

TACHYON CAPITAL MANAGEMENT, LLC
Part 2A of Form ADV

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This Brochure (the “Brochure”) provides information about the qualifications and business practices of Tachyon Capital Management, LLC (“Tachyon”, “the Adviser”, “the Firm”, “our”, “we”). If you have any questions about the contents of this Brochure, please contact Melinda Scott, Tachyon’s Chief Compliance Officer at (646) 652-8567. Registration with the SEC does not imply a certain level of skill or training. The information in this Brochure has not been approved or verified by the SEC or by any state securities authority.

Additional information about Tachyon is also available on the SEC’s website at www.adviserinfo.sec.gov.

ITEM 2 – MATERIAL CHANGES AND GENERAL INFORMATION

None.

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ITEM 4 – ADVISORY BUSINESS

Tachyon was formed in 2007 as a Delaware limited liability company and has its principal place of business in New York, NY. The founding and managing members of Tachyon are Scott Freeman, Daniel Harvey, Nicholas Choly, Aaron Sokasian and Tom Plaut. Scott Freeman, Daniel Harvey, Nicholas Choly, and Aaron Sokasian each have a 23.125% equity interest and Tom Plaut has a 7.5% interest in Tachyon.

Tachyon provides discretionary investment advice to a managed account (“Managed Account”) in a private investment fund (the “Fund” or “Client”) pursuant to the terms, guidelines and restrictions provided in an investment management agreement (“IMA”) with the Client; neither Tachyon nor any of its affiliates serve as the Client’s general partner. As of the date of this Brochure, Tachyon’s investment advisory services are provided exclusively to the private investment fund Client; Tachyon is not currently seeking to raise additional capital or obtain new clients.

Tachyon does not participate in wrap fee programs.

As of December 31, 2016, we managed approximately \$800 million of Client assets on a discretionary basis and no Client assets on a non-discretionary basis. For the purpose of calculating Client assets under management, we have included the value of all Client assets over which we have discretionary authority. The full value of the Client’s assets has been included; this value may include notional funding and/or committed funding that may not be under our direct control, but forms part of the trading level given to us by the Fund or Managed Account.

ITEM 5 – FEES AND COMPENSATION

Our management fee is paid monthly in advance and is based on our annual operating expense budget determined through negotiations with the Client’s general partner. Once paid, the management fee is non-refundable.

We are also entitled to receive an annual performance fee (subject to a hurdle rate and high water mark) calculated based on net trading profits (after the deduction of losses carried forward from the previous year, if any) as of the end of each calendar year. The performance fee is calculated by the Client’s administrator and approved by the general partner – we neither calculate the performance fee, nor authorize its payment.

Other fees and expenses borne by the Managed Account include a pro rata share of the Client’s administration fees and expenses as well as any transaction or investment fees or expenses related to the Managed Account’s activities.

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

Performance-based fees can provide an incentive to take excessive risks. However, the Client's general partner (who is not affiliated with Tachyon and does not receive a performance-based fee) is the risk manager and monitors the Managed Account's trading and investment activity daily. Per the IMA, the trading discretion granted to Tachyon is subject to the general partner's general direction concerning matters of risk and Tachyon therefore cannot act independently with respect to decisions on the amount of investment risk taken in the Managed Account.

Performance-based fees can also create an incentive to overvalue assets, thereby inflating net trading profits through unrealized appreciation. However, Tachyon has no authority to value the Managed Account's assets; it is the general partner (who is not affiliated with Tachyon and does not receive a performance-based fee) that is responsible for the final determinations on the valuation of the Managed Account's positions.

Our investment advisory services are provided exclusively to the Client through the Managed Account, therefore we do not have any conflicts related side-by-side management and the receipt of performance-based fees.

ITEM 7 – TYPES OF CLIENTS

Tachyon provides investment advice exclusively to the Client through the Managed Account.

Interests in the Fund, and the Fund itself, are not registered under the U.S. Securities Act of 1933, as amended and are excepted from the definition of an "investment company" under Section 3(c)(7) of the Investment Company Act of 1940, as amended. Accordingly, interests in the Fund are offered exclusively to investors satisfying the applicable eligibility and suitability requirements either in private placement transactions within the United States or in offshore transactions. Investors in the Funds are also Qualified Eligible Persons as defined in the Commodity Exchange Act.

ITEM 8 – METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

Tachyon invests in equities and exchange traded futures products. Tachyon uses proprietary technology to identify systematic pricing anomalies that persist across multiple markets and exchanges. Using sophisticated pricing and risk management models, Tachyon seeks to earn consistent profits by taking advantage of identified pricing anomalies while controlling for unintended risks.

