

**Part 2A of Form ADV - FIRM BROCHURE**

**Item 1 – Cover Page**

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This brochure provides information about the qualifications and business practices of Lansing Management, L.P. If you have any questions about the contents of this brochure, please contact us at (646) 558-8610. 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 Lansing Management, L.P. is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Lansing Management, L.P. is a registered investment adviser. Registration with the SEC or any state as an investment adviser does not imply that Lansing Management, L.P. or any principal employees of Lansing Management, L.P. possess a particular level of skill or training.

**November 2016**

## **Item 2 – Material Changes**

Lansing Management, L.P. is providing this “Brochure” as part of its initial registration as an investment adviser.

In the future, this section of the brochure will discuss any material changes made to the document from the prior year.

Lansing Management, L.P. will ensure that Investors (defined below) receive a summary of any materials changes to this and subsequent Brochures within 120 days of the close of our fiscal year. We may further provide other ongoing disclosure information about material changes as necessary.

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#### Item 4 - Advisory Business

- A. Lansing Management, L.P. (“Lansing” or the “Adviser”) is a Delaware limited partnership and has its principal place of business in New York, New York. Lansing will act as an investment advisor to a private fund, Lansing Management Onshore, L.P. (the “Fund”), for sophisticated, qualified investors (“Investors” or “Limited Partners”) that contribute capital (“Capital Contributions”) to the Fund held in the Fund’s “Capital Account.”\*

The Adviser was formed in 2016. Mr. Sims Lansing (the “Principal”) is the sole member of the Adviser.

- B. Lansing will pursue its investment strategy in the future through managing the “Fund.” Lansing will have discretion with respect to investment decisions made for the Fund. Lansing will provide investment advisory services to the Fund based on the particular investment objectives and strategies described in the Fund’s confidential offering memorandum and governing documents (referred to collectively as “Offering Documents”). Lansing plans on providing advisory services to the Fund based on analysis of developed markets through deep fundamental analysis.
- C. Lansing will have one client, the Fund. Lansing will follow the investment strategy described in the Fund’s Offering Documents.
- D. The Adviser will not participate in wrap fee programs.
- E. As of November 15, 2016, in client accounts (the Fund) managed on a discretionary basis, Lansing had \$0 in assets under management. Client accounts advised on a non-discretionary basis had approximately \$0 in assets under management.

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\* As a registered investment adviser, the Adviser owes a fiduciary duty to all of its clients. In 2006, the decision by the Court of Appeals for the D.C. Circuit in *Goldstein v. SEC*, 451 F.3d 873 (D.C. Cir. June 23, 2006), with respect to private funds, clarified that the “client” of an investment adviser to a private fund is the fund itself and not an Investor in the fund.

## Item 5 - Fees and Compensation

The fees and expenses associated with an investment in the Fund are described in detail in the Fund's Offering Documents. Lansing may, in its sole discretion, manage other funds or accounts with higher or lower fees, different fee structures and different expense payment arrangements than the Fund.

### The Fund

Lansing will act as investment advisor to the Fund, a Delaware limited partnership. An affiliate of Lansing, Lansing Management General Partner, L.P., ("Lansing Management") will act as general partner to the Fund. Set forth below is a description of the Fund's fees and expenses.

*Management Fees.* In consideration for its services to the Fund, Lansing is generally entitled to a management fee of 1.5% of the balance of such Limited Partner's Capital Account as of the end of each quarter (the "Management Fee"). Lansing Management, at its sole discretion, may offer to certain initial investors an interest in the Fund with preferential terms. Lansing Management may elect to waive or rebate the Management Fee in whole or in part for any Limited Partner. Lansing Management expect to waive the Management Fee for employees and affiliates of Lansing Management and Lansing, and Lansing Management is not subject to a Management Fee. Generally, the Management fee is calculated and paid in arrears at the end of each calendar quarter. Lansing deducts Management Fees from the Fund's assets directly when payable. For more details regarding the Management Fee and different interest in the Fund, please refer to the applicable Fund Offering Documents.

*Performance Allocation.* Lansing Management generally receives an allocation from the Fund equal to a percentage of the net capital appreciation allocated to a Limited Partner's sub-Capital Account (the "Performance Allocation") as of the following "Measurement Dates:" the close of business on December 31st of each year; the date of any withdrawal of capital by such Limited Partner at any time with respect to the amount withdrawn or the date of any distribution with respect to the amount distributed; and the date of winding up and termination of the Fund. The Performance Allocation is based on a calculation from the period beginning on the day following the immediately prior Measurement Date (or with respect to the initial Measurement Date, the date of the relevant Capital Contribution) and ending on such Measurement Date, which is referred to herein as a "Measurement Period." Lansing or its affiliates also receive the Performance Allocation as of each date that the Fund makes a distribution or capital payout to a Limited Partner or the Limited Partner withdraws capital or transfers an interest in the Fund.

