

DISCLOSURE BROCHURE

Higher Moment Capital LP

One International Place
45th Floor
Boston, MA 02110
617.219.9901
www.highermoment.com

April 25, 2017

This brochure provides information about the qualifications and business practices of Higher Moment Capital LP (“**Higher Moment**”). If you have any questions about the contents of this brochure, please contact us at 617.219.9901. 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.

Higher Moment is a registered investment adviser. Registration of an investment adviser does not imply any level of skill or training. Additional information about Higher Moment is available on the SEC’s website at www.adviserinfo.sec.gov.

Item 2-Material Changes

In February 2016, Higher Moment moved its office from Cambridge, Massachusetts to One International Place, 45th Floor, Boston, Massachusetts. Our new main phone number is 617.219.9901 though our prior number 617.250.8461 will remain active.

Effective September 1, 2016, Higher Moment restructured its funds - while maintaining the existing strategies - to a master feeder structure. As part of the restructuring, investors were given the opportunity to participate via an exchange of interests in the legacy funds (Higher Moment Aurora Fund, LP and/or Higher Moment Capital Opportunities, LP) for interests in a feeder fund under the new master feeder structure. Please See "Item 4 - Advisory Business" for more details.

During the same time period, Higher Moment Capital, LLC converted to a limited partnership structure and is now Higher Moment Capital LP, with this conversion Higher Moment Capital LP filed a new registration with FINRA and has been approved under firm file number 286695. The original firm file number 159775 was terminated.

There were no other material changes from the March 2016 "Disclosure Brochure".

Future Disclosure Brochure filings will address "material changes" since the date of this filing, which will either be delivered, or offered for delivery, to clients.

The information set forth herein is qualified in its entirety by reference to applicable offering and governing documents. In the event of a conflict between the information set forth in this brochure and the information in the applicable governing and/or offering documents, the governing and/or offering documents shall control.

Currently, our Brochure may be requested by contacting the Investor Relations at 617.219.9901 or investor@highermoment.com. Additional information about Higher Moment is also available via the SEC's web site www.adviserinfo.sec.gov. The SEC's web site also provides information about any persons affiliated with Higher Moment who are registered, or are required to be registered, as investment adviser representatives of Higher Moment.

Item 3-Table of Contents

Item 2-Material Changes.....	2
Item 3-Table of Contents.....	3
Item 4-Advisory Business	4
Item 5-Fees and Compensation.....	6
Item 6-Performance Based Fees and Side-By-Side Management.....	8
Item 7-Our Clients.....	11
Item 8-Methods of Analysis, Investment Strategies and Risk.....	12
Methods of Analysis.....	12
Investment Objective and Strategies	12
Risks of Investment	15
Item 9-Disciplinary Information	20
Item 10-Other Financial Industry Activities and Affiliations	20
Item 11-Code of Ethics, Participation or Interest in Client Transactions, and Personal Trading	21
Code of Ethics	21
Misuse of Nonpublic Information	21
Participation or Interest in Client Transactions	22
Personal Securities Trading	22
Outside Business Activities	23
Item 12-Brokerage Practices.....	23
Item 13-Review of Accounts	26
Item 14-Client Referrals and Other Compensation	26
Item 15-Custody	27
Item 16-Investment Discretion	27
Item 17-Voting Client Securities	27
Item 18-Financial Information	28

Item 4-Advisory Business

Higher Moment Capital LP (“Higher Moment” or the “Investment Manager”), a Delaware limited partnership, was founded in March 2008 as a Delaware limited liability company and converted to a Delaware limited partnership in September 2016. Higher Moment provides discretionary investment management advisory services to certain private funds (each a “Client” or “Fund”; together “Clients” or “Funds”). Currently the Clients are two feeder funds and three master funds.

Higher Moment has been the Investment Manager of Higher Moment Aurora Fund, LP since March of 2008 and Higher Moment Capital Opportunities, LP since December of 2009. Effective September 1, 2016, Higher Moment restructured its funds - while maintaining the existing strategies - to a master feeder structure. As part of the restructuring, investors were given the opportunity to participate via an exchange of interests in the legacy funds (Higher Moment Aurora Fund, LP and/or Higher Moment Capital Opportunities, LP) for interests in a feeder fund. With the restructuring, the legacy funds and the general partners of the legacy funds ceased operating.

The feeder funds are Higher Moment Fund LLC (“HMF LLC.”), a Delaware limited liability company, and Higher Moment Fund Ltd. (“HMF Ltd.”), an exempted company with limited liability under the Companies Law of the Cayman Islands. Investors participate in the feeder funds via Series A, Series O, and Series M Interests (an “Interest” or “Interests”) based upon their preference. Both feeder funds invest substantially all of their assets as a limited partner in the master funds under a master-feeder structure.

Series A Interests indirectly participate in Higher Moment Aurora Master Fund Ltd (the “Aurora Strategy” or “HMAMF”), an exempted company with limited liability under the Companies Law of the Cayman Islands, which pursues the strategy of the legacy fund, Higher Moment Aurora Fund, LP.

Series O Interests indirectly participate in Higher Moment Opportunities Master Fund Ltd (the “Opportunities Strategy” or HMOMF), an exempted company with limited liability under the Companies Law of the Cayman Islands, which pursues the strategy of the legacy fund, Higher

Moment Capital Opportunities, LP. HMOMF may make investments via its wholly owned subsidiary, the Higher Moment Futures Fund Ltd.