Material Risks of Investment Strategies

Alternative investment strategies are speculative and involve a high degree of risk, including, without limitation, risks associated with limited diversification, leverage, interest rates, currencies, volatility, tracking risks in hedged positions, security borrowing risks in short sales, credit deterioration or default risks, operational risks, counterparty risk and other risks inherent in the Managed Account's investment activities and financial instruments traded. The use of leverage can magnify the impact of adverse market moves to which the Managed Account may be subject. Investments may be materially affected by conditions in the financial markets and overall economic conditions occurring globally or in particular countries or markets in which the Managed Account invests. There may be risks that are not monitored or controlled by us and risks that may be greater than forecasted, especially in unusual market conditions. Information used to manage risks may not be accurate, complete or current, or misinterpreted by us.

Competition: There is currently, and will likely be, competition for investment opportunities with other investors having investment objectives and strategies like those of the Managed Account. Performance may be adversely impacted if competition prevents or hinders the Managed Account's ability to participate in certain investment opportunities.

Execution, Market and Liquidity Risk: We may trade in markets that are volatile and which may become illiquid. Closing positions may be difficult if there is a significant decrease in trading volume or increase in price volatility. Orders may not be executed timely or efficiently in periods of market distress due to various circumstances including liquidity and market restrictions.

Highly Volatile Markets: The prices of securities can be highly volatile. Price movements are 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. Although market volatility can create trading opportunities, too much volatility may create additional risks that may impact our ability to put on and maintain effective hedges. It can cause the correlation between long positions and hedges to diverge, with the hedge having the opposite effect of that intended.

Material Nonpublic Information: We may come into possession of material nonpublic information that would limit our ability to buy and sell investments for the Managed Account. The Managed Account's investment flexibility may be constrained as a consequence of our inability to take certain actions because

of such information. The Managed Account may experience losses if we are unable to sell an investment because we are in possession of material nonpublic information about the investment.

Short Selling: Short selling involves selling securities that are not owned and borrowing them for delivery to the purchaser with an obligation to replace borrowed securities at a later date. A short sale creates the risk of a theoretically unlimited loss, in that the price of the underlying security could increase without limit, thus increasing the cost to the Managed Account of buying those securities to cover the short position. There is no assurance that a borrowed security will not be recalled and that the Managed Account will not be “bought in” (i.e. forced to repurchase securities in the open market to return them to the lender). Furthermore, the securities necessary to cover a short position may not be available for purchase, and purchasing securities to close out the short position can itself cause the price of the securities to rise further, thereby exacerbating the loss. The securities borrowed to effect the short sale may be recalled by the lender of those securities at any time, thus forcing the Managed Account to purchase the securities and close out the short position at a loss.

Short sale transactions have been subject to increased regulatory scrutiny including the imposition of restriction on short selling certain securities and reporting requirements. Our ability to execute a short sale may be materially adversely impacted by temporary and/or new permanent rules, interpretations, prohibitions and restrictions adopted in response to these adverse events. Temporary restrictions and/or prohibitions on short selling activity may be imposed by regulatory authorities with little or no advance notice and may impact prior, current and future trading activities.

Regulatory authorities may also impose restrictions that adversely affect our ability to borrow certain securities in connection with short sale transactions. In addition, traditional lenders of securities might be less likely to lend securities under certain market conditions. As a result, we may not be able to effectively pursue a short selling strategy due to the limited supply of securities available for borrowing.

Derivatives: Derivatives include futures, options, swaps, structured securities and other instruments and contracts that are derived from, or the value of which is related to one or more underlying securities, financial indexes, currencies or other underlying asset. Derivatives allow an investor to hedge or speculate upon the price movements of the underlying asset at a fraction of the cost of investing directly in the underlying asset. The value of a derivative therefore depends largely on the price movements in the underlying asset and many of the risks applicable to the underlying asset are also applicable to the derivatives of that asset. However, there are a number of other risks associated with derivatives trading. For example, because many derivatives are inherently leveraged and create significantly more market exposure than the money paid or deposited when the transaction is entered into, therefore a relatively small adverse market movement can cause a loss greater than the original amount invested. Derivatives also have liquidity risk because there may not be a liquid market in which to close or dispose of outstanding derivatives contracts. Derivatives also carry counterparty risk. In the event of default by a derivatives counterparty the Managed Account may lose all or a portion of the amount it is contractually entitled to receive.

