

Dialectic Capital Management, LP

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This Brochure provides information about the qualifications and business practices of Dialectic Capital Management, LP. If you have any questions about the contents of this Brochure, please contact the Chief Compliance Officer (“CCO”), Bernadette Murphy at 212-230-3232 or by email at Bernadette.Murphy@dialecticcapital.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 Dialectic Capital Management, LP is also available on the SEC’s website at www.adviserinfo.sec.gov

Registration of an investment adviser does not imply that Dialectic Capital Management, LP 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

On April 13, 2017, Dialectic Capital Management, LP, Dialectic Capital, LLC (collectively “Dialectic”), and John Fichthorn entered into an asset purchase and assignment agreement (the “Agreement”) with BR Dialectic Capital Management LLC (“BRDCM”), pursuant to which Dialectic assigned certain rights and obligations related to the management of Dialectic Antithesis Partners, LP, Dialectic Antithesis Offshore, Ltd., Dialectic Antithesis Opportunities II Fund, LP, Dialectic Capital Partners, LP and Dialectic Offshore, Ltd. (collectively the “Funds”) to BRDCM. Pursuant to the Agreement, Dialectic transferred all of its rights and obligations as investment manager of the Funds pursuant to certain Investment Management Agreements between the investment manager and the Funds (the “IMAs”) to BRDCM. In addition, BRDCM purchased certain assets and assumed certain liabilities related to the IMAs, including, without limitation an office lease and certain third party provider agreements. BRDCM also hired the employees of Dialectic to continue to provide investment management services to the Funds. The transaction closed on April 13, 2017. Pursuant to the Agreement, BRDCM was also substituted as the general partner of the partnership Funds, effective May 1, 2017.

Item 8, 12, 14 and 17 have been updated to reflect the fact that the Adviser now only has one Client, a Fund that only invests in Real Estate.

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Item 4: Advisory Business

Dialectic Capital Management, LP (the “Adviser” or “we”, “us”, “our” or the “Firm”) provides investment advisory services. The Adviser has its principal place of business in New York, New York. The Adviser commenced operations as an investment adviser in June, 2003, and is owned by John Fichthorn. The Adviser converted from Dialectic Capital Management, LLC to Dialectic Capital Management, LP effective October 2015. We serve as the investment adviser to and also provide investment management services to one non-U.S. privately offered pooled investment vehicles which is referred to as a “Fund” or “Clients”. We do not tailor our advisory services to the individual needs of investors in the Funds (the “Investors”). Our Investors may not impose restrictions on investing in certain securities or types of securities.

While all current Clients of Dialectic are Funds, this brochure has been prepared to provide meaningful information to the investors in those Funds. It should be noted that the Firm’s Clients and Investors are sophisticated and generally known to have an informed understanding of investing in unregistered securities. The information that follows in this brochure has been prepared with this intended audience in mind.

As of December 29, 2017, the Registrant had US\$4,911,351 million in regulatory assets under management to which it provides advice on a discretionary basis.

Throughout this brochure, we disclose a number of conflicts of interest and provide summaries of a number of our policies and procedures designed to detect and address these conflicts and others. We encourage Investors, and prospective investors to review our policies and procedures and inquire directly with us about our conflicts. Our compliance policies and procedures are available for review in our offices. In addition, conflicts of interest and specific risks are identified in the offering materials of Funds that we manage. Please request a copy of the relevant Fund’s most current offering materials for a description of other conflicts and risks that might exist.

Item 5: Fees and Compensation

The Adviser (or its affiliates) receives both a management fee (a percentage of assets under management) and incentive allocation/fee (based on net capital appreciation).

We generally receive a management fee from the Funds at an annual rate ranging from 1.0% to 2.25% of the net asset value of the Fund on the first business day of each Calendar Quarter.

The management fee is accrued monthly and deducted quarterly in advance from the Fund. The management fee is prorated for any period that is less than a full calendar quarter and will be adjusted for subscriptions occurring during the quarter.

The Adviser will also be paid a performance-based fee, which is compensation that is based on a share of capital gains on or capital appreciation of the assets of a Client (such as a Client that is a hedge fund or other pooled investment vehicle). This compensation may be paid to the Adviser or to a related person of the Adviser.

The Funds, with the consent of the Adviser, may, in effect, waive or modify the management fee or incentive fee/allocation for Investors who are employees or affiliates of the Adviser, relatives of such persons, and for certain large or strategic investors.

After calculating the management fees and the incentive allocation/fee, and confirming such amounts with the Adviser, the Fund's administrator deducts the management fee and/or incentive fee/allocation from the Clients (or Investors, as applicable).