Series M Interests indirectly participate in Higher Moment Multi Strategy Master Fund Ltd (the "Multi Strategy" or HMMSMF), an exempted company with limited liability under the Companies Law of the Cayman Islands. HMMSMF is for investors who wish to have an investment in both the Aurora Strategy and the Opportunities via an allocation ratio and periodic rebalancing as determined by the Investment Manager. HMMSMF invests in HMAMF and HMOMF as a limited partner.

Higher Moment tailors investment advisory services to the individual needs of its Clients and Clients may impose restrictions on investing in certain securities or types of securities. The limited partners or investors of its Clients may not impose restrictions on investing.

Ravi Singh and Sundar Subramaniam (the "Principals") control Higher Moment; however, Mr. Subramaniam is not actively involved in the management of the Funds. Crest Partners, LLC, has a passive minority interest in Higher Moment.

Please see Item 8 below for a brief discussion of Higher Moment's current investment strategies (collectively, the "Strategies"). Important information regarding an investment in a Fund, including the specific investment strategies and policies, fees and expenses, risk factors and other material terms, are set forth in each Fund's Offering Documents.

As of December 31, 2016, Higher Moment's discretionary regulatory assets under management were approximately \$220.5 million. Higher Moment does not currently manage any assets on a non-discretionary basis.

Item 5-Fees and Compensation

Pursuant to the investment management agreement entered into between HMAMF and Higher Moment, HMAMF will pay to Higher Moment a fixed management fee payable monthly, in arrears, equal to 0.125% (1.5% annualized) of the ending monthly net asset value of each limited partner's capital account (the "Management Fee").

Pursuant to the Investment Management Agreement entered into between HMOMF and Higher Moment, HMOMF will pay to Higher Moment a fixed management fee payable monthly, in arrears, equal to 0.167% (2.0% annualized) of the ending monthly net asset value of each limited partner's capital account (the "Management Fee").

Pursuant to the investment management agreement entered into between HMMSMF and Higher Moment, HMMSMF will pay to Higher Moment a fixed management fee payable monthly, in arrears, equal to 0.125% (1.5% annualized) of the ending monthly net asset value of each limited partner's capital account (the "Management Fee").

With respect to all Clients, Higher Moment has the right to reduce or waive, from time to time, all or part of the Management Fee attributed to certain investors in the Clients (each an "Investor: together "Investors"), including, without limitation, Investors that are members, partners, affiliates or employees of Higher Moment, members of the immediate families of such persons and trusts or other entities for their benefit.

In consideration for the Management Fee, Higher Moment will bear the costs of office space, utilities and personnel. The Management Fee may exceed the expenses borne by Higher Moment on behalf of the respective Fund.

Each Fund bears its own expenses, including, without limitation, investment-related expenses whether relating to investments that are consummated or unconsummated (e.g., brokerage commissions, due diligence costs, expenses of consultants, interest on margin accounts and other indebtedness, borrowing charges on securities sold short, custodial fees, clearing and settlement charges and interest expense); research-related expenses, including, without limitation, news and quotation equipment and services; legal expenses; professional fees

(including, without limitation, expenses of consultants and experts); the costs of organizing and maintaining any trading vehicles; costs relating to swaps (and similar agreements); auditing and tax preparation expenses; fees and expenses of the “tax matters partner” or “partnership representative” (which amounts may arise separately as a Fund-level expense); accounting expenses; market data costs; costs of third-party administrators; costs of any third party engaged to serve as an independent investor representative; fees paid to directors; costs of printing and mailing reports and notices; organizational and offering expenses; costs of the Investment Manager’s liability insurance and related insurance; management fees; indemnification expenses; corporate licensing fees and other professional fees; bank service fees; taxes (including withholding and transfer taxes) and other similar amounts (any of which may arise separately as a Fund-level expense); trademarks; regulatory and compliance expenses relating to the Fund or the Master Funds, including expenses of preparing regulatory filings of the Funds, or of the Investment Manager as a result of its management of the Funds, such as Form PF; other expenses related to the purchase, monitoring, sale, settlement, custody or transmittal of the Funds’ assets (directly or through trading vehicles); and extraordinary expenses and other similar expenses related to the Funds.

Certain organizational expenses of each Fund are being amortized by the respective Fund over a 60-month period from commencement of the respective Fund. Amortization of organizational expenses by the respective Fund does not conform to U.S. generally accepted accounting procedures (“GAAP”).

Clients may terminate Higher Moment’s advisory services at any time without penalty generally upon one months’ advance written notice. Withdrawals or redemptions by Investors in a Client can be made on the terms described in the applicable Offering Documents.

See Item 12 which describes the factors that Higher Moment considers in selecting broker-dealers for Client transactions and determining the reasonableness of their compensation (e.g., commissions). All such fees and expenses and other important information regarding an investment in a Fund, are more fully set forth in each Fund’s Offering Documents.

