galtere Inc.’s discretion. If the Management Agreement is terminated as of a date other than the last day of a calendar month, the standard management fee will be prorated for the number of days in the month during which the management agreement was effective. Incentive fees will be crystallized and due as of the termination date.

In addition to the fees noted above, investors will also bear indirectly the fees and expenses charged to the Funds. Galtere Inc. will pay all overhead expenses, including salaries, rent and all of its operating costs. The Funds pay all other expenses (or an allocable portion of expenses as shared with the management company) and include, without limitation: legal, compliance, administrator, audit and accounting expenses, escrow, recordkeeping, clerical expenses, investment expenses such as commissions, research fees and expenses (including software and hardware expenses in connection with the provision of research and data, as well as research-related travel, meals and lodging expenses), expenses incurred in connection with Board meetings, Directors' fees and reimbursable expenses (including travel expenses incurred by the Director for Fund related matters), insurance costs, expenses for administrative services, printing and duplication expenses, mailing costs, filing fees, taxes, and expenses for preparation of reports prepared by Galtere Inc., external consultants, and auditors, and other operating expenses. Galtere Inc. may also allocate certain third-party costs and expenses in connection with the purchase, implementation, and maintenance of third-party software, systems, and platforms used by Galtere Inc. in furtherance of the administration and operation of the funds and in order to ensure compliance by the Funds with applicable rules and regulations. The operating expenses allocated to the Funds may include, without limitation, costs related to certain compliance and regulatory filings and obligations of Galtere Inc., such as position reporting and the preparation of various regulatory reports. The Funds also pay the expenses incurred in connection with the continuing offering of Shares or interests in the Funds, including without limitation costs related to registering or making such securities available for sale in certain jurisdictions, costs related to specific jurisdictional or position reporting related to any or all investors, costs related to the preparation and printing of constituent documentation, offering memoranda, promotional material, and contracts. The Funds are also obligated to pay any extraordinary expenses including without limitation the expenses incurred in connection with any non-recurring litigation.

On occasion, Galtere Inc. may cause a Fund to invest in another partnership managed by Galtere Inc. In these cases, fees to the underlying Fund will be waived.

Galtere Inc. may enter into distribution agreements to compensate placement agents for the placement of interest in the Funds. Shares of the RIC are not sold by Galtere Inc. Please read the prospectus for the RIC for information on how shares of the RIC are sold.

Performance Based Fees and Side-by-Side Management

Performance-based fee arrangements may create an incentive for Galtere Inc. to recommend investments that may be riskier or more speculative than those that may be recommended under a different fee arrangement. In the allocation of investment opportunities, performance-based fee arrangements may also create an incentive for Galtere Inc. to make investments on behalf of Clients with performance or incentive fee arrangements over Clients that are not charged, or from which we will not receive a performance fee. Galtere Inc. has adopted aggregation and allocation of investments procedures ("Allocation Procedures") designed to ensure that all Clients are treated fairly and equally and to prevent this form of conflict from influencing the allocation of investment opportunities among Clients. Galtere Inc. will offer Clients the right to participate in all investment opportunities that it determines are appropriate for the Client in view of relative amounts of capital available for new investments, the investment programs, and the portfolios of

Clients. In accordance with its Allocation Procedures, Galtere Inc. will endeavor to treat each Client in a fair and equitable manner.

Types of Clients

Galtere Inc. provides investment advisory services to private funds and is a sub-adviser to a registered investment company. The minimum subscription that will be accepted from a new shareholder in the Funds is \$2,500,000, with any amount in excess thereof to be subscribed in increments of \$100,000. Galtere Inc., in its discretion, may waive or reduce these minimums.

