



Form ADV Part 2A

Lucid Management and Capital Partners LP

230 Park Avenue, 10th Floor
New York, NY 10169
Telephone: +1-212-551-1702.
www.Lucidma.com

March 30, 2018

This brochure provides information about the qualifications and business practices of Lucid Management and Capital Partners LP (the "Adviser"). If you have any questions about the contents of this brochure, please contact Martin St. Pierre at (212) 551-1703 or martin.stpierre@Lucidma.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. Additional information about the Adviser also is available on the SEC's website at www.adviserinfo.sec.gov. Registration as an investment adviser does not imply a certain level of skill or training.

Item 2: Material Changes

The Adviser filed its initial application to register as an investment adviser with the SEC in April, 2017 and filed an updating amendment to demonstrate satisfaction of the criteria to continue to be registered with the SEC in July, 2017. No material changes to the brochure have been made since either of these filings.

Item 3: Table of Contents

	<u>Page</u>
Item 4: Advisory Business	4
Item 5: Fees and Compensation	4
Item 6: Performance-Based Fees and Side by Side Management.....	5
Item 7: Types of Clients	5
Item 8: Method of Analysis, Investment Strategies and Risk of Loss.....	5
Item 9: Disciplinary Information	7
Item 10: Other Financial Industry Activities and Affiliations	7
Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.....	8
Item 12: Brokerage Practices.....	9
Item 13: Review of Accounts.....	10
Item 14: Client Referrals and Other Compensation.....	10
Item 15: Custody	10
Item 16: Investment Discretion	11
Item 17: Voting Client Securities	12
Item 18: Financial Information	12
Item 19: Requirements for State-Registered Advisers.....	12

Item 4: Advisory Business

Lucid Management and Capital Partners (the “Adviser”) is a Delaware limited partnership with its principal place of business in New York, New York. David Carlson and the management team are the principal owners of the Adviser. The Adviser commenced operations on January 1, 2017.

The Adviser provides advisory services on a discretionary basis to its clients which are pooled investment vehicles (each a “Fund” and collectively the “Funds”) which are intended for sophisticated investors and institutional investors. The Adviser may, in the future, also provide advisory services to separately managed accounts (“Separate Accounts”) for institutions. The Adviser manages each Fund based on the investment objectives and investment restrictions set forth in the operating agreements of the respective entities.

The Adviser seeks attractive risk-adjusted returns on cash alternative and short-duration, fixed income portfolios while preserving capital, liquidity and a stable net asset value. The Adviser draws upon the extensive experience of the investment team in managing fixed income portfolios and collateralized transactions at several leading global banks, dealers and investment funds. The Adviser provides advice to the Funds based on specific investment objectives and strategies of each Fund. The Adviser does not tailor its advisory services to the individual needs of Fund investors. Under certain circumstances, the Adviser may agree to tailor advisory services to the individual needs of Separate Account clients.

As of March 28, 2018, the Adviser managed Regulatory Assets under Management (“RAUM”) of approximately \$111,700,000 on a discretionary basis.

Item 5: Fees and Compensation

The Adviser receives fixed asset-based management fees which are charged to the investors in the Funds based upon a fixed percentage of assets. Investment management fees are charged on each valuation date of the client based on the value of the assets in the client account on the previous valuation date, where valuation dates generally coincide with the dates on which investors may subscribe for new or redeem existing interests in a Fund. If a new client account is established or an investor withdraws from a Fund between Fund valuation dates, the investment management fee will be adjusted accordingly.

These fees are not negotiable and must be paid according to agreed contractual rates. The Adviser does not deduct the investment management fee from client accounts. Rather, the Adviser bills clients or their designated agents.

The Adviser may agree to reduce, modify or waive its fees charged to certain accounts in its sole discretion.

Further information on fees can be found in the offering documents of each Fund or in the investment management agreement of a Separate Account.

In addition to paying investment management fees, client accounts for Funds and Separate Accounts will also be subject to other investment expenses such as custodial charges, charges for audit and tax preparation work of the Fund and Fund administration charges. Additionally, client accounts may be subject to brokerage fees, commissions and related costs; interest expenses; taxes, duties and other governmental charges; transfer and

registration fees or similar expenses; other portfolio expenses; and costs, expenses and fees associated with products or services that may be necessary or incidental to such investments or accounts. Client assets may be invested in money market mutual funds for cash management purposes. In these cases, the client will bear its pro rata share of the investment management fee and other expenses of the money market Fund, which are in addition to any fees or other compensation paid to the Adviser.