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

At the end of each fiscal year (December 31st) of the Fund, 15% of HMAMF, 20% of HMOMF, and 20% of HMMSMF (i) realized and unrealized net capital appreciation less expenses allocated to the capital account of each limited partner during the fiscal year, less (ii) the Management Fee attributable to such capital account will be reallocated from each limited partner's capital account to the respective Higher Moment capital account (the "Incentive Allocation"). The net capital appreciation upon which the calculation of the Incentive Allocation is based will be reduced to the extent of any unrecovered balance of net capital depreciation remaining from the prior year as adjusted for withdrawals.

All fees and expenses and other important information regarding an investment in a Fund, are more fully set forth in each Fund's Offering Documents.

Each Fund will be subject to a number of actual and potential conflicts of interest involving Higher Moment. However, Higher Moment has substantial incentive to see that the assets of the Funds appreciate in value, and merely because an actual or potential conflict of interest exists, this does not mean that it will be acted upon to the detriment of the Fund(s).

The Incentive Allocation made to Higher Moment may create an incentive for Higher Moment to cause the Fund to make investments that are riskier or more speculative than would be the case if such allocation were not made. In addition, since the Incentive Allocation will be calculated on a basis that includes unrealized appreciation of the Fund's net assets, such allocation may be greater than if it were based solely on realized gains.

Higher Moment may provide discretionary and non-discretionary investment management services to other clients, managed accounts and other investment partnerships or funds (collectively, the "Other Accounts"), some of which have similar investment objectives to those of the Funds or which engage in transactions in the same type of securities and instruments as the Funds. Higher Moment may give advice and recommend securities to the Other Accounts which may differ from advice given to, or securities recommended or bought for, the Funds, even though their investment objectives may be the same or similar to those of the Funds.

Higher Moment will devote as much time to the activities of the Funds as it deems necessary and appropriate. Higher Moment is not restricted from forming additional investment funds, from entering into other investment advisory relationships or from engaging in other business activities, even though such activities may be in competition with the Funds and/or may involve substantial time and resources of Higher Moment. These activities could be viewed as creating a conflict of interest in that the time and effort of the members of Higher Moment and its officers and employees will not be devoted exclusively to the business of the Funds but will be allocated between the business of the Funds and the management of the monies of the Other Accounts.

If it is determined by Higher Moment that it would be appropriate for the Funds and one or more of the Other Accounts to participate in an investment opportunity, Higher Moment will seek to allocate investments among all of the participating investment accounts, including the Funds, on an equitable basis, taking into account such factors as the relative amounts of capital available for new investments and the investment programs and portfolio positions of the Funds and the clients for which participation is appropriate. Orders may be combined for all such accounts, and if any order is not filled at the same price, they will be allocated on a basis which Higher Moment consider equitable. Similarly, if an order on behalf of more than one account cannot be fully executed under prevailing market conditions, securities may be allocated among the different accounts on a basis which Higher Moment or its affiliates consider equitable.

Sundar Subramaniam, a managing member of Higher Moment, has and will continue to launch, invest in and operate early stage companies. Mr. Subramaniam will devote his full time efforts to operations other than Higher Moment and the Funds.

Higher Moment may purchase or sell securities on its own behalf or on behalf of the Other Accounts which may differ from those purchased or sold for the Funds, even though their investment objectives may be the same or similar. The Fund, for example, may make an investment at the same time that one or more of the Other Accounts is disposing of the same or a similar investment. Likewise, the Funds may make an investment in a position which is already held by one or more of the Other Accounts or a position that is subordinated or senior to or otherwise adverse to a position held by one of more of the Other Accounts.

The Funds may invest in an Affiliated Fund for which Higher Moment also serves as the investment manager. Such an investment will raise certain conflicts since Higher Moment has certain duties to both the Fund and the Affiliated Fund.

A detailed explanation of the conflicts that may exist as well as other important information regarding an investment in a Fund, are more fully set forth in each Fund's Offering Documents.

Item 7-Our Clients

Higher Moment provides discretionary investment management services to the Funds.

Investors are required to meet certain eligibility standards as set forth in each Fund's Offering Documents.

Each Fund has a minimum investment requirement for Investors as set forth in such Fund's Offering Documents.

Higher Moment has entered into and may in the future enter into additional side letter arrangements with certain Investors in Funds managed by Higher Moment ("Side Letter Investors") whereby Higher Moment and a Side Letter Investor have agreed (or may agree in the future) to vary the Side Letter Investor's investment terms from those made available to other Investors in the Funds including in connection with due diligence reviews, pursuant to which an Investor may receive reports and have access to information regarding the Fund's portfolio that might not be generally available to other Investors. Such Side letter Investors may be able to base their investment decisions, including, without limitation, withdrawing their capital from the Fund, on information that is not generally available to other Investors. Side letters may also provide more favorable terms relating to liquidity and Management Fees or Incentive Allocations.

Further, certain Investors may receive information regarding the Fund's portfolio that is not generally available to other Investors and, as a result, may be able to act on such information that is not generally available to other Investors.

Item 8-Methods of Analysis, Investment Strategies and Risk

Methods of Analysis

Higher Moment may make extensive use of computer systems and software and may use its own proprietary quantitative models as well as systems which are publicly available or provided by third parties.

The trading decisions of Higher Moment are based on a strategy which seeks to take into account certain "technical" factors in identifying price trends and price movements. The buy and sell signals generated by the system are not based on analysis of fundamental supply and demand factors, general economic factors or anticipated world events but generally upon a study of actual daily, weekly and monthly price fluctuations, volume variations and changes in open interest.