Subject to certain terms and limitations disclosed in the Funds Offering Documents, Lansing Management is entitled to receive performance based compensation (the "Performance Allocation") in an amount generally equal to 20% of the net capital appreciation attributable to each Limited Partner's Capital Account on each

## **Item 5 - Fees and Compensation (Continued)**

Measurement Date, other than for an Unrecovered Loss Period (as defined below). For purposes of determining Lansing Management's Performance Allocation, the return on a Limited Partner's investment in the Partnership is calculated net of all Management Fees allocated to or paid by that Limited Partner but is calculated before all Performance Allocation accruals. Lansing Management, at its sole discretion, may offer to certain initial investors an interest in the Fund with preferential terms. Further, Lansing Management may elect to waive the Performance Allocation in whole or in part for any Limited Partner and expects to do so for employees and affiliates of Lansing Management and Lansing.

Lansing Management will maintain a memorandum loss recovery account for the sub-Capital Account of each Limited Partner (a "Loss Recovery Account"), the opening balance of which will be zero. As of each Measurement Date, the balance in the Loss Recovery Account attributable to such sub-Capital Account will be adjusted as follows: (1) if, in the aggregate, there is a net capital depreciation with respect to such sub-Capital Account during the Measurement Period, it will be added to such Loss Recovery Account an amount equal to two times (200%) such net capital depreciation; and (2) if, in the aggregate, there is net capital appreciation with respect to such sub-Capital Account during the Measurement Period, an amount equal to such net capital appreciation (before the Performance Allocation) will be subtracted from and reduce any unrecovered balance in such Loss Recovery Account, but not below zero. The unrecovered balance in a Limited Partner's Loss Recovery Account will be adjusted as set forth below for withdrawals of capital. As used herein and unless otherwise indicated, the term Performance Allocation includes any Reduced Performance Allocation (as defined below).

As described above, each Loss Recovery Account of a Limited Partner must recover an amount equal to two times the amount of the net capital depreciation allocated to it before such Loss Recovery Account will reach zero. Until such time, a Limited Partner's sub-Capital Account will be subject to a reduced Performance Allocation (the "Reduced Performance Allocation") in respect of net capital appreciation allocated to it for a Measurement Period (each such period, an "Unrecovered Loss Period"). Thus, notwithstanding the fact that past allocations of net capital depreciation have not been fully recovered, a Limited Partner may be subject to a Reduced Performance Allocation. However, such Reduced Performance Allocation will continue to apply even after all net capital depreciation has been fully recovered until such time as the Loss Recovery Account reaches zero. The Reduced Performance Allocation will be calculated in the manner provided above for the Performance Allocation, except that the Performance Allocation rate will generally be reduced by .5% to 10% initially for all Limited Partners. The Reduced Performance Allocation will be determined on the net capital appreciation equal to the amount required to reduce the balance in a Loss Recovery Account to zero.

For purposes of adjustments to reflect any withdrawals or distributions made at a time

## **Item 5 - Fees and Compensation (Continued)**

when the Loss Recovery Account has a balance, the Loss Recovery Account will be reduced by the same proportion (measured as a percentage) that the withdrawal or distribution bears to the Limited Partner's sub-Capital Account at the time of the withdrawal or distribution.

*Withdrawal Fee.* Since Limited Partners are generally permitted to withdraw their investment in the Fund on a quarterly basis, Lansing will assess a Withdrawal Fee in the amount of five percent (5%) of the amount withdrawn payable to the Fund for any withdrawal or appreciation of capital contribution that takes place within twelve (12) months of the date of the capital contribution.

*Organizational Expenses.* The Fund bears all organizational and offering expenses of the Partnership including, but not limited to, legal and accounting expenses. Organizational and initial offering expenses will be paid at or about the time of the initial closing of the sale of interests.

*Direct Expenses of the Fund.* The Fund will pay all of its operating expenses, including, but not limited to, fund administration, accounting, audit, tax and legal fees and expenses, indemnification costs, investment expenses such as brokerage commissions or mark-ups, research fees and expenses, travel expenses incurred by Lansing that are reasonably related to the Fund's investments, interest on margin accounts and other indebtedness, borrowing charges on securities sold short, custodial fees, prime brokerage fees and expenses, regulatory expenses directly related to the operations of the Fund, withholding taxes and any other expenses reasonably related to the purchase, and sale or transmittal of the Fund's assets. The Fund will also be responsible for all expenses with respect to the liquidation and winding up of the Partnership. Item 12 of this brochure discusses how Lansing selects brokers and determines the reasonableness of their compensation. The direct expenses borne by the Fund are described in more detail in the Fund's Offering Documents.

Lansing Management, in its sole discretion, may agree with a Limited Partner to waive or modify the application of any provision of the Fund's Offering Documents, including the fees charged, with respect to such Limited Partner, without obtaining the consent of any other Limited Partner (other than a Limited Partner who is materially and adversely affected by such waiver or modification).

Other than as described above, neither Lansing nor any of its supervised persons receives any compensation from the sale of securities or other investment products.