The prices of derivatives can be highly volatile. Price movements of derivative contracts in which we may invest are 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, governments from time to time intervene, directly and by regulation, in certain markets, particularly those in currencies, financial instruments, futures and options. Such intervention often is intended to influence prices and may, together with other factors, cause all of such markets to move rapidly in the same direction because of among other things, interest rate fluctuations.

Options: We may buy or sell (write) call and put options. The purchase or sale of an option involves the payment or receipt of a premium and the corresponding right or obligation, as applicable, to either purchase or sell the underlying asset for at a specified price at, or by, a specified date or during a particular period. Purchasing options involves the risk that the underlying instrument will not change in price in the manner expected and the premium will be lost. Selling options involves greater risk because of the seller's exposure to the actual price movement in the underlying asset rather than only the premium payment which could result in potentially unlimited loss.

Swap Agreements: Swap agreements are privately negotiated over-the-counter derivative products in which two parties agree to exchange actual or contingent payments that may be calculated in relation to a rate, index, instrument or certain securities and a particular "notional amount". Swaps may be subject to risks including market risk, liquidity risk, structuring risk, tax risk and counterparty risk.

Exchange Rate Fluctuations; Currency Considerations: Changes in currency exchange rates (to the extent unhedged) will affect the value of the Managed Account and the unrealized appreciation or depreciation of investments.

Hedging Transactions: The success of a hedging transactions strategy depend, in part, upon our ability to correctly assess the degree of correlation between the performance of the instruments used to hedge risks and the performance of the securities or risks being hedged. Since the characteristics of many securities change as markets change or time passes, the success of a hedge will also be subject to our ability to continually recalculate, readjust and execute hedges in an efficient and timely manner. While hedging transactions may be entered into with the intent to reduce risk, such transactions may result in poorer overall performance for the Managed Account than if such hedging transactions were not entered into. For a variety of reasons, we may not seek to establish a perfect correlation between the hedging instruments utilized and the securities being hedged. Such an imperfect correlation may prevent the Managed Account from achieving the intended hedge or expose the Managed Account to risk of loss.

Leverage and Financing Risk: All leverage used by the Managed Account is controlled by the Fund's general partner. The Managed Account, however, could experience losses due to its, or the Fund's, use of leverage. While leverage presents opportunities for increasing the Managed Account's total return, it has the effect of potentially increasing losses as well. Further, if the securities pledged to brokers to secure margin accounts decline in value, the Managed Account of Fund could be subject to a "margin call,"

pursuant to which the Managed Account or Fund must either deposit additional funds or securities with the brokers, or suffer mandatory liquidation of the pledged securities to compensate for the decline in value. In the event of a sudden drop in the value of the Managed Account's (or Fund's) assets, we may be forced to liquidate the Managed Account to raise money to satisfy margin requirements. The forced liquidation of all or a portion of the Managed Account at distressed prices could result in significant losses to the Managed Account.

Change in Margin Terms: In the absence of specific agreements, securities margin arrangements are generally subject to change or revocation by the lender upon very limited notice and for any or no reason. The lender may demand an increase in the collateral, including requiring collateral equal to the full amount of the borrowings, and, if the Fund is unable to provide additional collateral, the lender could liquidate assets held by the lender to satisfy the Fund's obligations. The assets of the Managed Account could be part of such liquidation. Liquidation in that manner could have extremely adverse consequences, which may be exacerbated in the event that these changes or revocations are imposed suddenly or by multiple lenders.

In periods of market stress, and particularly in periods of stress specific to the Fund, lenders or counterparties may attempt to increase margin levels. Additionally, a simultaneous, broad-based increase in margin among hedge funds generally would likely adversely impact the investments held in the Managed Account by decreasing demand and increasing supply of those or similar investments.

Counterparty Risk: We may enter into transactions, including derivative and other over-the-counter transactions, with or through third parties in which the failure of the third party to perform its obligations could have a material adverse effect on the Managed Account. The counterparty risk is accentuated for contracts with longer maturities where events may intervene to prevent settlement. The Managed Account's assets are generally not segregated bankruptcy-remote accounts titled in the owner's name and therefore, a failure of any broker or market participant is likely to have a greater adverse impact than if the assets, or the accounts in which they are held, were registered in the name of the Fund. In addition, because the Managed Account's securities may be held in margin accounts, and the prime brokers have the ability to loan those securities to other persons, the Fund's ability to recover assets in the context of a bankruptcy or other failure of a prime broker may be further limited.