Methods of Analysis, Investment Strategies and Risk of Loss

Galtere Inc.'s approach to trading and investing for the Funds and the Managed Accounts seeks to provide absolute positive returns, primarily through the employment of a "Profile and Theme" investment approach. Typically, commodities make up the bulk of managed portfolios, with the next largest exposure in foreign exchange, followed by fixed income and equity holdings. Combining the discretionary theme-based investment selection with Galtere Inc.'s proprietary technical process for pricing and risk management, Galtere Inc. attempts to establish portfolios with low correlation to most asset classes while attempting to limit volatility.

This approach utilizes top-down relative-value analysis in theme identification. Within each individual theme, intrinsic value criteria are applied, resulting in trade formation. Galtere Inc. believes this two-pronged approach limits risk while simultaneously maximizing returns of profile realignments.

The Funds' and RIC's investments will be driven primarily by intrinsic value investing versus informational trading. Technical analysis is used extensively for entry and exit of specific trades. The majority of investment analysis, however, will be fundamental in nature.

The following is a summary of some of the material risks associated with the strategies expected to account for a significant portion of Clients' trading. This summary does not attempt to describe all of the risks associated with an investment in the Funds or the RIC. **Any investor could be subject to material risks that are not so described, and additional risks regarding Funds are disclosed in the offering materials of each Fund or the prospectus, in the case of the sub-advised RIC. We encourage investors to carefully review the full description of risk factors presented in their Fund's offering materials.**

Non-U.S. Exchanges

The Funds will trade in futures contracts on exchanges located outside of the United States. Some non-U.S. commodity exchanges, unlike U.S. exchanges, are "principals' markets" in which performance with respect to a futures interest contract is the responsibility only of the individual member with whom the trader has entered into the contract and not of the exchange or clearinghouse, if any. The Funds will be subject to the risk of the inability of or refusal by its counterparties to perform with respect to their respective contracts with the Funds. Trading on such exchanges is not regulated by any U.S. regulator and may therefore be subject to greater risk than trading on U.S. exchanges. In addition, unless the Funds' hedge against fluctuations in the

exchange rate between the U.S. Dollar and currencies in which trading is done on such exchanges, any potential profits could be eliminated and losses could be incurred as a result of adverse changes in the relevant exchange rate. There can be no assurance that any such hedges, if undertaken by the Funds, would be effective to eliminate or minimize such risk of loss. Additionally, the Funds may not have the same access to certain trades as do various other participants in non-U.S. markets.

Options

The Funds may engage in the trading of options, such as options on securities, futures contracts, and equity indices, both on and off exchanges. Such trading involves risks substantially similar to those involved in trading futures contracts or margined securities, in that options are speculative and highly leveraged. Specific market movements of the securities or commodity interests underlying an option cannot accurately be predicted. The purchaser of an option is subject to the risk of losing the entire purchase price of the option. The writer of an option is subject to the risk of loss resulting from the difference between the premium received for the option and the price of the item underlying the option, which the writer must purchase or deliver upon exercise of the option.

Swaps

The Funds enter into swap transactions for trading and risk mitigation purposes. The use of securities, interest rate, credit, currency, equity, commodity, index, and total return swaps, swaptions, and interest rate caps, floors, and collars is a highly specialized activity that involves investment techniques and risks different from those associated with ordinary securities transactions. Swaps are individually negotiated transactions where each party agrees to make a one-time payment or periodic payments to the other party. The parties to a swap typically do not obligate themselves to make “principal” payments, but only to pay the agreed upon rates or amounts as applied to an agreed upon “notional” amount. Nevertheless, most swap agreements are currently principal-to-principal transactions in which performance is the responsibility of the individual counterparty and not an organized exchange or clearinghouse. As such, the Funds are exposed to the risk of counterparty default. However, new regulations, certain of which have already been implemented, will require that a substantial portion of over-the-counter swaps be executed in regulated markets, submitted for clearing through regulated clearinghouses, subject to mandated margin requirements, and/or subject to mandatory reporting requirements. Nonetheless, Galtere Inc.’s forecasts of securities and commodity market values, interest rates, and currency exchange rates may be inaccurate and may result in overall Fund performance results that are worse than the results that would have been achieved if the Funds did not engage in swap transactions.