The Funds pay for their own organizational and initial offering expenses as well as for their operating expenses including, but not limited to, all custodial charges, brokerage fees, commissions and related costs; interest expenses; taxes, duties and other governmental charges; transfer and registration fees or similar expenses; costs associated with foreign exchange transactions; acquisition fees and other portfolio expenses, and all accounting, auditing, tax preparation, legal, administration, research, and trading costs.

The Adviser or one of its affiliates may receive placement fees from a portfolio investment of such Private Funds that invests in Real Estate ("Placement Fees"). The management fee received by the Adviser to such Private Fund or one of its affiliates may be reduced by the amount of Placement Fees received by such Adviser or affiliate. The extent to which Placement Fees may reduce the management fee of such Private Fund is set forth in such Private Fund's governing documents. Further details on Placement Fees and how they affect the management fees of such Private Fund may be found in the relevant governing documents of such Private Fund.

The offering memorandum, subscription agreement and/or other governing document of each unregistered pooled investment fund sets forth the details of all applicable fees and expenses.

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

As noted in Item 5 above, all Funds pay us certain performance-based fees based on the net capital appreciation of the Fund's assets under management. Net capital appreciation includes: (1) unrealized appreciation of assets; and (2) realized gains and losses.

The Adviser and its investment personnel provide investment management services to a single Fund. The Adviser is entitled to be paid performance-based compensation by its private pooled investment vehicle Clients. If the Adviser were to have other Fund Clients, certain Funds may have higher incentive allocations/fee arrangements than other Funds. When the Adviser and its investment personnel manage more than one Client account a potential exists for one Client account to be favored over another Client account. The Adviser and its investment personnel have a greater incentive to favor Client accounts that pay the Adviser higher fees.

The Adviser has adopted and implemented policies and procedures intended to address conflicts of interest relating to the management of multiple Funds and the allocation of investment opportunities. The Adviser reviews investment decisions for the purpose of ensuring that all accounts with substantially similar investment objectives are treated equitably. The performance of similarly managed accounts is also regularly compared to determine whether there are any unexplained significant discrepancies. In addition, the Adviser's procedures relating to the allocation of investment opportunities require that similarly managed accounts participate in investment opportunities pro rata based on asset size and require that, to the extent orders are aggregated, the Client orders are price-averaged. Finally, the Adviser's procedures also require the objective allocation for limited opportunities (such as initial public offerings and private placements) to ensure fair and equitable allocation among accounts. These areas are monitored by the Adviser's Chief Compliance Officer. However, as noted above, the Adviser currently has only one Client.

Item 7: Types of Clients

As noted in Item 4 above, we currently provide portfolio management services to one Fund (which is organized as a foreign partnerships). Investors in the Fund consist primarily of institutional investors, and high net worth individuals.

The Fund is offered and sold, in most cases, solely to "accredited investors" (as defined in Regulation D under the Securities Act of 1933, as amended), "qualified purchasers" and "knowledgeable employees" (under Section 2(a)(51) and Rule 3c-7 or 3c-1 of the Investment Company Act of 1940, as amended), and "qualified clients" (under Rule 205-3 of the Investment Advisers Act of 1940, as amended).

With respect to the Fund, any initial and additional subscription minimums are disclosed in the offering memorandum for such Fund.

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

Methods of Analysis & Investment Strategy

The Adviser utilizes a variety of methods and strategies to make investment decisions and recommendations. The method of analysis used is primarily fundamental research.

The Adviser employs the following investment strategies in the management of its Fund:

Real Estate. When advising on global real estate, the Adviser makes investment decisions based upon a value biased, bottom up methodology, ensuring each asset ‘investment case’ is credible independently rather than solely relying on any thematic approach. In-depth financial analysis, development programming and design consideration contribute to the investment case, all of which are crucial to the Adviser throughout its decision making process. Key factors include, without limitation, macro head and tailwinds, quality of income stream, tenant and leasehold quality, operational capacity, environmental analysis, investment and capital structure, comparable analysis and the ability for the asset to carry long-term senior debt funding. Such factors underwrite the viability of any proposed investment and ensure compatibility with a Client’s investment strategy and objectives.

These strategies and investments involve risk of loss to clients and clients must be prepared to bear the loss of their entire investment.

We may modify the investment objectives and strategies of our Fund at any time. Our right to modify strategies with respect to the Funds depends upon the terms of the agreements governing our relationship with the respective Fund.

Material Risks (Including Significant, or Unusual Risks) Relating to Investment Strategies

Investing involves a risk of loss that Investors should be prepared to bear. Investors should consider the following factors before investing in one Fund. The following list of risk factors does not purport to be a complete enumeration or explanation of the risks involved in an investment in the Fund. Prospective Investors are urged to consult their professional advisers and to review the legal documents for each particular Fund before deciding to make an investment in a Fund.