We may transact with counterparties (including prime brokers) located in various jurisdictions outside the United States. The local counterparties are subject to various laws and regulations in various jurisdictions that are designed to protect their customers in the event of their insolvency. However, the practical effect of these laws and their application to the Managed Account's assets are subject to substantial limitations and uncertainties. Because of the large number of entities and jurisdictions involved and the range of possible scenarios involving the insolvency of any counterparty, it is impossible to generalize about the effect of their insolvency on the Managed Account's assets. It should be assumed that the insolvency of any significant counterparty would result in a loss to the Managed Account, which could be material.

Limited Diversification: Investments may become concentrated in a single issuer, industry, market or sector which will increase the risk of loss to clients. Limited diversification may cause greater volatility

than would otherwise be the case and could expose clients to losses disproportionate to market movements in general. Even if the Firm attempts to control risks and diversify investments, risks associated with investments may become correlated in unexpected ways, with the result that clients become exposed to unforeseen risks. Although we attempt to identify, monitor, and manage significant risks, these efforts may not take all risks into account and there can be no assurance that these efforts will be effective.

Market Restrictions: Restrictions on investment size or investment activities imposed by various regulators or self-regulatory organizations and exchanges may limit the Managed Account's ability to effect transactions. Position limits (e.g., the maximum amounts of gross, net long or net short positions that any one person or entity may own or control in a particular financial instrument) and other market restrictions (e.g., prohibitions on short sales) may require aggregation across the Fund (as opposed to the Managed Account), for purposes of determining whether the applicable position limits have been exceeded, or short sales may be executed and may restrict the Managed Account's investment activities. As a result of these restrictions, we may be prevented from executing a desired transaction and the Managed Account may therefore incur losses which may be material.

Trade Error Risk: Occasionally, transactions may be executed erroneously on terms other than those intended. For example, a transaction may be executed in the wrong asset, for the wrong quantity or price, to buy when we intend to sell, to sell when we intend to buy, or by reason of a technology or administrative error. Except to the extent otherwise required by law, the Managed Account will generally bear the losses or costs of any such errors, unless it is determined that the error was caused by gross negligence.

General Political, Economic, Legal, Tax, and other Regulatory Risks: The Managed Account's investments may be adversely affected by changes in economic conditions or political events, such as a stock market break, acts of terrorism, the outbreak of hostilities involving the United States, the death of a major political figure, a serious pandemic, or a natural disaster, among many others. Additional factors, such as changes in federal or state tax laws, federal or state securities laws, bank regulatory policies or accounting standards, may make certain investments less desirable or may make certain investment strategies less effective. Similarly, legislative acts, rulemaking, adjudicatory, or other activities of governmental or quasi-governmental bodies, agencies, and regulatory organizations may make the business of the Fund less attractive. Laws and regulations, particularly those involving taxation, investment and trade, applicable to the Fund's or Managed Account's activities can change quickly and unpredictably, and may at any time be amended, modified, repealed or replaced in a manner adverse to the interests of the Managed Account. In particular, in response to significant recent events in international financial markets, governmental intervention, and certain regulatory measures have been or may be adopted in certain jurisdictions, including restrictions on short selling of certain securities in certain jurisdictions. The extent to which the underlying causes of these recent events are pervasive throughout global financial markets and have the potential to cause further instability is not yet clear. These recent events, and their underlying causes, are likely to be the catalyst for changes in global financial regulation for some time, and may result in major and unavoidable losses to the Fund.

With respect to certain countries, there is a possibility of expropriation, confiscatory taxation, imposition of withholding or other taxes on dividends, interest, capital gains or other income, limitations on the removal of funds or other assets, political or social instability or diplomatic developments that could affect investments in those countries. An issuer of securities may be domiciled in a country other than the country in whose currency the instrument is denominated. The values and relative yields of investments in the securities markets of different countries, and their associated risks, are expected to change independently of each other.

Model Risk: Tachyon's investment strategy relies on proprietary models. Predictions with regard to the performance of an asset class or particular investment generated by these models may not be accurate because of imperfections in the models, their deterioration over time, or other factors, such as the quality of the data input into the model, which involves the exercise of judgment. These types of risks are inherent in any type of model, and even if the model functions as anticipated, it cannot account for all factors that may influence the prices of the investments, such as event risk.