Concentration

There are no restrictions on the investment discretion of the Galtere Inc. Accordingly, the Funds are not restricted from concentrating, and may concentrate, its positions in particular markets or in a small number of asset classes. As a result, the Funds are subject to greater short-term volatility than if the Funds were required to diversify its holdings. If the Funds concentrates positions in a specific market sector or asset class, the Funds will be subject to the risks of that market sector or

asset class, such as sensitivity to regulatory changes or overall market swings, and may be more susceptible to risks associated with a single economic, political, or regulatory circumstance or event than a more diversified portfolio might be. Losses in one or more large positions, or a downturn in a market sector in which the Funds are concentrated, could materially adversely affect the Funds' performance in a particular period and could have a material adverse effect on the Funds' overall financial condition.

Leverage

The Funds employ different forms of leverage in its investment program. The Funds may purchase securities on margin. Any gain in the value of securities purchased with borrowed money or income earned from these securities that exceeds interest paid on the amount borrowed would cause the Funds' Net Asset Value to increase faster than would otherwise be the case. Conversely, any decline in the value of the securities purchased would cause the Funds' Net Asset Value to decrease faster than would otherwise be the case. The Funds may enter into futures contracts. Because of the low margin deposits normally required in futures trading, a high degree of leverage is typical of a futures trading account. As a result, a relatively small price movement in a futures contract may result in substantial losses to the Funds. The Funds may enter into over-the-counter derivative instruments or write or purchase exchange-traded or over-the-counter option contracts. Such instruments are inherently leveraged (*i.e.*, give the Funds' exposure to notional positions greater than the amount of margin, or purchase price, required to enter into or maintain the position). A leveraged trade may result in losses to the Funds in excess of the amount invested. The Funds may at times be a highly leveraged product, and as such is appropriate only for those investors that can accept high volatility and its associated risks.

Disciplinary Information

Galtere Inc. and its employees have not been involved in any legal or disciplinary events in the past 10 years that would be material to a Client's evaluation of the company or its personnel.

Other Financial Industry Activities and Affiliations

No Galtere Inc. management persons are engaged in other financial industry activities or affiliations.

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

At times Galtere Inc.'s employees may buy or sell securities for their own account which are also recommended to Client accounts. Galtere Inc. may recommend securities or investment products in which the Galtere Inc. or a related person has some financial interest. To avoid any potential conflicts of interest involving personal trades, Galtere Inc. has adopted a Code of Ethics. Galtere Inc.'s Code of Ethics requires, among other things, that Employees:

- Act within an ethical manner with the public, Clients, prospective Clients and investors;
- Place the interests of Clients above their own personal interests;
- Not take inappropriate advantage of their position;
- Avoid actual or potential material conflict of interest;

- Conduct all personal securities transactions in a manner consistent with this policy;
- Use reasonable care and exercise independent professional judgment when conducting investment analysis, making investment recommendations, taking investment actions, and engaging in other professional activities;
- Uphold the rules governing, capital markets;
- Comply with applicable provisions of the federal securities laws.
- Personal securities' trading is restricted at Galtere. Employees must pre-clear all allowable personal trades including trades of immediate family living in the same household.

Galtere Inc.'s Code of Ethics also requires Employees to: 1) pre-clear allowable personal securities transactions, 2) report personal securities transactions on at least a quarterly basis, and 3) provide Galtere Inc. with a detailed summary of certain holdings (both initially upon commencement of employment and annually thereafter) over which such Employees have a direct or indirect beneficial interest. In the event an outside business activity presents a material conflict of interest with Galtere Inc.'s Clients, Galtere Inc. reserves the right to restrict these outside business activities. Employees are required to disclose all outside business activities to Galtere Inc.'s CCO, Jennifer Provenzano.