The allocation of expenses by the Adviser between it and any client and among clients represents a conflict of interest for the Adviser. The Adviser has adopted an expense allocation policy that is designed to address this conflict. The Adviser allocates expenses to each client in accordance with the client's arrangements with the Adviser (including applicable client disclosures). The Adviser allocates common client expenses among multiple clients pro rata based on gross assets under management and determines which expenses are common expenses in its discretion. The Adviser may deviate from this standard allocation method if it determines that an expense disproportionately benefits a particular client or group of clients.

For additional information regarding brokerage and execution fees, see Item 12 below.

Item 6: Performance Based Fees and Side by Side Management

This item is not applicable as the Adviser does not charge performance based fees.

Item 7: Types of Clients

The Adviser's clients consist of Funds and, in the future, may include Separate Account clients which may include institutional funds, endowments, pension funds, foundations, corporations, insurance companies, fund of funds, high net worth individuals, multi-family offices and single-family offices.

The Adviser does not maintain minimum initial investment criteria for its Separate Accounts. However, such services are directed toward institutional investors and high net worth individuals who are able to commit substantial sums of capital, typically in excess of \$5,000,000 per Separate Account.

With respect to a Fund, any initial and additional subscription minimums are disclosed in the offering memorandum and related documentation for the Fund or applicable feeder vehicle.

The Adviser is under no obligation to accept any investor into the Funds or applicable feeder vehicle, and may decline acceptance of a Separate Account client or investor in its sole discretion.

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

The Adviser is a fixed income asset manager focused on managing short-duration portfolios of fixed income securities, repurchase agreements and other fixed income collateralized transactions. Based on its investment process, the Adviser believes it can generate attractive risk-adjusted returns on cash portfolios through an integrated focus on portfolio construction, security selection, collateral risk management and counterparty monitoring.

Portfolio Construction. The Adviser constructs its money market and fixed income

portfolios by seeking the highest risk-adjusted returns across the major sectors of the money markets. Subject to the specific limitations of the Funds and Separate Accounts, the manager may invest in US Treasury Bills and Securities, Agency Securities, Agency Mortgage-Backed Securities, other approved fixed income securities (collectively “Eligible Securities”), repurchase agreements, securities lending agreements and security based derivative transactions (collectively, “Securities Agreements”) that are collateralized by the Eligible Securities. In formulating the portfolios, the Adviser will allocate the funds to the sectors that offer the highest risk-adjusted returns and allocations may range from zero to 100%.

The Adviser monitors the risks of the Funds and any Separate Accounts using a Value-at-Risk framework (“VAR”). With this approach, the Adviser can track the expected and potential volatility of the portfolios and analyze the risk across multiple variables including market risk, default risk and counterparty risk. The impact of each position on overall VAR may be taken into account when constructing the Portfolios.

Investment Selection. In selecting investments, the Adviser seeks specific Eligible Securities or invests in Security Agreements that fit the Fund or Separate Account parameters and constraints. The Adviser seeks to take advantage of (i) pricing differences between the issuers of the Eligible Securities and terms of Securities Agreements, (ii) relative value of the securities versus comparable securities and Securities Agreements, (iii) the market liquidity of the securities, (iv) the stability of the duration and average life of the securities and Securities Agreements and (v) other characteristics.

Securities Agreements. The Adviser may invest in Securities Agreements that are subject to industry templates, including but not limited to Master Repurchase Agreements (MRAs), Global Master Repurchase Agreements (GMRAs) and International Swaps and Derivatives Association (ISDA) agreements that are collateralized by Eligible Securities. The Counterparties are global banks, broker dealers, institutional asset managers and regulated hedge funds. The manager will only invest in Securities Agreements with counterparties that have been approved in advance by the Advisor’s Risk Committee and that meet the specific Fund or Separate Account guidelines.

Value at Risk (“VAR”) Management. The Adviser expects the VAR amounts to be small based upon the duration of the funds, the Eligible Securities and the collateralization levels on any Securities Agreements. The Adviser believes this analysis provides additional metrics to risk manage the Fund portfolio and any Separate Accounts.

Risks. The Funds and Separate Accounts are designed for investors seeking low volatility and principal preservation. Investors should refer to the governing documents of each Fund or the investment management agreement of each Separate Account for further information on the investment objectives of the Fund or Separate Account.

In general, investors in the Fund and Separate Accounts are exposed to the following principal risks: Issuer Credit Risk, Interest Rate Risk, Liquidity and Volatility Risk, Counterparty Risk and Operational Risk.