Trading Decisions Based on Quantitative and Other Analysis: Tachyon's portfolio management and trading decisions are based on quantitative models, signals and other analyses. Any factor that would lessen the prospect of major trends occurring in the future (such as increased governmental control of, or participation in, the financial markets) may reduce the prospect that a particular trading method or strategy will be profitable in the future. Any factor that would make it more difficult to execute trades at desired prices in accordance with the signals of the trading method or strategy (such as a significant lessening of liquidity in a particular market) would also be detrimental to profitability. Further, many advisors' trading methods utilize similar analyses in making trading decisions. Therefore, bunching of buy and sell orders can occur, which makes it more difficult for a position to be taken or liquidated. No assurance can be given that its strategies will be successful under all or any market conditions.

Technical Trading Systems: Quantitative trading strategies, are highly complex, and, for their successful application, require relatively sophisticated mathematical calculations and complex computer programs. Such trading strategies are dependent upon various computer and telecommunications technologies and upon adequate liquidity in markets traded. The successful execution of these strategies could be severely compromised by, among other things, a diminution in the liquidity of the markets traded, telecommunications failures, power loss and software-related "system crashes" or software bugs. These trading strategies are also dependent upon historical relationships that may not always continue to hold and may result in losses. In addition, the "slippage" from entering and exiting positions (i.e., the market impact of trades identified by the quantitative trading strategies) may be significant and may result in losses.

Obsolescence Risk: The strategies are unlikely to be successful unless the assumptions underlying the models used to implement those strategies are realistic and either remain realistic and relevant in the future or are adjusted to account for changes in the overall market environment. If such assumptions are inaccurate or become inaccurate and are not promptly adjusted, it is likely that profitable trading signals

will not be generated. If and to the extent that the models do not reflect certain factors, the Firm does not successfully address such omission through its testing and evaluation and modify the models accordingly, major losses may result.

DISCLAIMER

The information included in this ITEM 8 does not include every potential risk associated with our investment strategies. Investing in securities involves risk of loss, possibly a total loss of invested capital, that investors should be prepared to bear.

There is no guarantee that the Managed Account's investment program, including, without limitation, its investment objectives, strategies, or risk monitoring goals will be successful. Investment results may vary substantially over time. The Managed Account's investments are speculative and involve a high degree of risk. There may be risks which cannot be monitored or controlled, and risks that may be greater than forecasted, especially in unusual market conditions. Tachyon cannot guarantee that any assumptions relied on herein will be true for all future events or that all assumptions have been considered or stated.

ITEM 9 – DISCIPLINARY INFORMATION

The Firm has no history of material disciplinary action. The Firm and its employees have not been involved in legal or disciplinary events.

The Firm has no criminal or civil actions in a domestic, foreign or military court of competent jurisdiction.

The Firm has no administrative proceedings before the SEC or any other federal regulatory agency, any state regulatory agency, or any foreign financial regulatory authority.

The Firm has no self-regulatory organization proceedings.

ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

None.

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

We may engage directly or indirectly in any business or other activities, including exercising investment advisory and management responsibility and buying, selling, or otherwise dealing with securities for our

own accounts or for the accounts of family members. These activities may conflict with our activities on behalf of the Managed Account.

These other activities may also affect the prices and availability of the securities and other financial instruments in which the Managed Account invests.

Pursuant to Rule 204A-1 under the Investment Advisers Act of 1940, as amended, we have adopted a Code of Ethics and an Employee Investment Policy that establishes various procedures with respect to investment transactions in accounts in which employees of Tachyon or related persons (such as members of their immediate household) have a beneficial interest or accounts over which an employee has investment discretion.

The foundation of the Code of Ethics is based on the underlying principles that:

- Employees must at all times place the interests of our clients first;
- Employees must at all times comply with all applicable federal securities laws; and
- Employees should not take inappropriate advantage of their position at Tachyon.

Our Code of Ethics requires employees to provide the Chief Compliance Officer with initial and annual holdings reports (subject to certain limited exception, e.g. discretionary accounts) and quarterly transactions reports. Employees are also generally prohibited from participating in initial public offerings and executing transactions in issuers included on the Restricted List, employees must also receive approval prior to investing in any private placement. The Chief Compliance Officer reviews violations of the Code of Ethics to determine appropriate remedial action, including, but not limited to, financial penalties, suspension or termination of employment, and reporting to appropriate regulatory authorities.

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

These policies apply to any personal transactions involving equity, debt, options, or futures. They do not apply to transactions involving government securities, open-end mutual funds, money market funds, or other instruments which afford an investor no discretion over individual securities.

Tachyon's Code of Ethics is available upon request.

