



Aegea Capital Management, LLC

Firm Brochure

(Part 2A of Form ADV)

January 31, 2020

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Chicago, Illinois 60654

www.aegeacapital.com

This brochure provides you with information about the qualifications, business practices and nature of the advisory services of Aegea Capital Management, LLC. If you have any questions about the contents of this brochure, please contact us at [XXX-XXX-XXXX](tel:XXX-XXX-XXXX) and/or info@aegeacapital.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 and registration with the Commission or a state does not imply a certain level of skill or training.

Additional information about Aegea Capital Management, LLC ("Aegea Capital") also is available on the SEC's website at www.adviserinfo.sec.gov.

ITEM 2: MATERIAL CHANGES

This Brochure, dated January 31, 2020, represents the initial Brochure upon registration with the United States Securities and Exchange Commission ("SEC"). An update to this brochure will be provided to advisory clients promptly in the event of a material change. A current brochure may be requested, free of charge, by contacting Mark Downing, Chief Operations Officer, at (312) 605-8026 or mark.downing@aegeacapital.com. ~~It is also available on our website www.aegeacapital.com free of charge.~~ Additional information about Aegea Capital is available via the SEC's website www.adviserinfo.sec.gov. The SEC's website also provides information about any persons affiliated with Aegea Capital who are registered, or are required to be registered, as investment adviser representatives of Aegea Capital, if applicable.

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ITEM 4: ADVISORY BUSINESS

A. Firm Description

Aegea Capital Management, LLC ("Aegea Capital"), a Delaware limited liability company formed in 2011, serves as investment adviser [and sub-adviser] to pooled investment vehicles and high net worth clients. Aegea Capital is a commodity pool operator ("CPO") registered with the Commodity Futures Trading Commission ("CFTC") and is a member of the National Futures Association serves as [managing member of pooled investment vehicles, sub-adviser to pooled investment vehicles, adviser to separately managed accounts]. Cem A. Karsan directly owns Aegea Capital. ~~also serves as the Aegea Capital sole Investment Adviser Representative ("IAR").~~

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B. Types of Advisory Services

Aegea's advisory services are limited to [quantitative] volatility arbitrage trading based on proprietary algorithms.

Aegea Capital's clients include two private funds (each an "Aegea Fund" and collectively the "Aegea Funds") and certain other funds (each an "Other Fund" and collectively, the "Other Funds"). Collectively, the Aegea Funds and Other Funds form all of Aegea's "Advisory Clients." The Aegea Funds are organized in a series structure as Delaware limited liability companies. Members who own interest in an Aegea Fund are collectively referred to as "Investors."

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C. Tailored Relationships

Aegea provides investment advisory services to the Aegea Funds based on the investment objectives described in the Aegea Funds' offering documents and does not tailor investment advice to individual investors. Aegea will tailor its investment advice to the Other Funds based on their individual needs in accordance with their respective investment advisory agreement.

D. Wrap Fee Programs

Aegea does not participate in and is not a sponsor of Wrap Fee Programs.

E. Assets Under Management

As of December 31, 2019, Aegea advised \$ \$517.0 million of net assets on a discretionary basis. Aegea does not advise non-discretionary assets.

ITEM 5: FEES AND COMPENSATION

A. Description of Advisory Fees

Aegea charges Advisory Clients a management fee, which is paid monthly in arrears, of up to 0.1667% (2.0% annually) of Advisory Clients' month-end notional asset value calculated prior to any withdrawals or distributions and before any accrual for or payment of the management fee and any applicable performance fee.

Aegea can also earn an annual performance-based fee, in an amount up to thirty five percent (35%) of each Advisory Clients' gross performance, subject to a "high water mark" provision, which is more fully discussed in each Advisory Clients' applicable governing agreements.

Aegea, in its sole discretion may reduce its fees for certain Other Funds and in the case of the Aegea Funds, may reduce or waive its fees for certain investors, including but not limited to, employees of Aegea, their families and certain investors.

B. Payment of Fees

Aegea Funds are billed directly from fund accounts. Other Funds also have the choice to be invoiced and pay Aegea directly or authorize Aegea to direct debit their account.