Use of Leverage

Performance may be more volatile if a client’s account employs leverage. The Fund may utilize leverage. This could result in the Funds controlling substantially more assets than the Funds have equity. Leverage increases the Funds’ returns if the Funds earn a greater return on investments purchased with borrowed funds than the Funds’ cost of borrowing such funds. However, the use of leverage exposes the Funds to additional levels of risk, including (i) greater losses from investments than would otherwise have been the case had the Funds not borrowed to make the investments, (ii) margin calls or interim margin requirements which may force premature liquidations of investment positions and (iii) losses on investments where the investment fails to earn a return that equals or exceeds the Funds’ cost of borrowing such funds. In the event of a sudden, precipitous drop in value of the Funds’ assets, the Funds might not be able to liquidate assets quickly enough to repay its borrowings, further magnifying its losses.

Risks Associated With Types of Securities that are Primarily Recommended (Including Significant, or Unusual Risks).

Real Estate Risk. There are certain risks associated with the development, construction and/or ownership of real estate and the real estate industry in general, including: the burdens of ownership of real property; local, national and international economic conditions; the supply and demand for properties; the financial condition of tenants, buyers and sellers of properties; changes in interest rates and the availability of mortgage funds which may render the sale or refinancing of properties difficult or impracticable; changes in environmental laws and

regulations, planning laws, fiscal and monetary policies and other governmental rules; environmental claims arising with respect to properties acquired with undisclosed or unknown environmental problems or with respect to which inadequate reserves have been established; changes in real property tax rates; changes in energy prices; negative developments in the economy that depress travel activity; uninsured casualties; force majeure acts, terrorist events, underinsured or uninsurable losses; and other factors which are beyond the reasonable control of the applicable investment fund or its investment adviser. In addition, as recent experience during the financial crisis has demonstrated, real estate assets are subject to long-term cyclical trends that give rise to significant volatility in values.

Many of these factors could cause fluctuations in occupancy rates, rent schedules, or operating expenses, and may adversely impact returns. The value of investments may fluctuate significantly due to these factors among others and may be significantly diminished in the event of a sudden downward market for real estate and real estate-related assets. The returns available from investments depend on the amount of income earned and capital appreciation generated by the relevant underlying properties, as well as expenses incurred in connection therewith. If properties do not generate income sufficient to meet operating expenses, including amounts owed under any third-party borrowings and capital expenditures, returns will be adversely affected. In addition, the cost of complying with governmental laws and regulations and the cost and availability of third-party borrowings may also affect the market value of and returns from real estate and real estate related investments. Returns would be adversely affected if a significant number of tenants were unable to pay rent or if properties could not be rented on favourable terms. Certain significant fixed expenditures associated with purchasing properties (such as third-party borrowings, taxes and maintenance costs) may stay the same or increase even when circumstances cause a reduction in returns from properties.

Item 9: Disciplinary Information

This Item is not applicable.

Item 10: Other Financial Industry Activities and Affiliations

Dialectic Eastonville (GP) Ltd., an affiliate of the Adviser, serves as the general partner of the Fund, that is organized as a limited partnership.

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

Code of Ethics and Personal Trading

The Adviser has adopted a Code of Ethics (the “Code”) that obligates the Adviser and its related persons to put the interests of the Adviser’s Clients before their own interests and to act honestly and fairly in all respects in their dealings with Clients. All of the Adviser’s personnel are also required to comply with applicable federal securities laws. Clients or prospective Clients may obtain a copy of the Code by contacting Bernadette Murphy Chief Compliance Officer by email at Bernadette.Murphy@dialecticcapital.com or by telephone at 212-230-3232. See below for further provisions of the Code as they relate to the pre-clearing and reporting of securities transactions by related persons.

The Adviser, in the course of its investment management and other activities (e.g., board or creditor committee service), may come into possession of confidential or material nonpublic information about issuers, including issuers in which the Adviser or its related persons have invested or seek to invest on behalf of Clients. The Adviser is prohibited from improperly disclosing or using such information for its own benefit or for the benefit of any other person, regardless of whether such other person is a Client. The Adviser maintains and enforces written policies and procedures that prohibit the communication of such information to persons who do not have a legitimate need to know such information and to assure that the Adviser is meeting its obligations to Clients and remains in compliance with applicable law. In certain circumstances, the Adviser may possess certain confidential or material, nonpublic information that, if disclosed, might be material to a decision to buy, sell or hold a security, but the Adviser will be prohibited from communicating such information to the Client or using such information for the Client’s benefit. In such circumstances, the Adviser will have no responsibility or liability to the Client for not disclosing such information to the Client (or the fact that the Adviser possesses such information), or not using such information for the Client’s benefit, as a result of following the Adviser’s policies and procedures designed to provide reasonable assurances that it is complying with applicable law.

Pursuant to Rule 204A-1 of the Advisers Act, we have adopted a Code of Ethics that establishes various procedures with respect to investment transactions in accounts in which our employees or related persons have a beneficial interest or accounts over which an employee has investment discretion.