## **Item 6 - Performance Based Fees and Side-By-Side Management**

As stated in Item 5 above, an affiliate of Lansing and the Fund receives a Performance Allocation from the current Fund. These payments are subject to Section 205(a)(1) of the Investment Advisers Act of 1940, as amended (the “Advisers Act”), in accordance with the available exemptions thereunder, including the exemption set forth in Rule 205-3, as well as similar state regulations.

Performance-based fees, in general, may create an incentive for an adviser or its supervised persons to make investments that are riskier and more speculative than would be the case in the absence of a performance-based fee. Such fee arrangements may also create an incentive to favor higher fee paying clients over other clients in the allocation of investment opportunities. To address these conflicts of interest, Lansing has implemented policies and procedures to ensure that all of its advisory clients receive equitable and fair treatment over time with respect to the allocation of investment opportunities.



## **Item 7 - Types of Clients**

Lansing will provide investment advisory services to the Fund based on the particular investment objectives and strategies described in the Fund's Offering Documents. Lansing, in its sole discretion, may manage other Funds or accounts with different objectives, higher or lower fees and different fee structures than the Fund.

Investors in the Fund will be required to complete and submit a subscription agreement binding them to the terms of the Fund's governing documents. Lansing only admits "accredited investors", as defined in Rule 501(a) of Regulation D under the Securities Act of 1933 and "qualified clients" as defined in Rule 205-3 of the Investment Advisers Act of 1940, as amended. The minimum investment in The Fund will be \$2,000,000, although the Lansing may accept investments in a lesser amount at its sole discretion.

## **Item 8 - Methods of Analysis, Investment Strategies and Risk of Loss**

- A. Lansing will provide investment advisory services to the Fund, based on the particular investment objectives, policies and strategies described in Lansing Management Onshore, L.P.'s Offering Documents.

### Lansing Management Onshore, L.P.

The investment objective of Lansing Management Onshore, L.P. (the "Fund") is to generate attractive long-term returns while seeking to minimize permanent capital impairment through a differentiated investment strategy. To achieve this objective, Lansing intends to focus on a portfolio of mainly long investments with some shorting, in both domestic and international equities and will be highly concentrated in its top few positions.

### *Investment Strategy*

The Fund's portfolio will generally consist of 10-20 positions, mainly long investments with some shorting, in both domestic and international equities and will be highly concentrated in its top few positions. The Fund's strategy will utilize a multi-year time horizon to focus on areas of differentiation among individual equities in order to seek to generate attractive long-term after tax returns. The long investments will be focused on what Lansing believes are highly durable "franchise" companies with large moats, high returns on equity, and where the management team has strong alignment with the interests of the shareholders through equity ownership.

### *Investment Methodology*

Lansing's research process will consist of deep fundamental analysis of companies and sectors as well as the use of proprietary models generated by its investment team. The focus will be on fundamental bottom up investing. A key element of Lansing's strategy is to employ risk management through knowing the investments intimately rather than attempting to manage risk by over-diversification. Individual long positions could each represent as much as 20% of the portfolio and the Fund's cash position could represent as much as 40% of the portfolio depending on levels of conviction and opportunities that Lansing develops as part of its investment process. Because of this concentrated approach and potentially high levels of cash at times, Lansing does not expect high turnover within the portfolio.

## Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss (continued)

**The foregoing discussion includes and is based upon numerous assumptions and opinions of Lansing concerning world financial markets and other matters, the accuracy of which cannot be assured. There can be no assurance that the Fund's investment strategy will achieve profitable results or that the Limited Partners will not incur substantial or total losses.**

- B. Lansing's investment strategy will involve a high degree of business and financial risk that could result in substantial losses and is suitable only for Investors prepared to bear such risk. The risk factors below are not intended to be exhaustive. Prospective Investors should carefully review the risks described in the Fund's Offering Documents.

*No Operating History.* The Partnership was formed in August 2016 and has no operating history. Although the Principal of Lansing has experience as an analyst, the Principal has not previously managed a private investment fund. The past investment performance of portfolios where the Principal of the Investment Manager served as an analyst should not be construed as an indication of the future results of an investment in the Partnership.

*Information Sources and Analysis.* Lansing will select investments for the Fund based in part on information and data that the issuers of securities file with various government agencies or make directly available to Lansing or that it obtains from other sources. Lansing is not in a position to confirm the completeness, genuineness or accuracy of such information and data, and in some cases, complete and accurate information may not be readily available. Lansing is not in a position to obtain all relevant information regarding a company or a security. Further, Lansing may misinterpret or incorrectly analyze the information that it has about a particular company or security. These and other factors may cause Lansing to (a) invest in securities at times that will lead to losses in the Fund's portfolio and may cause a Limited Partner to lose a significant portion of its investment in the Fund or (b) refrain from investing in particular securities at times that would have resulted in gains in the Fund's portfolio if Lansing would have caused the Fund to invest.