Issuer Specific Risk. Changes in the financial condition of an issuer, and changes in general economic or political conditions can increase the risk of default by an issuer, which can affect a security's or instrument's value.

Interest Rate Risks. Generally, the value of fixed-income securities changes inversely with

changes in interest rates. As interest rates rise, the market value of fixed-income securities tends to decrease. Due to the short-dated nature of the Adviser's investments, this risk is not expected to be large.

Market Liquidity and Volatility Risk- The Eligible Securities and the collateral securing any Securities Agreement may be volatile and/or illiquid, leading to the risk that any liquidation proceeds (in the event of a Securities Agreement default) may not be sufficient to repay the entirety of the investment amount or its equivalent.

Counterparty Specific Risk. Changes in the financial condition of a Securities Agreement counterparty, and changes in general economic or political conditions can increase the risk of default by a counterparty, which can affect a security's or instrument's value.

Systems and Operational Risk. The Adviser relies on certain financial, accounting, data processing and other operational systems and services that are employed by the Adviser and/or by third party service providers, including the third-party administrator, market counterparties and others. Some of these systems and services may require manual input and are susceptible to error. These programs or systems may be subject to certain defects, failures or interruptions. Any such errors and/or disruptions may lead to financial losses, the disruption of the client trading activities, liability under applicable law, regulatory intervention or reputational damage.

Given the Adviser's risk management framework and the specific limitation of the Fund and any Separate Accounts, the Adviser believes these risks can be largely mitigated.

Item 9: Disciplinary Information

Neither the Adviser nor its employees have been subject to any material legal or disciplinary event in the previous ten years.

Item 10: Other Financial Industry Activities and Affiliations

Each of the Funds for which the Adviser or its related person serve as general partner, investment manager or administrator may enter into additional agreements, or "side letters," with certain prospective or existing limited partners, shareholders or members ("Client Investors") whereby such Client Investors, including such persons that may be affiliated with the Adviser or its related persons, may be subject to terms and conditions that are more advantageous than those set forth in the offering memorandum for the Fund. For example, such terms and conditions may provide for special rights to make future investments in the Funds or managed accounts; a waiver or rebate in fees to be paid by the limited partner or shareholder and/or other terms; rights to receive reports from the Fund on a more frequent basis or that include information not provided to other limited partners or shareholders (including, without limitation, more detailed information regarding portfolio positions) and such other rights as may be negotiated by the Fund and such Client Investors. The modifications are solely at the discretion of the Fund and may, among other things, be based on the size of the Client Investor's investment in the Fund or affiliated investment entity, an agreement by a Client Investor to maintain such investment in the Fund for a significant period of time, or other similar commitment by a limited partner or shareholder to the Fund. Subject to the offering memorandum, modifications to redemption or subscription rights for new or existing limited partners or shareholders in a Fund may occur through the issuance of a new class of Fund interest in which case such new class of interest would be disclosed to the Fund's other limited partners or shareholders.

The Adviser serves as non-member manager of Lucid Cash Fund USG LLC, a Fund for which the Adviser also provides advisory services. The Adviser is the managing member of USG Assets LLC, a feeder vehicle of Lucid Cash Fund USG LLC, and also provides advisory services as the administrator.

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

The Adviser has adopted a Code of Ethics (the “Code”) that obligates the Adviser and its supervised persons to put the interests of the Adviser’s clients before their own interests and to act honestly and fairly in all respects in their dealings with clients. In addition to compliance with the Adviser’s policies and procedures, all of the Adviser’s personnel are required to comply with applicable federal securities laws. Clients or perspective clients may obtain a copy of the Code by contacting the Adviser’s Chief Compliance Officer by email at martin.stpierre@lucidma.com, or by telephone at (212) 551-1703. See below for further provisions of the Code as they relate to the preclearing and reporting of securities transactions by the Adviser’s access persons.

The Adviser and its supervised persons may give and/or receive gifts, services or other items to/from any person or entity that does business with the Adviser or potentially could conduct business with or on behalf of the Adviser. The Adviser has adopted policies and procedures governing gifts and business entertainment, which include quarterly disclosure of gifts and business entertainment in excess of certain de minimis thresholds and preclearance by the Chief Compliance Officer prior to giving/receiving gifts above a certain de minimis threshold.

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

The Adviser allows its employees, principals or affiliates to occasionally purchase new-issue U.S. Government treasury bills at auction and hold them until maturity. The Funds and Separate Accounts may purchase these same instruments in the secondary market.

The Adviser and certain of its employees or affiliates (collectively “Related Persons”) will

generally have an investment in the Funds or applicable feeder vehicles. As a result, Related Persons will participate in Fund transactions.