C. Other Fees and Payments

The Aegea Funds

The Aegea Funds will pay all of its direct organizational expenses and direct operating expenses, including, for instance, the following: legal fees and expenses; accounting fees and expenses (including the costs for an annual audit); brokerage commissions and other costs of executing transactions; custody costs, costs of risk management systems for the Manager, costs attributable to leverage, streaming market quotes, market access systems and trade and quotation delivery systems; and the costs of research and market analysis and data, the costs of computer, networking and communications equipment utilized by such fund in its business, and the costs and fees to license certain proprietary software.

The Other Funds

There may be additional fees or charges that result from the maintenance of or trading within the Other Funds. These are fees imposed by third parties in connection with investments made through the Other Fund's accounts. The Other Fund shall be responsible for any and all other expenses related to the establishment and maintenance of such accounts and the investments made by the Other Fund according to Aegea's recommendations, including custodial, brokerage, data feeds, research, administrative, regulatory, legal, tax, accounting, and operational expenses.

D. Refund and Termination Policy

If an Other Fund terminates their investment advisory agreement any management fees that were prepaid will be prorated and the unearned portion will be refunded.

E. Other Compensation

Aegea does not accept any compensation other than advisory fees and performance fees.

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

As described in Item 5, Aegea earns an annual performance-based fee of up to 35% of the increase of their investment, subject to a “high-water mark.”

Performance-based fee arrangements can create an incentive for Aegea to engage in trading activities which may be riskier or more speculative than those which would be recommended under a different fee arrangement. Where different Advisory Clients pay different rates of fees, Aegea has an incentive to favor those Clients for whom Aegea receives a larger performance-based fee. However, Aegea believes it has implemented adequate policies and procedures in place to monitor this risk.

ITEM 7: TYPES OF CLIENTS

A. Types of Clients

Aegea provides investment advice to pooled investment vehicles and high net worth clients.

Interests in the Aegea Funds offered on a private placement basis and have not been and will not be registered under the Securities Act of 1933, as amended, the securities laws of any state in the United States, or the laws of any non-U.S. jurisdiction, nor is such registration contemplated. Interests in the Aegea Funds are limited only to “eligible investors.” An “eligible investor” in the Aegea Funds must be both (1) an “accredited investor,” as defined in Rule 501(a) of Regulation D under the Securities Act, and (2) a “qualified client,” as defined in Rule 205-3 under the Advisers Act, and “qualified eligible persons” as defined in CFTC Regulation 4.7. Interests in the Aegea Funds are being offered for investment under the 3(c)(1) exemption of the Investment Company Act. Investors or prospective investors in such pooled investment vehicles should refer to the offering documents of such vehicles for a detailed description of the eligibility requirements, as well as costs, fees and expenses, and other important matters.

Aegea has entered into side letters or other similar agreements with certain investors in the Aegea Funds, and may do so again in the future, whereby such investors have been granted terms and conditions that are more favorable than other investors in the Aegea Funds, including but not limited to, lower fees. For a detailed discussion of side letters and other terms, investors should refer to each Aegea Fund’s offering documents.

B. Conditions for Account Management

The Aegea Funds

Aegea generally requires investors to commit \$250,000 as a minimum initial investment. Aegea reserves the right to reduce the minimum initial capital contribution and accept subscriptions for lesser amounts. Interests in the Aegea Funds are limited only to “eligible investors.” An “eligible investor” in the Aegea Funds must be both (1) an “accredited investor,” as defined in Rule 501(a) of Regulation D under the Securities Act, and (2) a “qualified client,” as defined in Rule 205-3 under the Advisers Act, and “qualified eligible persons” as defined in CFTC Regulation 4.7.

The Other Funds

The minimum account size for the Other Funds is generally \$20,000,000. Certain eligibility requirements may apply for some strategies. Aegea reserves the right, in its sole discretion, to reduce or waive the minimum initial investment.

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

A. Methods of Analysis and Investment Strategy

Aegea provides advisory services limited to long convexity, long skew, & long Vega market positions and deploys a volatility arbitrage strategy designed to systematically exploit the structural mispricing of S&P 500 index option volatility and skew for sophisticated investors to better manage risk over all or a segment of their collective investment by utilizing a set of proprietary quantitative volatility trading algorithms.

B. Material Risks of Methods of Analysis and Investment Strategies Investing with Aegea

Aegea employs alternative, non-traditional investment strategies, which involves leverage and other speculative investment practices that will increase the risk of investment loss. As such, no assurances can be given that investment objectives will be realized.