*Non-Diversification/Concentration.* It is anticipated that the Fund's portfolio will generally be highly concentrated in a few companies or classes of securities, and may not be diversified among issuers, industries or sectors, geographic areas and/or types of securities. Accordingly, the investment portfolio of the Fund may be subject to more rapid change in value than would be the case if the Fund were required to maintain a wide diversification among industries, sectors, geographies, types of securities and issuers, and it will not have the protection against risk that such diversification provides.

*Portfolio Volatility.* The expected concentrated nature of the portfolio, and the fact that the investment strategy has a long term (multi-year) horizon, means that results may

## **Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss (continued)**

fluctuate substantially on a monthly, quarterly and annual basis. Investment in the Partnership is not suitable for Investors with a short investment horizon or who cannot accept such volatility.

*Lack of Liquidity of Partnership Assets.* Fund assets may, at any given time, include securities which are very thinly traded or which do not have ready buyers and are generally illiquid. Additionally, the Fund may own securities that are relatively liquid when acquired but that become illiquid after the Fund's investment. The sale of any such illiquid investments may be possible only at substantial discounts. Further, such investments may be extremely difficult to value with any degree of certainty and may exhibit price volatility.

*Impact of Withdrawals.* Investors should be aware that certain holdings of the Fund may have to be held for a substantial period before recognizing any net capital appreciation. Withdrawals may cause an Investor to lose the potential upside on a position, and the Fund will not be suitable for an Investor with a short investment horizon. Withdrawals might also compel the Fund to liquidate a holding prematurely to fund the withdrawal, which may be to the detriment of remaining Investors.

*Hedging and Risk Management.* Lansing will not generally engage in hedging. Short positions will be intended to create absolute returns, not hedge the portfolio. In addition, the Fund's investment strategy is focused on investing in a limited number of high-conviction positions. Lansing's primary risk management technique will be to focus on knowing investments intimately, rather than pursuing diversification.

*Directional Bias.* The Fund is expected to have a substantial long bias. To the extent that the market falls while the Fund is net long, the Fund may incur losses and the value of the Fund's investments may decrease.

*Short Sales.* The Fund may engage in short sales by selling equity securities that it does not own at the time of sale. By doing so, the Fund will become obligated to purchase and deliver equity securities against the short position. In the event that the price of an equity security increases between the short sale and the Fund's subsequent purchase of shares of that security, the Fund will suffer a loss on that transaction and the value of the Fund's investments will decrease accordingly. There can be no assurance that the Fund will not suffer such losses. In theory, a short sale has the potential for unlimited loss. In connection with short sales, the Fund will have to deliver cash or United States Treasury or other securities to brokers to assure delivery of equity securities against short positions. The Fund will be able to keep only a negotiated percentage of the yield of such United States Treasury or other securities. The availability of shares to borrow to execute a short can change quite dramatically and quickly. This presents a risk not faced with long positions. Moves by securities regulators all over the world in the past decade to ban or limit short selling creates a new dimension of the risk. Dramatic changes in the availability of borrowed securities

## Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss (continued)

for shorting is an event not typically addressable through fundamental security analysis. Short squeezes or short covering rallies could be quite detrimental to overall profits. Avoiding hard-to-borrow shares or illiquid names is a basic risk management discipline. Easy-to-borrow shares can become hard-to-borrow quickly. The negative “crowding out” effect is more prevalent with the rapid growth in the number of long-short funds.

*Use of Borrowed Funds.* Lansing may cause the Fund to leverage its investment positions by borrowing funds from securities broker-dealers, banks, or others, although the use of margin is not material to the investment strategy. Such leverage increases both the possibilities for profit and the risks of loss. In a downward trending market, the use of leverage for long positions could have a material adverse effect on the Fund’s profitability and operations, and the reverse could apply to a rising market and short positions. Extensions of credit and guarantees by broker-dealers of performance of the Fund’s obligations will typically be secured by the Fund’s securities and other assets. Under certain circumstances, a broker-dealer may demand an increase in the collateral that secures the Fund’s obligations, and if the Fund were unable to provide additional collateral, the broker-dealer could liquidate assets held in the account to satisfy the Fund’s obligation to the broker-dealer. Liquidation in such manner could have materially adverse consequences. In addition, the amount of the Fund’s borrowings and the interest rates on those borrowings, which will fluctuate, will have a significant effect on the Fund’s profitability.

*Exchange Rate Risk.* The Fund may invest in overseas markets. Volatility in international exchange rates between the United States Dollar and other currencies may affect pricing and the profit margin on sales of non-U.S. securities held by the Fund. This, in turn, could adversely affect the Fund’s rate of return or a Limited Partner’s profit. The Fund will require that payments be made and will make distributions in United States Dollars. Consequently, for Investors whose local currency is not United States Dollars, an investment in the Fund involves a significant exchange rate risk. The Fund could recognize substantial profits but the real value of a Limited Partner’s investment could decline due to a decrease in the value of United States Dollars relative to such Limited Partner’s local currency.

*Reliance on Key Individual.* The success of the Fund will be entirely dependent on the efforts of Sims Lansing. The loss of the services of this individual would adversely affect the Fund.