With respect to any principal transactions, the Adviser discloses to the client in writing before the completion of the transaction the capacity in which the Adviser is acting with respect to this arrangement, and obtains the client's consent to such transaction as required by Section 206(3) of the Investment Advisers Act of 1940, as amended.

The Adviser has adopted the following procedures in an effort to minimize conflicts related to personal trading by its covered persons: The Adviser requires its access persons to preclear certain limited offerings and initial public offerings in their personal accounts with the Chief Compliance Officer, who may deny permission to execute the transaction if such transaction will have any adverse economic impact on one of its clients. In addition, the Adviser's Code prohibits the Adviser or its access persons from executing personal securities transactions of any kind in any securities on a restricted securities list maintained by the Chief Compliance Officer. All of the Adviser's access persons are required to disclose the holdings in their personal brokerage accounts upon commencement of employment with the Adviser and on an annual basis thereafter. The Adviser's covered persons are also required to provide quarterly brokerage statements. Trading in the personal accounts of the Adviser's access persons is reviewed by the Chief Compliance Officer and reviewed against the restricted securities list. Securities Investment accounts that are managed by a third party in which the covered person does not retain trading discretion (e.g. managed accounts) may be excluded from the regular reporting requirements.

Item 12: Brokerage Practices

Subject to the investment objectives, policies and restrictions set forth in each Fund's governing documents and each Separate Account's investment management agreement, the Adviser typically has discretionary authority to determine the type, amount and price of securities and investments to be bought and sold on behalf of each client.

The Adviser's trading and investment counterparties act as principal when trading with a Separate Account or Fund. Therefore, the Adviser does not expect to receive any services on a soft dollar basis and does not plan to enter into any contracts to receive services for which it pays soft dollars.

On occasion, the Adviser may transact with a counterparty that is acting as broker, and in these situations the Adviser will have discretion in selecting and paying commissions to the broker.

The Adviser considers a number of factors in selecting a broker-dealer to execute transactions (or series of transactions) and determining the reasonableness of the broker-dealer's compensation. Such factors include, but are not limited to, reputation, financial strength and stability, creditworthiness, efficiency of execution and error resolution, the actual executed price and the commissions charged (if any), custodial and other services provided for the enhancement of the Adviser's portfolio management capabilities; the size and type of the transaction; the difficulty of execution and the ability to handle difficult trades; and the operational facilities of the brokers and/or dealers involved (including back office efficiency). In selecting a broker-dealer to execute transactions (or a series of transactions) and determining the reasonableness of the broker-dealer's compensation, the Adviser need not solicit competitive bids and does not have an obligation to seek the lowest available commission cost, although all transactions will be executed on a "best execution"

basis.

The Adviser does not currently receive research or other products or services other than execution from a broker-dealer or a third party in connection with the Funds' securities transactions (i.e. soft dollar benefits).

In selecting or recommending broker-dealers, the Adviser may consider whether the Adviser or a related person receives client referrals from a broker-dealer or third party. The Adviser may have an incentive to select or recommend a broker-dealer based on its interests to receive client referrals rather than on the client's interests to receive most favorable execution. To address this conflict of interest, the Adviser will execute client trades through broker-dealers that refer clients to the Adviser only if it is determined by the Chief Compliance Officer of the Adviser that client trades with such broker-dealers are otherwise consistent with seeking best execution.

The Adviser may aggregate purchases or sales of any security effected for a client's account with purchases or sales of the same security effected on the same day for other client accounts. When transactions are aggregated, the actual prices applicable to the aggregated transaction will be averaged, and all participating accounts will be deemed to have purchased or sold its share of the security, instrument or obligation involved at such average price. Further, all transaction costs incurred in effecting the aggregated transaction will be shared on a pro rata basis among all participating accounts.

Securities Agreements are typically bi-lateral agreements that are not allocated or aggregated between different accounts. In the rare instances where different Securities Agreements with identical tenor, counterparty and other deal specific parameters besides rate, including collateral securities, are transacted on the same day, the Adviser will attempt to follow the same procedures as above to the extent such aggregation and allocation is practical, as determined by the Adviser in its sole discretion.

Item 13: Review of Accounts

The Adviser's investment committee has the primary responsibility of reviewing and monitoring on an ongoing basis all investments made for the Adviser's clients. Matters reviewed by the investment committee include portfolio performance, collateral pricing, portfolio diversification, counterparty risks and investment levels.

Each Separate Account client will receive written reports of the performance and asset value of its account with such frequency as provided in the client's agreement with the Adviser. Such reports may be delivered electronically to the client in accordance with the client's agreement with the Adviser.