An investment with Aegea should not be considered a complete investment program, and an investor must be able to bear the loss of their entire investment.

An investment in the Aegea Funds involves specific, non-investment related risks and all investors are urged to review each Aegea Fund's respective offering documents regarding those non-investment risk factors and other material aspects of each Aegea Fund.

The following investment related risk factors are relevant to both Aegea Fund and Other Fund investors.

Risks of Leverage. The Manager intends to cause each Series to leverage its trading positions by borrowing funds from securities broker-dealers, banks or others. Such leverage increases both the possibilities for profit and the risk of loss. In a downward trending market, the use of leverage for long positions could have a material adverse effect on the profitability and operations of a Series. Extensions of credit and guarantees by broker-dealers or another financial institution of performance of the obligations of a Series will typically be secured by the securities and other assets of such Series. Under certain circumstances, a broker-dealer may demand an increase in the collateral that secures the obligations of a Series. If a Series were unable to provide additional collateral, the broker-dealer could liquidate assets held in the account to satisfy the obligation of such Series. Liquidation in such a manner could have material adverse consequences. In addition, the amount of the borrowings of a Series and the interest rates on those borrowings, which will fluctuate, will have a significant effect on the profitability of such Series.

Dependence on the Manager and its Principals. The principal decisions with respect to the management of each Series are made by the Manager and its Principals. Members have no right or power to take part in the management of any Series. As a result, the success of each Series depends largely upon the abilities of the Principals, and no assurance can be given that a suitable replacement could be found for any of them in the event of their death, disability or withdrawal from the Manager.

While the Principals currently conduct all of the trading activities of the Manager, the Manager may in the future retain traders to trade the assets of a Series. Any such traders

would have discretionary trading authority over some or all of the trading of the assets of a Series. While the Manager believes it can identify and retain traders that will be successful in their trading activities on behalf of each Series, there can be no assurance that any traders will trade profitably. Nor can there be any assurance that traders identified by the Manager will agree to become or remain affiliated with the Manager. If the Manager is unable to attract and retain qualified traders, the trading operations of each Series may be adversely affected.

Activities of the Manager and its Principals. The Manager is required to use its reasonable best efforts to further the businesses, purposes and activities of each Series. However, the Manager is required to devote to each Series only such time as it deems necessary to conduct the business in an appropriate manner, and is not required to spend its full time on the affairs of the Fund or any Series. While they do not currently do so, the Principals may in the future serve as the manager or become involved in the management of other investment funds or portfolios to which they would also devote time, using investment strategies different from those that apply to the portfolios of the Series. Likewise, 303 Capital currently serves as the manager or is involved in the management of other investment funds to which it devotes time, and may manage additional investment funds and portfolios in the future.

Neither the Manager, the Principals nor 303 Capital is obligated to make available to any Series investment opportunities identified by such other strategies, and will not be liable or accountable to any Series or the Members for the profits of such other investment funds or portfolios. See "Risk Factors - Conflicts of Interest" below.

Risks of Autotrading. The Manager is currently in the process of developing software that will automatically place buy and sell orders in accordance with the trading strategy of the Series. Once developed, the Manager may use this software to automatically place buy and sell orders in its trading on behalf of each Series. While the Manager will seek to institute safeguards to prevent a system failure, there is a risk that the trading system could break down. If that were to happen, it is possible that, for a certain time period, a Series may not be able to enter new orders, execute existing orders, or modify or cancel orders that were previously entered. A system failure may also result in loss of orders or order priority.

Potential Fluctuations in Operating Results. Due to the lack of operating history of each Series and the risk and unpredictability of the options and securities markets in general and options on common stock in particular, each Series cannot accurately forecast its respective revenues.

The operating results of each Series will fluctuate for many reasons, including the volatility of U.S. options and stock markets, the ability to negotiate favorable commission structures and rates with its clearing firm, the availability of interest rate favorable investment vehicles and the ultimate success of those investments.

Clearing Services. No Series clears trades for itself. Instead, each Series will engage another entity to provide clearing services. As a result, each Series is dependent on a clearing firm for the orderly processing of transactions. The termination by a Series of its relationship with its clearing firm or any interruption of clearing operations could harm the business of

such Series.