*Activities of Lansing Management and Lansing.* Each of Lansing Management and Lansing will be required to exercise its best judgment in the management and operation of the Fund. Lansing may manage other portfolios to which it also devotes time, using investment strategies similar to or different from those that Lansing applies to the Fund’s portfolio. Neither Lansing Management, nor Lansing is obligated to make available to the Fund investment opportunities identified by such other strategies, and

**Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss (continued)**

will not be liable or accountable to the Fund or any Limited Partners for the profits of such other portfolios. Investment opportunities appropriate for more than one portfolio will generally be shared or otherwise allocated among portfolios.

## Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss (continued)

- C. Investments by a Fund in certain equity and other securities will involve a high degree of business and financial risk that could result in substantial losses and would be suitable only for Investors prepared to bear such risk. The risk factors below are not intended to be exhaustive. Prospective Investors should carefully review the risks described in the Fund's Offering Documents.

*Equity Investments.* The Fund will be subject to the risks associated with any equity investment strategy. Sharp downward market moves may adversely impact the Fund's long positions and result in losses, and sharp upward movements may generate losses on short positions. Losses may also be incurred on individual positions as a result of issuer-specific matters such as unexpectedly disappointing earnings, lawsuits, analyst action or other matters. Equity returns are volatile and may fluctuate substantially over time.

*Investing in Foreign Securities and Emerging Markets.* Lansing expects that the Fund's investments may include securities of issuers in global markets, including emerging markets, some of which may be particularly sensitive to economic, market, industry and other variable conditions. In addition, there may be limited information available about overseas investment targets and the targets may have limited internal reporting and accounting systems. The Fund is subject to various risks incidental to investing in businesses abroad, including nationalization, expropriation or confiscatory taxation, political and economic instability and diplomatic developments, which could affect investments in those countries. The economies of emerging market countries may differ favorably or unfavorably from the economies of more industrialized countries, in such respects as growth of domestic product, rate of inflation, currency depreciation, capital reinvestment, resource self-sufficiency and balance of payments position. Moreover, economic factors in various global markets can affect demand for the goods and services of issuers of securities held by the Fund. In addition, there is the greater difficulty in monitoring business abroad. Foreign securities, and investments in emerging markets in particular, may be inherently volatile due to political, sovereign and other risks.

*Non-Controlling Investments.* The Fund anticipates that it will hold minority equity and other non-controlling interests in portfolio companies and, therefore, will have a limited ability to protect the Fund's position in such portfolio companies. In such cases, the Fund will be significantly reliant on the existing management and board of directors of such companies, which may include representation of other financial Investors with whom the Fund is not affiliated and whose interests may conflict with the interests of the Fund.

*Investments in Undervalued Assets.* The Fund will seek to invest in undervalued assets. The identification of investment opportunities in undervalued assets is a difficult task, and there is no assurance that such opportunities will be successfully recognized or acquired. While investments in undervalued assets theoretically offer the opportunity for above-average capital appreciation, these investments may involve a high degree of financial risk and can result in substantial losses. The Fund may be forced to sell, at a substantial loss, assets which it believed to be undervalued, if they are not in fact

## Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss (continued)

undervalued. In addition, the Fund may be required to hold such assets for a substantial period of time before realizing their anticipated value. During this period, a portion of the Fund's assets would be committed to the assets purchased, thus possibly preventing the Fund from investing in other opportunities.

*Small Cap Issuers.* At any given time, the Fund may have investments in smaller-to-medium sized companies of a less seasoned nature. Securities of such issuers often involve significantly greater risks than the securities of larger, better-known companies. While smaller companies may offer substantial opportunities for capital growth, they also involve substantial risks and should be considered speculative. Historically, smaller company securities have been more volatile in price than larger company securities, especially over the short term. Among the reasons for the greater price volatility are the less certain growth prospects of smaller companies, the lower degree of liquidity in the markets for such securities, and the greater sensitivity of smaller companies to changing economic conditions. In addition, smaller companies may lack depth of management, be unable to generate funds necessary for growth or development, have limited product lines or be developing or marketing new products or services for which markets are not yet established and may never become established. Smaller companies may be particularly affected by interest rate increases, as they may find it more difficult to borrow money to continue or expand operations, or may have difficulty in repaying any loans which are floating rate.

*Futures.* The Fund may invest and trade in future contracts. A futures contract is an agreement between two parties which obligates the purchaser of a futures contract to buy and the seller of a futures contract to sell a security or basket of securities for a set price on a future date. The risk of loss in trading futures can be substantial. If the Fund purchases a futures contract it may sustain a total loss of the initial margin funds and any additional funds deposited with a broker to establish and maintain its position in the future. If the market moves against the Fund's position, the Fund may be required to deposit a substantial amount of additional margin funds in order to maintain its position. The placement of contingent or stop orders by the Fund will not necessarily limit its losses to the intended amounts, as market conditions may make it impossible for such orders to be executed. There can be no assurance that, at all times, a liquid market will exist for offsetting a futures contract that the Fund has bought or sold. This could be the case if, for example, a futures price has increased or decreased by the maximum allowable daily limit and there is no one presently willing to buy the futures contract the Fund wants to sell or sell the futures contract the Fund wants to buy. The high degree of leverage that can be used in trading futures can lead to large losses.