A copy of Galtere Inc.'s Code of Ethics shall be provided to any investor upon request.

Galtere Inc.'s related persons are general partners to certain pooled investment vehicles in which other Clients may be solicited to invest. In such cases Galtere Inc. may offset or forgo certain management and incentive fees.

Brokerage Practices

As a matter of policy, Galtere Inc. does not enter into formal soft dollar arrangements or other arrangements that would commit Galtere Inc. or its Clients to any specific or implied level of trading. As an institutional money manager, Galtere Inc. may receive access to research made available through brokerage counterparties. Galtere Inc. believes this research is available to all institutional money managers of similar size.

Galtere Inc. strives to select broker-dealers that provide Clients with best execution capabilities and qualities. Certain brokers are utilized or recommended to Clients due to their presence in certain markets and ability to trade certain securities. Incidental to Galtere Inc.'s role as an institutional manager Galtere Inc. may have access to research provided by broker-dealers. However research is not a determining factor for placement of trades or execution.

On occasion Galtere Inc.'s Clients instruct Galtere Inc. to utilize a specific prime broker to custody assets and settle transactions ("directed prime brokerage"). In other instances Clients may instruct Galtere Inc. to utilize specific brokers/dealers to execute some or all of the Client's trades ("directed brokerage"). In such circumstances where the Client instructs Galtere Inc. to adhere to a directed prime brokerage or a directed brokerage mandate, Galtere Inc. will be restricted from freely seeking better custodial, settlement and/or execution services. In the case of directed brokerage, Galtere Inc. may be impeded from aggregating the Client's transactions with orders for other accounts advised or managed by Galtere Inc. Clients that direct prime brokerage

or direct brokerage may or may not be paying more for the services than if Galtere Inc. were given discretion to choose. Clients bear the sole responsibility for analyzing the cost effectiveness of their directed arrangements.

Review of Accounts

Renee Haugerud, Chief Investment Officer, and Satya Chitneedi, Operations and Risk Manager, review advisory accounts on a daily basis. A number of factors including, but not limited to, international trade treaties, country specific macroeconomic events or policies, political occurrences, weather patterns, natural disasters, research or technological development, company specific events, public filing disclosures, and/or general market price movements may trigger the to consider a new investment or review an existing position.

Galtere Inc. furnishes audited financial statements for its Master Funds and their feeder funds to investors on an annual basis. The Funds' financial statements including their holdings are examined by the independent certified public accountants.

Net asset value quotations as of the close of the most recent calendar month may be available for certain Funds upon request. Investors have access to their respective Fund's books and records in Galtere Inc.'s offices at all reasonable times and on reasonable notice. In addition, Galtere Inc. may issue monthly or quarterly holdings reports for certain of the Funds as well as general market commentary.

In addition, at the request of certain investors due to legal/regulatory constraints that must be followed by some of our underlying investors and/or the specific needs and requests by certain investors, Galtere Inc. may at its discretion, agree to provide certain investors more frequent reports and/or certain other reports than those described above.

Client Referrals and Other Compensation

Galtere Inc. has entered into arrangements with a placement agent who is paid fees based upon the capital raised in the Funds. Investors generally are not subject to any incremental fees in connection with the referral.

Custody

All Client assets are held in custody by unaffiliated broker/dealers or banks; however Galtere Inc. may have access to Client accounts if the client is a limited partnership and Galtere Inc. serves as the general partner of the partnership. In this case, limited partners of the partnership will not receive statements from the custodian. Instead limited partners receive monthly statements from the Fund's administrator. Additionally, the partnership is subject to an annual audit and the audited financial statements are distributed to each limited partner. The audited financial statements will be prepared in accordance with generally accepted accounting principles and distributed within 120 days of the partnership's fiscal year end.