Possible Effect of Redemptions. Substantial redemptions of Interests of a Series could require such Series to liquidate investments more rapidly than otherwise desirable in order to raise the necessary cash to fund the redemptions and, at the same time, achieve a market position appropriately reflecting a smaller equity base. This could make it more difficult for a Series to recover losses or generate profits. Illiquidity in the markets could make it difficult for a Series to liquidate positions on favorable terms, and may result in losses.

Commodity Market Regulation. The futures, options on futures and security futures markets are subject to extensive statutes, regulations and margin requirements. In addition, tax law revisions could have a materially adverse effect on the Fund and each Series. With respect to traditional U.S. futures exchanges, the CFTC and the exchanges are authorized to take extraordinary actions in the event of a market emergency, including, for example, the retroactive implementation of speculative position limits or higher margin requirements, the establishment of daily limits and the suspension of trading. The regulation of commodity interest transactions in the United States is a rapidly changing area of law and is subject to ongoing modification by governmental and judicial action. In addition, various national governments have expressed concern regarding the disruptive effects of speculative trading in the currency markets and the need to regulate the derivatives markets in general. The effect of any future regulatory change is impossible to predict, but could be substantial and adverse to the business of each Series.

Speculative Position Limits. The CFTC and U.S. futures exchanges have established speculative position limits (referred to as position limits) on the maximum position in certain futures interests contracts that may be held or controlled by any one person or group. Therefore, a Series may have to reduce the size of its position in one or more futures contracts in order to avoid exceeding such position limits, which could adversely affect the profitability of such Series. The CFTC or the U.S. futures exchanges may amend or adjust these position limits or the interpretation of how such limits are applied, which could adversely affect the profitability of a trading company.

Possible Law Changes. No assurance can be given that legislative, administrative or judicial changes will not occur which will alter, either prospectively or retroactively, the tax considerations or risk factors discussed in this Memorandum. Offerees should seek, and must rely on, the advice of their own tax and other advisers with respect to the possible impact on its investment of any future proposed legislation or administrative or judicial action.

Results Different from Expectations. There can be no assurance that the business of a Series will generate any particular return and it is possible that any financial projections or expectations made with respect to the business of such Series, may be more optimistic than actual results.

Risks of Special Techniques used by the Manager. The Manager will use special investment techniques that may subject the investments of each Series to certain risks. Certain, but not all, of these techniques and the risks that they entail are summarized below. In any event, the investments of a Series are not designed to correlate to the broad equity

market, and should not be viewed as a substitute for equity investments.

- *Options.* As discussed under “Series Purpose, Objectives and Strategies” above, the Series will purchase and sell call and put options. Purchasing put and call options and writing such options are highly specialized activities and entail greater than ordinary investment risks. Because option premiums paid or received by an investor are small in relation to the market value of the investments underlying the options, buying and selling put and call options can result in large amounts of leverage. As a result, the leverage offered by trading in options could cause the value of a Member’s Capital Account for a Series to be subject to more frequent and wider fluctuations than would be the case if such Series did not invest in options.

The Manager expects that each Series will trade in standardized options which trade on an exchange. There is no guarantee that such exchanges will provide liquidity at all times to holders and writers of options. Lack of investor interest could adversely affect the liquidity for a particular option or series of options and an exchange may discontinue trading of a particular option or options generally.

- *Non-U.S. Securities or Options.* Although each Series intends to focus primarily on U.S. securities and options, it may also trade and invest in non-U.S. securities and options. Trading and investing in securities and options of non-U.S. governments and companies which are generally denominated in non-U.S. currencies, and utilization of currency forward contracts and options on currencies involve certain considerations comprising both risks and opportunities not typically associated with investing in securities of United States issuers. These considerations include changes in exchange rates and exchange control regulations, political and social instability, expropriation, imposition of non-U.S. taxes, less liquid markets and less available information than are generally the case in the United States, higher transaction costs, less government supervision of exchanges, brokers and issuers, difficulty in enforcing contractual obligations, lack of uniform accounting and auditing standards and greater price volatility.
- *Short Sales.* Each Series may engage in short sales by selling equity securities that it does not own at the time of sale. By doing so, such Series 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 such Series’ subsequent purchase of shares of that security, such Series will suffer a loss on that transaction and the value of the Members’ investments in such Series will decrease accordingly. There can be no assurance that a Series will not suffer such losses. In theory, a short sale has the potential for unlimited loss. In connection with short sales, a Series will have to deliver cash or United States Treasury securities or other securities to brokers to assure delivery of equity securities against short positions held by such Series. Each Series will be able to keep only a negotiated percentage of the yield of such United States Treasury or other securities.
- *Commodity Interests Market Fluctuations.* Each Series may, from time to time, trade related futures, forwards and options cleared through CFTC-registered derivative