*Swaps.* The Fund may invest in swaps. A swap is similar to a futures contract but unlike a futures contract the terms of many swaps are not standardized and most swaps are not currently traded on exchanges. Significant risks also exist with respect to swaps. Swaps are in many cases subject to the credit risk of the principal or its refusal to perform and the imposition of exchange controls. Most swaps are not guaranteed by an exchange or



## **Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss (continued)**

a clearing house and the failure of a principal with whom a swap is made would likely result in a default. It may be difficult to enforce the contractual obligations of a principal in the event that a principal refuses to perform under a swap. The U.S. Congress, the SEC, the CFTC and other regulators have taken steps to regulate the over-the counter swaps market. Most notably, the Dodd-Frank Act was enacted in 2010 which, among other things, established a comprehensive framework for regulating the over-the counter swaps market. In particular, the Dodd-Frank Act divides regulatory authority over swaps between the SEC and the CFTC, with the SEC having authority over security-based swaps, the CFTC having authority over commodity-based swaps and the SEC and CFTC having joint authority over “mixed swaps,” which are security-based swaps that also have a commodity component. Among other things, the Dodd-Frank Act authorizes the SEC and the CFTC to provide for the registration and regulation of swap dealers and major swap participants. The Dodd-Frank Act also requires (i) clearing of all standardized swaps that can be cleared, (ii) trading of certain swaps through swap execution facilities and (iii) reporting of all swaps to the CFTC, SEC or a registered swap data repository. For swaps that are not sufficiently standardized to be accepted by a clearinghouse, the Dodd-Frank Act does not require central clearing but requires margin to be posted as well as significant capital to be maintained by the swap dealer or major swap participant and imposes certain reporting requirements. SEC and CFTC rules govern these capital, margin, reporting and business conduct requirements. Compliance with these requirements may make trading swaps cost more. While these changes to the regulation of swaps are not expected to have a material adverse impact on the Fund or its strategy, Lansing cannot currently predict the full impact of these regulations on the Fund. In addition, other legislation may be passed or regulations adopted in the future with respect to the trading of swaps which could negatively impact the Fund and its strategy.

*Options.* The Fund may engage in options trading. Stock or index options that may be purchased or sold by the Fund may include options not traded on a securities exchange. Options not traded on an exchange are not issued by the Options Clearing Corporation; therefore, the risk of nonperformance by the obligor on such an option may be greater and the ease with which the Partnership can dispose of such an option may be less than in the case of an exchange traded option issued by the Options Clearing Corporation. The trading of options is highly speculative and may entail risks that are greater than those present when investing in other securities. Prices of options are generally more volatile than prices of other securities. To the extent that the Fund purchases options that it does not sell or exercise, it will suffer the loss of the premium paid in such purchase. To the extent that the Fund sells options and must deliver the underlying securities at the option price, the Fund has a theoretically unlimited risk of loss if the price of such underlying securities increases. To the extent that the Fund must buy the underlying securities, it risks the loss of the difference between the market price of the underlying securities and the option price. Any gain or loss derived from the sale or exercise of an option will be reduced or increased, respectively, by the amount of the premium paid.

## **Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss (continued)**

The expenses of option investing include commissions payable on the purchase and on the exercise or sale of an option. Special risks are associated with the use of options. A decision as to whether, when and how to use options involves the exercise of skill and judgment which are different from those needed to select securities, and even a well-conceived transaction may be unsuccessful to some degree because of market behavior, currency fluctuations or interest rate trends. The potential loss incurred by the Partnership in writing uncovered options is unlimited. When options are used as a hedging technique, there can be no guaranty of a correlation between price movements in the option and in the portfolio securities being hedged. A lack of correlation could result in a loss on both the hedged securities and the hedging vehicle, so that the Fund's return might have been better had hedging not been attempted.

**Investing in securities and derivatives involves risk of loss that Fund Investors should be prepared to bear. There can be no assurance that the Fund's objective will be achieved or that the investment strategies Lansing employs will be successful. Investors must be prepared to lose all or substantially all of their investment in the Fund. The past performance of a Fund is not indicative of its future performance.**

**For a detailed description of the risks of the investment strategies employed by the Fund, please see that Fund's Offering Documents.**

**Item 9 - Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of the adviser or the integrity of adviser's management.

There are no legal or disciplinary events with respect to an evaluation of the Adviser's advisory services or the integrity of management.