Investment Discretion

The Funds will invest and trade in currencies, debt securities of U.S. and non-U.S. issuers, equities, physical commodities, derivative securities, forward and option contracts, real estate and other related investments. To the extent permitted by applicable law and rules, and subject to any registration that may be required or an opinion of counsel that such registration is not required, the Funds may invest and trade in futures contracts and options thereon (collectively, “commodities contracts”). The Funds may also engage in short sales of such financial instruments in both domestic and foreign markets. The Funds may trade securities and other financial instruments on margin and arrange with banks, brokers and others to borrow money in order to employ leverage when it deems such action appropriate and in the best interest of the Funds.

The Funds’ private placement memorandum and investment management agreements authorize Galtere Inc. to use a broad range of investment vehicles and strategies with very few, if any, limitations. For a complete explanation of the managers trading and portfolio management authority please request a copy of Galtere Inc.’s private placement memorandum and/or investment management agreement.

Galtere Inc.’s employees take utmost care in making and implementing investment decisions on behalf of client accounts. To the extent that any errors occur, they are to be (a) corrected as soon as practicable, (b) reported to the CCO, and (c) scrutinized carefully with a view toward implementing procedures to prevent or reduce future errors, if necessary. Absent any specific trade error policies and procedures in a private Fund’s offering documents, limited partnership agreement or subscription agreement, it shall be Galtere Inc.’s policy to reimburse the Fund for any trade errors that are committed by Galtere Inc. as a result of gross negligence. The CCO and the CIO shall be responsible for reviewing trading errors on a case by case basis to determine whether the error was in fact committed by Galtere Inc.

In the event a managed account incurs a trade error as a result of Galtere Inc.’s gross negligence, trade errors are to be (i) corrected by Galtere Inc. as soon as practicable, in a manner such that the client incurs no loss and (ii) promptly reported to the CCO.

Voting Client Securities

Although the overwhelming majority of securities utilized in Galtere Inc.’s investment strategy do not issue proxies, certain equity positions held in Client accounts may occasionally solicit shareholder votes. Galtere Inc. continuously and regularly monitors issuer proxies to determine whether a vote is material to shareholder value and in the best interest of Clients. When a vote is deemed material to shareholder value it is Galtere Inc. policies to vote in a manner which the Company believes will increase shareholder value the most or decrease shareholder value the least. Galtere Inc. may abstain from voting if it deems that abstinence is in its Clients’ best interests or when Galtere Inc. has determined that the vote is immaterial to the value of the securities held by the Client.

If Galtere Inc. detects a conflict of interest, the Company will abide by the following procedures:

- The CCO or Portfolio Manager will create a memo describing the proxy vote under consideration and identify the perceived conflict of interest. The memo will discuss the Portfolio Manager's will also propose the course of action that they believe is in the Clients' best interests.
- The CCO will review any documentation associated with the proxy vote and evaluate the Portfolio Manager's proposal. The CCO may consider, among other things:
 - A vote's likely short-term and long-term impact on the Issuer;
 - Whether the Issuer has responded to the subject of the proxy vote in some other manner;
 - Whether the issues raised by the proxy vote would be better handled by some other action by the government or the Issuer;
 - Whether implementation of the proxy proposal appears likely to achieve the proposal's stated objectives; and
 - Whether the Portfolio Manager's proposal appears consistent with Clients' best interests.

After taking a reasonable amount of time to consider the proposal, the CCO and the Portfolio Manager will make a recommendation regarding the proxy vote.

Galtère Inc. will evaluate the necessity to participate in shareholder class action litigation and similar matters. Galtère Inc. will not participate in class action litigation unless it has been determined that it would be in the best interest of our Clients. Galtère Inc. generally does not serve as the lead plaintiff in class actions because the costs of such participation typically exceed any extra benefits that accrue to lead plaintiffs.

Current investors and Clients may request a copy of Galtère Inc.'s full proxy voting policies and procedures and record. Please contact Galtère Inc.'s main office at (212) 598-1837.

Financial Information

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