clearing organizations. Managed futures trading involves trading in various commodity interests. The market prices of futures contracts fluctuate rapidly. Prices of futures contracts traded by the traders of each Series are affected generally, among other things, by (i) changing supply and demand relationships, (ii) weather, agricultural, trade, fiscal, monetary and exchange control programs, (iii) policies of governments and national and international political and economic events; and (iv) changes in interest rates. The profitability of a Series depends entirely on capitalizing on fluctuations in market prices. If the Manager incorrectly predicts the direction of prices in futures, forwards, and options, large losses may occur.

- **Futures Options.** Each Series may engage in trading in futures options contracts. Although successful trading in futures options contracts requires many of the same skills required for successful futures trading, the risks involved are somewhat different. Although the purchaser of an option cannot lose more than the purchase price of the option, the seller of a futures option has no such protection and is subject to unlimited liability.

Exchange Rate Risk. Each Series will maintain accounts in United States dollars. Volatility in international exchange rates between the United States dollar and foreign currencies may affect pricing and the profit margin on sales of foreign securities. This, in turn, could adversely affect the rate of return or a Member's profit in each Series.

Each Series 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 a Series involves a significant exchange rate risk. Each Series could recognize substantial profits but the real value of a Member's investment in a Series could decline due to a decrease in the value of United States dollars relative to such Member's local currency.

Trading in Forward Contracts to Hedge Currency Risk. Each Series may, but is not obligated to, elect to hedge its exposure to fluctuations in the United States dollar relative to foreign currencies by entering into forward contracts with respect to such currencies. A forward contract is similar to a futures contract, but, unlike a futures contract, the terms of a forward contract are not standardized nor are forward contracts traded on exchanges designated by the United States government. Forward contracts are subject to the credit risk of the principals or its refusal to perform and the imposition of exchange controls. Forward contracts are not guaranteed by an exchange or a clearing house and the failure of a principal with whom a forward contract is made would likely result in a default. It may be difficult to enforce the contractual obligations of a non-United States principal in the event that a principal refuses to perform under a forward contract.

Disruptions in Trading Securities. If trading is interrupted at an exchange at which stocks underlying a stock index are traded, trading in a stock index option or trading in a futures contract may be interrupted as well. When this occurs, traders in options and futures contracts or derivatives thereon will be unable to close out positions until trading reopens at the exchange. Considerable losses could be incurred if, when trading resumes, the index options and futures contracts reopen at substantially different prices than the prices at the time trading was interrupted. Such unfavorable market conditions could adversely impact a

Series.

Electronic Execution Systems. It is likely that substantially all of the executing brokers of each Series use electronic execution systems which automatically seek executions at the marketplace, including national securities exchanges and NASDAQ, offering or bidding the best price for the securities to be bought or sold. If there were any disruptions in the operation of these systems this could result in less favorable executions for the customers of such brokerage firms, including each Series.

Counterparty and Custody Risk. To the extent a Series invests in swaps, derivative or synthetic instruments, or other over-the-counter transactions including forward contracts, or in certain circumstances, non-U.S. securities, such Series may take a credit risk with regard to parties with whom it trades and may also bear the risk of settlement default. These risks may differ materially from those entailed in exchange-traded transactions which generally are backed by clearing organization guarantees, daily marking-to-market and settlement, and segregation and minimum capital requirements applicable to intermediaries. Transactions entered directly between two counterparties generally do not benefit from such protections and expose the parties to the risk of counterparty default.

In addition, there are risks involved in dealing with the custodians or brokers who settle Series trades, particularly with respect to non-U.S. investments. It is expected that all securities and other assets deposited with custodians or brokers will be clearly identified as being assets of a Series and hence such Series should not be exposed to a credit risk with regard to such parties. However, it may not always be possible to achieve this segregation and there may be practical or time problems associated with enforcing the rights of a Series to its assets in the case of an insolvency of any such party.