Investment Objective and Strategies

Higher Moment's strategies are described briefly below:

Higher Moment Aurora Master Fund Ltd.

HMAMF's investment objective is to achieve high risk adjusted returns by allocating capital across a wide range of asset classes. HMAMF invests primarily in liquid exchange traded funds ("ETFs") and futures contracts that track major indices. To carry out HMAMF's investment objective, HMAMF utilizes a proprietary quantitative dynamic asset allocation model.

Key elements of the Fund's investment strategy and risk management include:

- **Asset Allocation** - Rather than individual security selection, HMAMF focuses on asset allocation. There are no limitations on the types of assets in which HMAMF may invest. Assets in the portfolio must generally offer a compelling source of risk adjusted return and/or act as a diversifier, complementing the other assets classes. Although there are a wide range of assets in which HMAMF may invest, there may also be times when HMAMF has significant long or short exposure to a single asset or a small number of assets.

- Quantitative Asset Allocation Model - HMAMF's strategy utilizes a proprietary quantitative dynamic asset allocation model to invest in a generally wide range of asset classes. Higher Moment's proprietary quantitative model can be adjusted from time to time based on results and research. Such changes in the model or in the input parameters used by the model will alter the behavior of the model.
- Dynamic Allocation - HMAMF engages in daily asset class modeling and reallocation. Daily reallocation allows HMAMF to adapt its portfolio to the risk environment in a way that is not possible with a static allocation. HMAMF's strategy is extremely dynamic and results in highly variable exposure to the various asset classes in HMAMF's portfolio.
- Systematic Risk Management - Risk is managed on a daily basis and measured using quantitative risk management techniques and models based on academic research. The performance of Higher Moment's risk models and the ability to successfully target HMAMF's risk depend on the extent to which the historical data provides a good representation of the true risk of an asset or how an asset correlates with other assets.
- Long and Short Positions - HMAMF will invest in long positions as well as short positions for speculative or hedging purposes, as applicable. HMAMF may invest in short positions in order to manage its risk or to offset the risk of a long position using a short position in a correlated asset. Short positions also allow HMAMF to potentially benefit from price declines in an asset class. Unlike traditional asset allocation programs, HMAMF may be net short equities, fixed income or any other asset class.
- Leverage - HMAMF expects to employ leverage both explicit (e.g., margin) and implicit (e.g., futures).
- Execution - Although Higher Moment seeks to adhere to an asset allocation model for HMAMF, it exercises discretion in executing the strategy. To minimize turnover and transaction costs, Higher Moment may choose not to execute trades that it does not

believe materially change the risk/returns characteristics of the portfolio. When large adjustments in positions are required, limitations in the ability to execute the trades may result in deviations from the model. In these cases, Higher Moment typically executes the trades over a period of days or possibly weeks to converge to the model. Higher Moment also exercises significant discretion in the execution of the strategy through the choice of input parameters used by the asset allocation model.

Higher Moment Opportunities Master Fund, Ltd.

HMOMF's investment objective is to achieve high risk adjusted returns with an aggressive risk profile. HMOMF was organized for the purpose of investing and trading in securities and financial instruments of all kinds and descriptions, whether publicly traded or privately placed, including, but not limited to, stocks, options, bonds, commodities, futures contracts, derivative products of all types, limited partnership or limited liability company interests, mutual fund shares, closed-end investment funds, currencies, precious metals, and cash and cash equivalents.

Higher Moment believes that HMOMF's flexible investment mandate allows it to invest in asset classes and markets that are poised for superior performance. Although Higher Moment is free to diversify by asset class and geography, it is not obligated to do so, and the flexibility of the strategy is intended to allow it to focus where it believes the maximum investment opportunity exists.

Although Higher Moment retains the flexibility to alter or expand its research process for HMOMF, it currently has a model and data driven research process. Developing a new strategy involves (1) specifying a formal trading rule or algorithm; and (2) testing that rule using historical data. To reduce the risk of data mining (e.g., development of trading rules that fit the historical data, but subsequently perform poorly), Higher Moments seeks trading strategies that have a conceptual foundation and exploit some identifiable friction or opportunity in the market.

HMOMF may make investments through its wholly owned subsidiary, Higher Moment Futures Fund Ltd.

Higher Moment Multi Strategy Master Fund Ltd.

HMMSMF's investment objective is to achieve attractive risk adjusted returns on investments of HMMSMF's assets by investing in HMAMF and HMOMF in accordance with an allocation and periodic rebalancing as determined by Higher Moment.

Risks of Investment

An investment in the Fund(s) should be viewed as a speculative investment. It is not intended as a complete investment program and is designed only for sophisticated investors who have adequate means of providing for their needs and contingencies without relying on distributions or withdrawals from their Fund accounts, who are financially able to maintain their investment and who can afford a loss of all or a substantial portion of their investment. There can be no assurance that the investment objectives of the strategies described above and more fully in the Fund Offering Documents will be achieved.

An investment in a Fund involves a high degree of risk, including the risk that the entire amount invested may be lost.

The Fund(s) invests in, and actively trades, securities and other financial instruments using a variety of strategies and investment techniques with significant risk characteristics, including the risks arising from: (i) the volatility of the Fund's performance and markets (equity, fixed-income, futures and currency); (ii) leverage assumed in association with trading in securities (equity and fixed-income, in cash or derivatives) and currencies, if any; (iii) the illiquidity of securities and derivative instruments; and (iv) the risk of loss from counterparty defaults.