ITEM 12 – BROKERAGE PRACTICES

The Client's general partner reviews, approves and monitors the prime brokers, executing brokers-dealers and counterparties used by Tachyon. Executing broker-dealers and counterparties are chosen from those that have been reviewed and approved by the general partner.

In placing transactions for the Managed Account, we seek to obtain “best execution,” meaning that we generally seek execution of securities transactions in such a manner that the Managed Account’s total costs or proceeds are most favorable under the circumstances. Accordingly, in seeking best execution, we take into consideration the price of a security offered by the broker-dealer, as well as the broker-dealer’s full range and quality of services including, among other things, its facilities, reliability and financial responsibility, execution capability, commission rates, responsiveness to us, brokerage and research services provided to us (*e.g.*, research ideas, analysis, and investment strategies), special execution and block positioning capabilities, clearance, and settlement and custodial services.

We periodically review the broker-dealers used as well as the commissions paid to evaluate best-execution.

Soft Dollar Usage

In selecting brokers and dealers to effect portfolio transactions we may consider factors as we deem appropriate (and consistent with our obligation to seek best execution) to consider under the circumstances, which may include one or more of the following:

- reliability;
- reputation;
- experience in the industry;
- financial stability;
- capital commitment;
- efficiency in executing and clearing transactions;
- confidentiality of trading activity;
- provision of Products and Services (defined below);
- idea generation;
- competitive rates; and
- general responsiveness.

Products and Services constituting “research” may be in any form (*e.g.*, written, oral or on-line) and may include, without limitation:

- traditional research reports analyzing the performance of a particular company or stock, market, company and financial data;
- market, economic, political and financial information (including studies and forecasts);
- statistical information;
- data on the pricing and availability of securities; and
- seminars and conferences relating to the investment in securities or containing analyses of issuers, industries, securities, economic factors and trends and portfolio strategy.

Products and Services constituting “brokerage” may include, without limitation:

- clearance services;
- settlement services; and
- custody services.

To the extent that the Managed Account's commissions are used to acquire Products and Services through the use of "soft dollars," Products and Services received will be of the type contemplated by Section 28(e) of the U.S. Securities Exchange Act of 1934 (that is, "research" and "brokerage"), although transactions may or may not otherwise comply with the provisions of Section 28(e) (e.g., may relate to transactions in instruments other than securities).

Soft dollar arrangements generally arise when an investment adviser obtains products and services, other than securities execution, from a broker-dealer in return for directing client securities transactions to the broker-dealer. Soft dollar arrangements may pose a conflict of interest for Tachyon in that such arrangements allow Tachyon to pay with brokerage commissions, expenses that would otherwise be borne by Tachyon. In the event that Tachyon uses brokerage commissions (or markups or markdowns) to obtain research or other products or services, Tachyon could receive a benefit because it would not have to produce or pay for the research, products or services.

It is currently Tachyon's policy not to pay for any services it receives using soft dollars. However, Tachyon enters into securities transactions with broker-dealers that provide, as part of their bundled services, Tachyon with access to research and research-related services. Tachyon may have an incentive to select a broker based on Tachyon's interest in receiving the research or other products or services offered by such broker.

Trade Errors

The Client (and not Tachyon) will bear the cost of any losses (and reap the benefits of any gains) resulting from trading errors and similar human errors, absent gross negligence or intentional misconduct. Trade errors might include, for example, keystroke errors that occur when entering trades into an electronic trading system or typographical or drafting errors related to derivatives contracts or similar agreements.

ITEM 13 – REVIEW OF ACCOUNTS

The Managed Account's transactions, positions and cash balances are reviewed periodically by Tachyon and the client.

ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION

Not applicable. We are not currently seeking new clients or to raise capital.

ITEM 15 – CUSTODY

We do not exercise custody (and are prohibited under the IMA from exercising custody) over the Managed Account's assets.

ITEM 16 – INVESTMENT DISCRETION

The IMA sets forth certain guidelines or restrictions related to our investment activities, which may be modified from time-to-time in consultation with the general partner. In addition, the general partner may impose restrictions on our ability to invest in certain securities or types of securities.

ITEM 17 – VOTING CLIENT SECURITIES

The Client's general partner is responsible for voting proxies for the Managed Account.

ITEM 18 – FINANCIAL INFORMATION

The Adviser does not have any financial impairment that will preclude the firm from meeting contractual commitments to clients, and has not been the subject of a bankruptcy proceeding.

The Adviser does not serve as a custodian for client funds or securities, and does not require prepayment of fees six months or more in advance.