Non-Recognition of Series. The LLC Act provides that a limited liability company may create one or more “series” in a single limited liability company (a “Series LLC”), and each series is treated as separate and distinct from each other series and the Series LLC itself. The LLC Act specifically provides that the debts, liabilities, obligations and expenses of one series of a Series LLC cannot be enforced against another series of the Series LLC or against the Series LLC as a whole. While the LLC Act provides for the creation of Series LLCs, a majority of states in the United States do not have laws or regulations on the subject. Thus, in those states, a Series LLC may not be viewed or treated the same as in Delaware. Moreover, the Manager does not believe that the legal separation of the assets and liabilities of series of a Series LLC has been tested in court. As a result, there is a risk that, if challenged, (1) any Series created by the Fund will be disregarded as a separate legal entity, (2) the assets of one Series of the Fund will be commingled with the assets of the Fund and/or the other Series of the Fund and (3) the losses, liabilities and obligations of a Series of the Fund will be enforceable against the other Series of the Fund or the Fund as a whole. In such event, an investor’s investment in a particular Series of the Fund would be exposed to the losses, liabilities and obligations of the other Series of the Fund and the Fund as a whole.

No Investment Company Registration. While neither the Fund nor any Series intends to become an investment company subject to registration with the SEC under the provisions of the Investment Company Act, the Fund and each Series will engage in investment activities

that would likely require it to register as an investment company under the Investment Company Act, were it not exempt from the Investment Company Act by reason of the private nature of this Offering and that the Manager will not permit Interests in any Series to be owned by more than 100 persons (as defined in Section 3(c)(1) of the Investment Company Act). Accordingly, in order to maintain the exemption of each Series from investment company status under the Investment Company Act, the Manager intends to restrict sales of the Interests in each Series to no more than one hundred (100) persons and to offer the Interests only through transactions not involving a public offering. The Manager does not believe that the SEC or any court has determined whether and under what circumstances each series of a Series LLC should be viewed as a distinct issuer for purposes of determining whether such Series LLC is an investment company as defined in Section 3(a)(1) of the Investment Company Act. As a result, there is a risk that, if challenged, each Series may not be considered as a distinct issuer for purposes of qualifying for an exemption to the registration requirements of the Investment Company Act and the Fund may be required to register as an investment company. If a Series or the Fund were required to register as an investment company, many aspects of its structure and operations would be inconsistent with the requirements of the Investment Company Act. However, because neither the Fund nor any Series is registered under the Investment Company Act, investors will not have the protections offered to investors in U.S. registered investment companies.

~~No Investment Advisers Act Registration. The Manager is not currently registered as an investment adviser with the SEC in reliance on an exemption from registration as an investment adviser. As a result, investors will not have the benefits of the federal or state regulations applicable to registered investment advisers.~~

New Investors. Each Series will accept subscriptions from time to time from new Members. Investments of such subscription proceeds will dilute an existing Member's interest in current positions established by such Series. In addition, each Series will pay the legal expenses with respect to accepting new Members and the cost of investing the subscription proceeds of new Members associated with such Series.

Restricted Securities. The Interests have not been registered under the Securities Act, or registered or qualified under the "Blue Sky" laws of any state or country, and are being sold pursuant to exemptions contained in those laws. Accordingly, the Interests will constitute "restricted securities," as defined in Rule 144 promulgated under the Securities Act, which must be held indefinitely unless they are subsequently registered under applicable federal and state securities laws or an exemption from the registration requirements of those laws is available. The Interests will not become freely transferable by reason of any change of circumstances whatever. Rule 144 (other than subsection 144(k) thereof), which permits the resale, subject to various terms and conditions, of small amounts of restricted securities after they have been held for one year, does not apply to any Series because neither the Fund nor any Series is required to file, and does not file, current reports under the Exchange Act, and because information concerning the Fund and each Series substantially equivalent to that which would be available if the Fund or such Series were required to file such reports is not publicly available. Neither the Fund nor any Series has plans to become a reporting company

in the future.