No guarantee or representation is made that the Fund's investment program will be successful, or that the Fund's returns will exhibit any correlation or dis-correlation with an investor's traditional securities portfolio. The Fund may utilize investment techniques such as option transactions, margin transactions, short sales, leverage, derivatives trading and futures and forward contracts, which practices can involve substantial volatility and can, in certain circumstances, substantially increase the adverse impact to which the Fund's investment portfolio may be subject.

The general risks of investment are set forth below, as well as those specific to one or more of the Funds. One should refer to the respective Fund Offering Documents for a complete and detailed description of risks.

General Liquidity Risks. Under certain market conditions, such as during volatile markets or when trading in a security or market is otherwise impaired, the liquidity of a Fund's portfolio positions may be reduced. In addition, a Fund may from time to time hold large positions with respect to a specific type of financial instrument, which may reduce a Fund's liquidity. During such times, a Fund may be unable to dispose of certain financial instruments, including longer-term financial instruments, which would adversely affect its ability to rebalance its portfolios or to meet redemption requests. In addition, such circumstances may force a Fund to dispose of financial instruments at reduced prices, thereby adversely affecting its performance. If there are other market participants seeking to dispose of similar financial instruments at the same time, a Fund may be unable to sell such financial instruments or prevent losses relating to such financial instruments. Furthermore, if a Fund incurs substantial trading losses, the need for liquidity could rise sharply while its access to liquidity could be impaired. In addition, in conjunction with a market downturn, a Fund's counterparties could incur losses of their own, thereby weakening their financial condition and increasing a Fund's credit risk to them.

Limited Liquidity of Fund Interests. An investment in a Fund provides limited liquidity since the Interests are not freely transferable and, generally, an Investor has the right to withdraw Interests only as described in "Withdrawals". A Fund may also suspend or postpone the withdrawal rights of an Investor. There is no market for trading in Interests of a Fund and none is expected to develop. Accordingly, an investment in a Fund is suitable only for sophisticated investors who do not require immediate liquidity for their investment.

Possible Adverse Effects of Substantial Withdrawals. Certain characteristics of a Fund may increase the negative effect of substantial withdrawals. A Fund will pursue investment strategies that will take time to develop and implement. Substantial withdrawals could be triggered by a number of events, including, for example, unsatisfactory performance, general illiquidity in capital markets, a significant change in personnel or management of Higher Moment, a decision by the Investors to liquidate assets by submitting withdrawal requests, legal or regulatory issues that investors perceive to have a bearing on a Fund or Higher

Moment, or other factors. Actions taken to meet substantial withdrawal requests from a Fund could result in prices of financial instruments held by a Fund decreasing and in Fund expenses increasing (e.g., transaction costs and the costs of terminating agreements). The overall value of a Fund also may decrease because the liquidation value of certain assets may be materially less than their cost or mark-to-market value. A Fund may be forced to sell its more liquid positions which may cause an imbalance in the portfolio that could adversely affect the remaining Investors. Substantial withdrawals could also significantly restrict a Fund's ability to obtain financing or derivatives counterparties needed for its investment and trading strategies, which would have a further material adverse effect on a Fund's performance.

In-Kind Distributions; Liquidating SPVs. A Fund anticipates that all distributions to Investors will be made in cash, but there can be no assurance that a Fund will have sufficient cash to satisfy withdrawal requests. A Fund may make distributions in cash or in-kind, or any combination thereof, in the sole discretion of Higher Moment and the Funds' Boards of Directors, including without limitation, due to the winding up of a Fund or inability to liquidate investments at the time of withdrawal requests at favorable prices and they will determine the percentage of any distribution to be made in cash and the percentage to be made in-kind, as well as the particular securities, if any, to be distributed. Distributions that are made in-kind will, to the extent practicable, not be disproportionately allocated to any Investor or Investors.

Risks Related to Global Tax, Legal and Regulatory Compliance. A Fund is subject to a variety of tax, legal and regulatory frameworks in a number of jurisdictions ("regulatory jurisdictions") as a result of its global involvement. Although a Fund endeavors to comply with the requirements of all such regulatory jurisdictions, the treatment of entities like a Fund and its investment activities is often uncertain and may frequently depend on determinations of fact and interpretations of complex provisions of law and regulations for which there may be no clear precedent or authority. Where no clear precedent or authority is available, a Fund may employ standard industry practice or conventions to guide its compliance efforts. There can be no assurance, however, that such practice or conventions ultimately will be considered compliant, and as a result, a Fund, despite its efforts, may be exposed to liability, possibly on a retroactive basis, as practice or conventions change or are challenged or the procedures for compliance with the regulatory jurisdictions to which a Fund is subject become clearer. Moreover, the regulatory jurisdictions to which a Fund is subject may be

administered on a variable basis and are generally under continued review by government authorities in the various jurisdictions in which a Fund has investment activities, sometimes resulting in revised interpretations of seemingly established concepts.

Exemption from Regulation, Including the Investment Company Act of 1940. Generally, a Fund and the Interests are not expected to be registered in any country. Specifically, a Fund will not be registered as a US investment company under the Investment Company Act of 1940, as amended, and, therefore, will not be required to adhere to certain operational restrictions and requirements under the Act.