Fund investors receive reports from the Fund pursuant to the terms of each Fund's offering documentation.

Item 14: Client Referrals and Other Compensation

The Adviser does not currently use third-party solicitors.

Item 15: Custody

The Adviser is deemed to have custody over Fund and feeder vehicle assets. As such,

audited financial statements for these entities will be prepared by an independent public accountant registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board, and distributed to investors within 120 days of the relevant entity's fiscal year end.

Item 16: Investment Discretion

Unless otherwise instructed or directed by a discretionary client, the Adviser has the authority to determine (i) the securities or investments to be purchased and sold for the client account (subject to restrictions on its activities set forth in the applicable investment management agreement and any written investment guidelines), and (ii) the amount of securities or investments to be purchased or sold for the client account. Because of the differences in client investment objectives and strategies, risk tolerances, tax status and other criteria, there may be differences among clients in invested positions and securities or investments held. The Adviser may consider the following factors, among others, in allocating securities and investments among clients: (i) a client's investment objectives and strategies; (ii) risk profiles; (iii) tax status and restrictions placed on a client's portfolio by the client or by applicable law; (iv) size of the client account; (v) nature and liquidity of the security to be allocated; (vi) size of available position; (vii) counterparty considerations and Securities Agreement terms (viii) current market conditions; and (ix) account liquidity, account requirements for liquidity and timing of cash flows. Although it is the Adviser's policy to allocate investment opportunities to eligible client accounts on a pro rata basis (based on the value of the assets of each participating account relative to value of the assets of all participating accounts), these factors may lead the Adviser to allocate securities or investments to client accounts in varying amounts. Even client accounts that are typically managed on a pari passu basis may from time to time receive differing allocations of securities or investments based on total assets of each account eligible to invest in the particular investment type (e.g., equities) divided by the total assets of all accounts eligible to invest in the particular investment.

The Adviser may effect cross transactions between discretionary client accounts, except as otherwise noted below. Cross transactions enable the Adviser to effect a trade between two clients for the same security or investment at a set price, thereby possibly avoiding an unfavorable price movement that may be created through entrance into the market and saving commission costs or other transaction costs for both accounts. Cross transactions include rebalancing transactions that are undertaken so that, after withdrawals or contributions have occurred, the portfolio compositions of similarly managed accounts remain substantially similar. The Adviser has a potentially conflicting division of loyalties and responsibilities regarding both parties to cross transactions. Cross transactions between client accounts are not permitted if they would constitute principal trades or trades for which the Adviser or its affiliates are compensated as a broker unless client consent has been obtained based upon written disclosure to the client of the capacity in which the Adviser or its affiliates will act. The Adviser does not anticipate acting as a broker and therefore would not expect to enter into any cross transactions in this capacity. In addition, cross transactions are not permitted for benefit plan or other similar accounts that are subject to ERISA.

If it appears that a trade error has occurred, the Adviser will review the relevant facts and circumstances to determine an appropriate course of action. To the extent that trade errors occur, the Adviser's error correction procedure is to ensure that clients are treated fairly. The Adviser has discretion to resolve a particular error in any manner that it deems appropriate and consistent with the above stated policy.

Given the Adviser's investment strategy, it does not anticipate having to deal with class action claims. To the extent the Adviser has authority, pursuant to the investment management agreement or other governing documents of a client account, to participate in class action claims it will do so on a case-by-case basis.

Item 17: Voting Client Securities

In light of the Adviser's emphasis on fixed income and money market strategies, it is likely that proxy voting will be rare. Accordingly, the adviser's investment committee, in consultation with the Chief Compliance officer, must pre-approve all proxy votes with respect to each client. To the extent the Adviser has been delegated proxy voting authority on behalf of its clients, the Adviser complies with its proxy voting policies and procedures that are designed to ensure that in cases where the Adviser votes proxies with respect to client securities, such proxies are voted in the best interests of its clients.

If a material conflict of interest between the Adviser and a client exists, the Adviser will determine whether voting in accordance with the guidelines set forth in its proxy voting policies and procedures is in the best interests of the client or take some other appropriate action.

Clients may obtain a copy of the Adviser's proxy voting policies and procedures and information about how the Adviser voted a client's proxies by contacting the Adviser's Chief Compliance Officer by email at martin.stpierre@lucidma.com or by telephone at (212) 551-1703.

Item 18: Financial Information

This item is not applicable.

Item 19: Requirements for State-Registered Advisers

This item is not applicable.