Lack of Trading Market for Interests. There is no public market for the Interests being sold in this Offering, and none is expected to develop. The Interests will not be widely held, and the Manager does not intend to make an effort to create any trading market for the Interests. The Manager will not seek to list the Interests on any securities exchange.

Non-Transferability of Interests; Limited Withdrawal Rights. The LLC Agreement contains significant restrictions on the transferability of the Interests. Interests are not ordinarily transferable except with the prior written consent of the Manager. The grant or denial of such consent is in the Manager's sole discretion. Members have the right to liquidate all or any part of their Interests in a Series by withdrawing capital from such Series only on a monthly basis, subject to certain restrictions described under "The LLC Agreement – Withdrawals" below, unless the Manager otherwise consents to such withdrawal.

No Guarantee of Best Price; Expenses. There is no assurance by any Series, the Fund or the Manager that the purchase and sale of investments will be made on a best price basis. The Manager expects each Series to pay brokerage commissions, dealer charges and other transaction charges in excess of the lowest rates available to brokers who execute transactions for the account of such Series or who otherwise provide brokerage, research and other services utilized by the Manager.

Brokers sometimes suggest a level of business they would like to receive in return for the various services they provide. Actual brokerage business received by any broker may be less than the suggested allocations, but can (and often does) exceed the suggestions, because total brokerage is allocated on the basis of all the considerations described above. A broker is not excluded from receiving business because it has not been fully identified as providing research services. The investment information received from a broker may be used by the Manager in servicing all its accounts, and not all such information need be used by the Manager in connection with each Series.

Turnover and Trading Costs. The investment strategy to be employed by the Manager will result in the portfolio of each Series having a moderate degree of turnover which will result in higher transaction costs than would be the case if such Series employed a buy-and-hold strategy. The transaction costs associated with an active trading strategy may lower returns. This strategy may also generate significant amounts of short-term capital gain, which is taxed at higher rates than long-term capital gain.

Indemnification. The Fund, the Manager, its affiliates, all employees and agents of each Series are held harmless and indemnified for certain actions taken by them, except to the extent such actions constitute fraud, bad faith, willful misconduct, or gross negligence. As a result, each Series and the Members may have more limited rights against the Fund, the Manager, its affiliates, all employees and agents of each Series than they would otherwise have under common law and, furthermore, may be obligated to fund the defense of the Fund, the Manager, its affiliates, all employees and agents of each Series in certain cases.

Compensation Arrangements of Traders. Any traders utilized by the Manager to trade for the account of each Series will likely be compensated through incentive arrangements. Under

these arrangements, the traders may benefit from appreciation, including unrealized appreciation, in the value of the account, but may not be similarly penalized for realized losses or decreases in the value of the account. Such fee arrangements may create an incentive for the traders to make purchases that are unduly risky or speculative.

Conflicts of Interest. Each Series is subject to actual and potential conflicts of interest arising out of the operation and management of such Series. These conflicts include:

- The Manager will act as a manager of any other Series created by the Fund, and, therefore, will devote such time and activity to each Series created under the Fund as it shall reasonably determine to be necessary for the proper performance of the Manager's duties and responsibilities and for each Series to achieve its business objectives.
- The Manager and 303 Capital may jointly employ individuals from time to time.
- The Manager and its Principals invest in separate accounts managed by them, and may trade commodity interest contracts, securities, and other products for their own accounts. For such accounts, the above entities and individuals may use trading approaches which are different from the trading approaches utilized by any Series and/or the Fund. It is possible that the above entities and individuals may, from time to time, be competing with the any Series for similar commodity interest contract or securities positions in one or several markets or may take positions in their proprietary accounts which are opposite, or ahead of, the positions taken in the account of a Series. The records of such trading will not be made available to investors of any Series.
- The Manager and the Principals may develop or acquire trading support systems and programs which they may use in connection with the businesses of each Series. However, these systems will not be the property of any Series.
- While the Principals are currently devoting substantially all of their business time to managing the Series, the Principals may in the future devote time to other business activities, including trading equities, options and futures for their own accounts and for the account of other investment funds, and may not devote their entire energies to the Series.
- Certain Principals may from time to time invest in various interest bearing vehicles and accounts, some of which the Manager may determine to invest in on behalf of a Series. This may give rise to conflicts of interest if the Principals determine to make or pull an investment in a position contrary to such Series. Additionally, the Manager, the Principals and their affiliates may sponsor or manage other entities, or engage in other business ventures, for their own account or for the account of others, and no Series or any Member is entitled to any interest therein.
- Conflicts may develop in the event the Manager or its affiliates fail to adequately perform their obligations to a Series. The Manager may face further conflicts in enforcing the rights of a Series against non-performing affiliates.
- The Manager may engage third parties, including affiliates of 303 Capital, to provide marketing and distribution services in connection with the offering of Interests in the

Series, and such parties may be paid a placement fee.