Regulatory Changes for Hedge Funds. The financial services industry generally, and the activities of alternative investment funds and their managers in particular, have been subject to intense and increasing regulatory scrutiny. Such scrutiny may increase a Fund's exposure to potential liabilities and to legal, compliance and other related costs. Increased regulatory oversight may also impose additional administrative burdens on Higher Moment, including responding to examinations and investigations, implementing new policies and procedures and complying with recordkeeping and reporting obligations. Such burdens may divert the Higher Moment's time, attention and resources from portfolio management activities.

The regulatory environment for private funds is evolving, and changes in the regulation of private funds and their trading activities may adversely affect the ability of a Fund to pursue its investment strategy, its ability to obtain leverage and financing and the value of investments held by a Fund. There has been an increase in governmental, as well as self regulatory, scrutiny of the alternative investment industry in general. It is impossible to predict what, if any, changes in regulations may occur, but any regulations that restrict a Fund's activities could have a material adverse impact on a Fund's portfolio.

Limited Operating History. Higher Moment and the Funds have a limited operating history upon which prospective investors may base an evaluation of the likely performance of a Fund. The past performance may not be indicative of the future performance of a Fund.

Dependence on Key Individuals. The success of a Fund is significantly dependent upon the ability of Higher Moment to develop and effectively implement a Fund's investment objective. A Fund's governing documents do not permit the Investors to engage in the active

management and affairs of a Fund. Therefore, the Investors will be relying entirely on Higher Moment to conduct and manage the affairs of a Fund and to make appropriate investments and investment decisions for a Fund. Subjective decisions may cause a Fund to incur losses or to miss profit opportunities on which it would otherwise have capitalized. In addition, Higher Moment is dependent upon the expertise of certain key personnel. If a Fund were to lose the services of Higher Moment if Higher Moment were to lose such key personnel, a Fund would be adversely affected.

Necessity for Counterparty Trading Relationships; Counterparty Risk. A Fund expects to establish relationships to obtain financing, derivative intermediation and prime brokerage services that permit a Fund to trade in any variety of markets or asset classes over time; *however*, there can be no assurance that a Fund will be able to maintain such relationships or establish such relationships. An inability to establish or maintain such relationships would limit a Fund's trading activities and could create losses, preclude a Fund from engaging in certain transactions, financing, derivative intermediation and prime brokerage services and prevent a Fund from trading at optimal rates and terms. Moreover, a disruption in the financing, derivative intermediation and prime brokerage services provided by any such relationships before a Fund establishes additional relationships could have a significant impact on a Fund's business due to a Fund's reliance on such counterparties.

Volatility of Fund Performance. No guarantee or representation is made that the Fund's investment program will be successful, or that the returns will exhibit any correlation or dis-correlation with an investor's traditional securities portfolio. The Funds may utilize investment techniques such as option transactions, margin transactions, short sales, leverage, derivatives trading and futures and forward contracts, which practices can involve substantial volatility and can, in certain circumstances, substantially increase the adverse impact to which the Fund's investment portfolio may be subject.

Use of Systems. Higher Moment may make extensive use of computer systems and software. Higher Moment may use its own proprietary quantitative computer software models as well as systems which are publicly available or provided by third parties. Accordingly, a Fund is exposed to the risk that computer hardware, software and other services used by Higher Moment may cease to be available, for example due to the insolvency of the provider. In such

circumstances, Higher Moment would seek to obtain equivalent hardware, software and services from an alternative supplier.

Proprietary Trading Methods. Because the trading methods employed by Higher Moment on behalf of a Fund are proprietary to Higher Moment, Investors will not be able to determine any details of such methods or whether they are being followed.

Inappropriate Parameterization. The internal computer software takes inputs from a live market data feed, but also utilizes a number of secular parameters to drive its behavior. These secular parameters are so named because it is not intended that they be modified on a daily basis, but rather on a quarterly basis. Higher Moment is responsible for setting these parameters. Since the value of these parameters can have significant and material impacts upon the performance of the system and the trades recommended — even in certain cases causing a "buy" to be inverted to a "sell" recommendation, and vice versa — the risk exists that Higher Moment will modify these parameters in a manner that is detrimental to performance.

<i>Note: Higher Moment may add, modify and/or remove Strategies at any time pursuant to the Offering Documents. Greater detail regarding Higher Moment's methods of analysis, investment strategies, and risk of loss may be found in each Fund's Offering Documents.</i>

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 Higher Moment or the integrity of Higher Moment's management. Higher Moment, nor its principals or employees, as of the date of this ADV has been the subject of any complaints or been involved in any disciplinary proceedings since its inception.

Item 10-Other Financial Industry Activities and Affiliations

For each Fund, Higher Moment serves as the investment manager.

Higher Moment does not refer clients to other investment advisors and it does not receive any compensation from other financial industry participants.

Mr. Singh and Mr. Subramaniam is each an associated person of Higher Moment, which is registered with the CFTC as a commodity pool operator and a member of the NFA.

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

As do all investment advisers, Higher Moment has a fiduciary responsibility to treat Clients fairly and avoid actual or potential conflicts of interest. The employees of Higher Moment have an obligation to act solely in the best interests of Clients, and to make full and fair disclosure of all material facts, particularly where the Clients' interests may conflict with the interests of Higher Moment or its employees.