#### **Item 10 - Other Financial Industry Activities and Affiliations**

- A. The Adviser is not registered, and does not have an application pending to register, as a broker-dealer or registered representative of a broker-dealer. Currently, no employees of the Adviser are registered representatives of a broker-dealer.
- B. Neither the Adviser nor any of its management persons are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, commodity trading advisor, or an associated person of the foregoing entities.
- C. In connection with sponsoring any Fund, the Adviser will also sponsor an affiliated general partner for such Fund, which will receive the compensation described in Item 6. Other than these affiliated general partner entities, the Adviser has no relationships or arrangements with any related person listed in the instructions to Item 10.C. that are material to its advisory business or to its Clients.
- D. The Adviser does not recommend or select other investment advisers for its Clients.

## **Item 11 - Code of Ethics, Participation in Client Transactions and Personal Trading**

### Code of Ethics and Personal Trading Policy

Lansing has adopted a code of ethics and personal trading policy (“Code of Ethics”) in furtherance of its compliance with applicable laws. Lansing prohibits employees from using or attempting to use their position at Lansing to obtain improper benefits for themselves or any other person.

Lansing’s Code of Ethics permits employees to invest for their personal accounts, subject to certain guidelines and restrictions. All personal securities transactions by employees must be conducted in accordance with the requirements of Lansing’s Code of Ethics. Among other things, Lansing’s policies require that certain personal securities transactions by employees be approved in advance by Lansing’s compliance department. Employees must report certain personal securities holdings upon employment and periodically thereafter and arrange for certain duplicate confirmations and account statements to be sent to Lansing’s compliance department.

Lansing has also adopted policies and procedures designed to prevent employees from being unduly influenced in their decisions by receipt of gifts, entertainment or other inducements by third parties, such as trading counterparties, vendors or Investors. Lansing will provide a copy of its Code of Ethics to any Investor or prospective Investor upon request.

### Outside Activities

Lansing employees may be active in and serve on the management committees or boards of directors of various organizations or companies. Lansing employees may serve on the board or in other capacities of an issuer in which a Fund invests or may invest. Such employee could have a conflict of interest between discharging their obligation in such capacities and acting in the interest of the Fund.

The Fund does not limit Lansing’s ability or any related person’s ability to form or manage other funds or accounts of any nature whatsoever. There are no limitations on Lansing’s ability or any related person’s ability to engage in other business or investment activities, whether related or unrelated to the Fund.

Lansing and its related persons are not subject to any specific obligations or requirements concerning the allocation of time, effort or investment opportunities to the Fund, or any restrictions on the nature or timing of investments for the Fund, Lansing’s proprietary accounts or Lansing’s related person’s proprietary accounts. Lansing’s owners and employees are not obligated to devote any specific amount of time to the affairs of Lansing or the Fund, and they are not required to accord any exclusivity or priority to any Fund or account in the event of “limited availability” investment opportunities and, as a result, conflicts of interest may arise.

**Item 11 - Code of Ethics, Participation in Client Transactions and Personal Trading  
(Continued)**

Insider Trading

By reason of Lansing's or its related person's business or investment activities, Lansing may acquire confidential information or otherwise be restricted in its investment activities, and, in such event, Lansing and such related persons may not be free to act upon such confidential information. Due to such confidential information or restrictions, Lansing may not initiate a transaction for the Fund or account that Lansing may otherwise have initiated, and the Fund or account may, as a result, be required to maintain a position that it otherwise might have sold, or be required to refrain from acquiring a position that it otherwise may have acquired.

## **Item 12 - Brokerage Practices**

Lansing will have complete discretion to determine, subject to the Fund's disclosed investment objectives, policies and strategies, the securities to be purchased or sold and in what amounts, the broker-dealers and other financial intermediaries used in effecting the transactions for the Fund, and the commission rates to be paid for such transactions.

### Brokerage

Lansing will select the broker-dealers and other financial intermediaries used to effect transactions on behalf of the Fund. Lansing will seek to obtain "best execution" from these broker-dealers based on a variety of factors. In selecting broker-dealers to effect portfolio transactions, Lansing may cause the Fund to enter into arrangements pursuant to which the Fund pays transaction costs in an amount greater than would be incurred if another broker-dealer were used. Lansing is not required to solicit competitive bids or seek the lowest available commission or transaction costs. The transactions that will be executed by the Fund may be cleared through, and the Fund's investment instruments may be held by, a number of financial institutions Lansing selects on terms negotiated with each such financial institution individually.

### Soft Dollars

Lansing or its affiliates may receive from a Fund's broker-dealers products and services in addition to brokerage services.

A portion of the commissions generated on the Fund's brokerage transactions may generate "soft dollar" credits that Lansing will be authorized to use to pay for research and other non-research related services and products used by Lansing or its affiliates. Lansing may enter into "soft dollar" arrangements with one or more broker-dealers whereby Lansing will direct securities transactions to the broker-dealer in return for research products and services from the broker-dealer. Lansing will use the research and services in making investment decisions for the applicable Fund. Lansing may also enter into "soft dollar" arrangements to cover Fund expenses or costs and expenses of Lansing to the extent such arrangements are permitted by law.