In general, employees (and members of their immediate households) are permitted to invest in equities, options or futures but must obtain written pre-approval from the General Partner. The spirit of the Code of Ethics is to discourage frequent trading in employee personal accounts. In addition, employees may not acquire securities for their own account in an initial public offering without written pre-approval from the General Partner. Employees must also obtain pre-approval from the CCO before engaging in any outside business activities or investing in private placements.

All of our employees must direct their brokers to send duplicate brokerage statements to the CCO. These records are used to monitor compliance with the foregoing policies.

These policies apply to any personal transactions involving equity, debt, options, or futures. This policy does not apply to transactions involving government securities, open-end mutual funds, closed-end funds, ETF’s or other instruments which afford the investor no discretion over individual securities transactions.

Any breaches of the Code will be viewed as very serious and may result in disciplinary action up to and including dismissal. Clients, prospective Clients, Fund Investors, and prospective investors may review a copy of the Code by contacting us at the address or telephone number listed on the first page of this document.

Occasionally, we may engage in certain principal transactions with certain clients. A Principal transaction occurs when an investment adviser, acting for its own account (or the account of an affiliated entity) buys a security from, or sells a security to, a client's account. When we enter into a principal transaction with any Client, we do so only when the transaction is consistent with our duties to our Clients and in compliance with Section 206(3) of the Advisers Act.

We have adopted certain procedures in an effort to minimize such conflicts. As discussed above, we require our personnel to pre-clear all transactions in their personal accounts with a General Partner, who may deny permission to execute the transaction if such transaction will have any adverse economic impact on one of our Clients. In addition, all of our related persons are required to disclose their securities transactions by directing their brokerage statements to the CCO. Furthermore, trading in employee accounts will be reviewed by the Chief Compliance Officer and compared with transactions for Clients.

Brokers, counterparties, service providers and other third parties with whom we do business occasionally provide gifts and entertainment to our principals and employees. We may enter into business transactions and relationships on behalf of a Client with the donors of such gifts and entertainment. Such gifts and entertainment create a conflict of interest in our selection and retention of these donors as service providers for Clients. To address this conflict, we have adopted policies and procedures to: 1) monitor gifts and entertainment given and received by our principals and employees; and 2) limit the value of gifts and entertainment given and received. We also have policies and procedures in place to help us monitor, and limit, the political contributions that our principals and employees make to public officials and candidates for elected office in accordance with the requirements of Rule 206(4)-5 under the Investment Advisers Act of 1940.

Item 12: Brokerage

The Adviser does not utilize securities broker-dealers in connection with Client transactions.

Given the unique nature of the real estate investments to be made on behalf of Clients, the Adviser does not have the opportunity to aggregate the purchase or sale of investments for multiple Client accounts.

Item 13: Review of Accounts

The Client account managed by the Firm is reviewed on a continual basis by the Firm's portfolio manager to assure conformity with investment objectives and guidelines.

Fund investors receive reports from the Fund pursuant to the terms of the Fund's offering memoranda or as otherwise described in the offering document of the Fund.

Item 14: Client Referrals and Other Compensation

It is the Adviser's policy not to engage solicitors or to pay related or non-related persons for referring potential Clients to our firm.

In addition, it is the Advisers' policy not to accept or allow our related persons to accept any form of compensation, including cash, sales awards or other prizes, from a non-client in conjunction with the advisory services we provide to our Clients.

Item 15: Custody

Affiliates of the Adviser serve as the general partner of the Fund and are therefore deemed to have custody of the Fund's assets. The Adviser does not provide account statements to the Fund directly.

Please refer to Item 13 for a description of reports that are provided to Investors in the Funds.

Item 16: Investment Discretion

We generally receive and exercise discretionary portfolio management authority over the Fund with respect to asset allocations and direct investments as per the advisory agreements and offering documents in place. As noted in Item 4 above, Investors in our Funds may not impose limitations on this discretion.

Prior to assuming full discretion in managing any Fund or other Client's assets, we typically enter into an investment management agreement or other agreement that sets forth the scope of our discretion with a Client, or through the constituent documents of a Fund.

The Adviser has the authority to determine (i) the assets to be purchased and sold for the Client account (subject to restrictions on its activities set forth in the applicable investment management agreement or Fund documents) (ii) the amount of assets to be purchased or sold for the Client account. As the Adviser only has one Client, aggregation and allocation issues do not arise.

Item 17: Voting Client Securities

The Adviser provides investment management services solely with respect to Fund that invests in real estate and does not provide investment advisory services with respect to voting securities. Accordingly, we do not vote proxies on behalf of Clients or offer advisory services to Clients regarding proxy issues.

Item 18: Financial Information

This item is not applicable.