Code of Ethics

Higher Moment strives to adhere to the highest industry standards of conduct based on principles of professionalism, integrity, honesty and trust and has communicated the general standards of conduct that it expects of all employees to follow. Failure to uphold these standards may result in disciplinary sanctions, including termination of an employee by Higher Moment. Higher Moment has adopted a written Code of Ethics (focusing on specific areas where employee conduct has the potential to adversely affect the Clients: misuse of confidential information, personal securities trading and outside business activities). All employees are required to acknowledge the terms of the Code of Ethics upon adoption, annually, and as amended. Higher Moment will provide a copy of the Code of Ethics to any prospective investor, client, investor or client upon request.

See also below, "Personal Securities Trading."

Misuse of Nonpublic Information

Higher Moment's insider trading prohibitions (i) apply to all employees, (ii) extend to activities within and outside their duties as employees of Higher Moment, and (iii) apply to investment-related information that is internal to Higher Moment. Employees are permitted

to engage in limited outside business activities provided these activities are pre-cleared and are deemed not to create an actual or potential conflict of interest due to the amount of time spent on such activities and the investment-related nature of certain activities.

Participation or Interest in Client Transactions

Higher Moment may invest Client assets in securities where one or more principals or employees of Higher Moment has a vested interest. This presents a potential conflict of interest. However, such relationships and potential conflicts of interest are fully disclosed to Clients and investors. See also Items 4, 5 and 8 above.

Higher Moment does not cross trade among Client accounts, and does not plan to do so. To the extent necessary in the future, it has the discretion, as permitted under applicable law, to effect client cross-transactions where it causes a transaction to be effected between accounts advised by it. Higher Moment may also engage an independent representative to satisfy the disclosure and consent requirements of Section 206(3) of the Advisers Act with respect to transactions entered into by Clients.

Personal Securities Trading

Higher Moment's employees are permitted to maintain personal trading accounts provided that such accounts are consistent with applicable law, regulatory rules and company policies. Employees may buy, sell or hold for their own personal trading accounts securities, which Higher Moment also may buy, sell or hold for the private funds it manages subject to compliance with applicable laws, rules and regulations.

Higher Moment at times may maintain a restricted list of securities that it and its employees may not trade in order to avoid the misuse of material non-public information or confidential Client information. Also, although employees may invest in the same securities as Higher Moment, given the nature of the instruments that Higher Moment trades for the Funds, Higher Moment does not anticipate material, market-moving trades.

Outside Business Activities

Higher Moment's Chief Compliance Officer reviews all outside activities conducted by a Higher Moment employee. If any activities are deemed to be in conflict with Higher Moment's Clients, such conflicts will be fully disclosed.

Item 12-Brokerage Practices

Higher Moment is authorized to determine the broker or dealer to be used for each securities transaction on behalf of its Clients. In selecting brokers and determining commission rates, the Higher Moment takes into account best price and execution. In selecting the brokers for its Clients, Higher Moment considers such factors as: price; execution capabilities, including efficiency of execution and willingness to execute difficult transactions; financial strength and stability; block trading and block positioning capabilities; reputation; infrastructure; reliability; quality of research products or services and other value-added services.

Section 28(e) of the Exchange Act provides a "safe harbor" to investment managers who use "soft dollars," i.e., commissions generated by their advised accounts, to obtain investment research and brokerage services from companies that provide lawful and appropriate assistance to the manager in connection with the investment decision-making process. Conduct outside of the safe harbor afforded by Section 28(e) is subject to the traditional standards of fiduciary duty under state and federal law. Higher Moment will only enter into arrangements under which it receives products and services in exchange for soft dollars where it reasonably believes that the arrangement falls within the safe harbor of Section 28(e). Where a product or service provided has both "eligible" uses under Section 28(e), i.e., uses related to Higher Moment's investment decision-making process, but also has other uses, Higher Moment will make a reasonable allocation between the eligible and non-eligible uses and use soft dollars only for the eligible portion.

Research and brokerage services obtained by the use of commissions arising from its Client's portfolio transactions may be used by Higher Moment in its other investment activities. The Client may not necessarily, in any particular instance, be the direct or indirect beneficiary of the research or brokerage services provided in consideration of the soft dollars generated by

the Clients trading. Higher Moment is specifically authorized to direct brokerage to firms that provide such services.

Services constituting “research” under Section 28(e) that Higher Moment may receive in connection with its Client’s trading may include, but are not limited to: newswire and quotation services; research reports; financial newsletters and trade journals; software used to analyze securities portfolios; corporate governance research and rating services; attendance at certain seminars and conferences; economic and market information; portfolio strategy advice; industry and company comments; technical data; recommendations; information on industries, groups of securities, individual companies, political developments, legal developments affecting portfolio securities and technical market action; statistical information; accounting and legal interpretations relating to Fund transactions; credit analysis; risk measurement analysis and performance analysis. These research services are received primarily in the form of written reports, calls and meetings with research analysts. In addition, such research services may be provided in the form of access to computer-generated data and meetings arranged with corporate and industry spokespersons, economists, academicians and/or government representatives. Products and services constituting “brokerage” under Section 28(e) that Higher Moment may receive in connection with its Client’s trading may include, but are not limited to: services related to the execution, clearing and settlement of securities transactions and functions incidental thereto, such as connectivity services between Higher Moment and a broker-dealer and other relevant parties such as custodians; trading software operated by a broker-dealer to route orders; software that provides trade analytics and trading strategies; software used to transmit orders; trade clearance and settlement; electronic communication of allocation instructions; routing of settlement instructions; post-trade matching of trade information; and services required by the SEC or a self-regulatory organization such as comparison services, electronic confirms or trade affirmations.