Lansing will have authority to use "soft dollar" credits generated by the Fund's securities transactions to pay for expenses that might otherwise have been borne by Lansing. This may give Lansing an incentive to select brokers or dealers for Fund transactions, or to negotiate commission rates or other execution terms, in a manner that takes into account the soft dollar benefits received by Lansing rather than giving exclusive consideration to the interests of the Fund.

If Lansing elects to use soft dollars, it intends to limit its use to services within the safe harbor afforded by Section 28(e) of the Securities Exchange Act of 1934 or services

## **Item 12 - Brokerage Practices (continued)**

that are otherwise reasonably related to the investment decision-making process.

The term “soft dollars” refers to the receipt by an investment adviser of products and services provided by brokers, without any cash payment by the investment adviser, based on the volume of revenues generated from brokerage commissions for transactions executed for clients of the investment adviser. The products and services available from brokers include both internally generated items (such as research reports prepared by employees of the broker) as well as items acquired by the broker from third parties (such as research reports and quotation equipment).

The use of brokerage commissions to obtain investment research services and to pay for the administrative costs and expenses of Lansing could create a conflict of interest between Lansing and the Fund, because the Fund may pay for such products and services that are not exclusively for the benefit of the Fund and that may be primarily or exclusively for the benefit of Lansing. To the extent that Lansing is able to acquire these products and services without expending its own resources (including management fees paid by the Fund), Lansing’s use of “soft-dollars” would tend to increase Lansing’s profitability. In addition, the availability of these non-monetary benefits may influence Lansing to select one broker rather than another to perform services for the Fund. The Fund’s Offering Documents specifically authorize these practices to the fullest extent permitted by law.



**Item 13 - Review of Accounts**

Lansing will be responsible for reviewing Fund investment portfolios. The Principal will perform intraday, daily, weekly or monthly reviews of Fund positions as he deems appropriate. Performance, security positions and investment opportunities are among some of the matters that may be reviewed.

The Fund will provide Limited Partners audited annual financial statements, periodic unaudited performance reports and all tax information relating to their investments in the Fund necessary for U.S. federal income tax purposes.

#### **Item 14 - Client Referrals and Other Compensation**

A. The Adviser will not receive any economic benefit, including sales awards or prizes, from any third party for providing advisory services to the Fund.

B. Third Party Solicitors

Lansing may enter into agreements with certain placement agents that provide for compensation to be paid to the placement agent for referring Investors to the Fund.

Currently, Lansing does not utilize any third party marketers or solicitors. In the event that Lansing chooses to engage a placement agent in the future, all such solicitation arrangements will be in compliance with Rule 206(4)-3 under the Investment Advisers Act of 1940, as amended. The Fund and its underlying Limited Partners will not be responsible for any of the fees paid to the placement agents.

**Item 15 - Custody**

Lansing may be deemed under Rule 206(4)-2 of the Advisers Act to have custody of the assets of the Fund by virtue of its control of the General Partner of each Fund. The Fund's assets and securities will be held by qualified custodians. As noted in Item 13 above, Fund Limited Partners will receive annual financial statements audited by an independent public accounting firm. Fund Limited Partners are urged to carefully review such statements.

**Item 16 - Investment Discretion**

Lansing will exercise discretion in managing the investments of the Fund, based on the Fund's investment objectives, policies and strategies disclosed in its Offering Documents. The limitations on such authority are described in the Fund's Offering Documents.

Lansing will contractually assume discretionary authority over the assets of the Fund under an investment management agreement entered into among Lansing, the Fund and the Fund's General Partner.

## **Item 17 - Voting Client Securities**

Lansing will follow a proxy voting policy to ensure that proxies the firm votes, on behalf of the Fund, are voted to further the best interest of the Fund. The policy will establish a mechanism to address any conflicts of interests between Lansing and the Fund. Further, the policy will establish how Fund Limited Partners may obtain information on how the proxies have been voted.

Lansing will determine how to vote after studying the proxy materials and any other materials that may be necessary or beneficial to voting. Lansing will vote proxies in a manner that it believes reasonably furthers the best interests of the Fund and its Investors and is consistent with the investment philosophy as set forth in the Fund Offering Documents.

If a proxy vote creates a material conflict between the interests of Lansing and the Fund, Lansing will resolve the conflict before voting the proxies. Lansing will take steps designed to ensure that a decision to vote the proxy was based on its determination of the Fund's best interest and was not the product of the conflict.

Lansing will maintain records of (i) all proxy votes that are made on behalf of the Fund; (ii) all written requests from Fund Limited Partners regarding voting history; and (iii) all responses (written and oral) to Limited Partners' requests. Such records are available to the Fund Limited Partners upon request.

**Item 18 - Financial Information**

- A. Lansing will not require or solicit prepayment of more than \$1200, six months or more in advance.
- B. Lansing does not believe it has any financial condition that is reasonably likely to impair its ability to meet its contractual commitments to the Fund.
- C. Lansing has not been the subject of a bankruptcy petition at any time during the past ten years.