Higher Moment pays bundled commission rates and receives research and brokerage provided by many of its executing and prime brokers. Higher Moment need not solicit competitive bids and does not have an obligation to seek the lowest available commission cost. Commission rates are generally negotiable, and selecting brokers on the basis of considerations that are not limited to commission rates may result in higher transaction costs than would otherwise be obtainable. Brokers may provide research and brokerage services directly or by paying

service providers engaged by Higher Moment. In addition, Higher Moment may, subject to its best execution policy, trade with certain brokers primarily in consideration for providing research services. In any such case Higher Moment will determine in good faith that the amount of commissions charged is reasonable in relation to the value of the brokerage and research products or services provided by the broker.

Higher Moment may, but is not obligated to, enter into arrangements under which certain direct expenses of its Clients are paid with soft dollars. Higher Moment will enter into such arrangements where it believes that it is administratively or operationally expedient to do so or where they are more favorable to its Client than an arrangement under which its Client pays for the products or services in question with cash. However, such arrangements make it more difficult for members to evaluate the cost structure of its Client because the costs of such products or services are not broken out separately.

In addition to any soft dollar arrangements that the Higher Moment enters into with brokers, brokers may provide certain research or other products or services to all of their customers, including Higher Moment, without being requested to do so. Similarly, brokers may refer investors to Higher Moment. Higher Moment may take advantage of the products or services provided rather than producing or paying for them from another provider. Similarly, Higher Moment may accept investor referrals from brokers in appropriate circumstances. In these situations Higher Moment receives a benefit because it does not have to pay for the products or services, such as research, or because it will receive additional compensation if its Client accepts new investments.

Higher Moment has an incentive to recommend broker-dealers based on benefits that it receives from brokers, whether or not pursuant to soft dollar arrangements, rather than the interests of its Client in receiving the most favorable execution. Any products or services that Higher Moment receives from broker-dealers may be used in connection with its management of all client accounts, not just selected accounts.

Each investor, by subscribing for an Interest, specifically authorizes the Client to enter into the soft dollar arrangements described above, provided that Higher Moment believes that such arrangements are in, or not opposed to, the best interests of the Fund. Higher Moment

assumes no responsibility for the actions or omissions of any broker or dealer selected by Higher Moment in good faith.

Higher Moment does not currently aggregate the purchases and sales for its Clients accounts. In the future, based on similar Client investment objectives, Higher Moment may aggregate purchase and sales of securities for its Clients. See Item 6 for a discussion of side by side management.

In view of the fact that the Fund's investment program includes trading as well as investments, short term market considerations will frequently be involved, and the turnover rate of the Fund's portfolio in certain circumstances may be substantially greater than the turnover rates of other types of investment vehicles.

Item 13-Review of Accounts

All Funds are monitored on a daily basis by the Chief Compliance Officer or his/her designee for performance, composition and market movement.

Partners in the Funds receive a monthly statement which details the monthly and year-to-date activity of their account from the Fund's administrator.

Within 120 days after the end of each fiscal year or as soon as reasonably practicable thereafter, the Funds will prepare and mail to each Investor financial statements of the Fund (which need not include the list of the Fund's investments that may be required by GAAP), audited by the independent certified public accountant selected by Higher Moment.

Item 14-Client Referrals and Other Compensation

Higher Moment compensates various third parties for client or investor referrals by paying them a percentage of management fees and/or performance fees received from any such referrals.

Item 15-Custody

Higher Moment entrusts the securities and certain related assets of the Funds to the physical custody of a brokerage firm which is a member of either the New York or the American Stock Exchange, a United States bank, or another qualified custodian.

See also Item 13 above.

Item 16-Investment Discretion

Higher Moment has investment discretion for all accounts. The Funds do not invest in Initial public offerings of securities and have placed this limitation on Higher Moment's discretionary authority. There are no other limits on Higher Moment's discretionary authority. In all cases, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular Client.

Item 17-Voting Client Securities

Rule 206(4)-6 of the Advisers Act requires an adviser that exercises voting authority over Client proxies to vote proxies in the best interests of its Clients. In furtherance of such objective, Higher Moment has established a policy and procedures to address voting procedures and any conflicts of interests involved in a proxy vote between Higher Moment and a Client. Additionally, Higher Moment will maintain certain records required to be maintained by Rule 206(4)-6 relating to all voted proxies. To the extent Higher Moment receives proxies on behalf of the Funds, it will exercise voting authority over Client proxies and vote proxies in the best interests of its Clients.

Clients may obtain information about how Higher Moment has voted Client proxies and may obtain a copy of the Company's proxy voting policy upon request by contacting Higher Moment.

Item 18-Financial Information

Higher Moment does not have any financial condition that would be likely to impair its ability to meet its commitments to its Clients.