- 303 Capital has been engaged by the Manager to provide risk monitoring, general operational support and other services to the Manager and, in connection with that engagement, 303 Capital will receive a fee.
- The Fund, each Series and the Manager are not represented by separate counsel in connection with the transactions and activities described herein. Counsel to each Series, and other experts who perform services for each Series, may also perform services for affiliates of, and other partnerships, limited liability companies or other entities sponsored by, the Manager or the Fund. It is anticipated that such multiple representation will continue in the future. However, should a dispute arise among the Fund, any Series and the Manager or should it be necessary in the future to negotiate and prepare contracts and agreements among the Fund, any Series and the Manager, other than those existing on the effective date hereof, the Manager will consider the need to cause such Series to retain separate counsel for such matters.

Tax Risks. An investment in a Series is subject to various tax risks including, but not limited to, taxable income or gain may exceed distributions, sale of the assets of a series, risk of audit and disallowance, tax on the sale of interests, risk of reallocation of losses, alternative minimum tax, and certain limitations on the deductibility of losses.

No rulings have been (or will be) sought from the Internal Revenue Service (the “IRS”) with respect to any of the tax matters described in the LLC Agreement or herein. Additionally, neither the Manager nor any Series will seek an opinion of counsel as to the various tax risks described herein. Each investor should consult his own tax advisor with respect to the impact which an investment in a Series may have on his individual tax situation.

Tax-exempt investors in a Series may be subject to the tax on unrelated business taxable income (“UBTI”) with respect to certain income of such Series.

Certain Limitations on the Deductibility of Losses.

In addition, a Series may borrow funds from time to time to finance its acquisition of securities. An individual Member’s allocable share of the interest that a Series pays on these borrowings, along with any interest expense incurred directly by such Member to purchase its Interest and any other “investment interest” of such Member, may be deductible by the Member in any taxable period only to the extent of its net investment income (including net investment income from such Series) for that period.

Furthermore, if a Series is deemed to be engaged in an investment activity and not a trade or business, a Member will be able to deduct such Member’s distributive share of investment expenses of such Series (such as certain administrative costs and also including the Manager’s Management Fee) for any year only to the extent that such share of investment expenses, when aggregated with the Member’s other “miscellaneous itemized deductions” from all sources, exceeds two percent of such Member’s adjusted gross income for such year. In addition, certain allowable itemized deductions, including miscellaneous itemized deductions, will be reduced by an aggregate amount equal to three percent of the amount by

which a Member's adjusted gross income exceeds a certain amount indexed for inflation.

Finally, certain expenses of a Series, including, but not limited to, expenses relating to the offering of Interests, are not deductible under Section 709 of the Code. Instead such expenses are included in a Member's basis in his Interests and will result in a capital loss at the termination of such Series. Such capital loss may not offset any ordinary income allocated to the Members and may not be usable by a Member in the year of termination.

The above list of risks is not all-inclusive as many different events can adversely impact Aegea Fund and Other Fund portfolios including, but not limited to, unanticipated volatility events, changes in financial status of companies, market fluctuations, changes in exchange rates, trading suspensions and delays, economic reports, cybersecurity attacks and natural disasters. While this information provides a synopsis of the events that may affect your investment, this listing is not exhaustive.

Aegea has and may again in the future, enter into "Side Letters" with certain prospective or existing investors in the Aegea Funds, whereby such investors may be subject to terms and conditions including informational rights that are more advantageous than other investors such as reduced fees, preferential redemption rights or more frequent or additional reporting.

ITEM 9: DISCIPLINARY INFORMATION

Aegea is required to disclose whether there are legal or disciplinary events that might be material to advisory clients when evaluating our advisory business or the integrity of our management. Aegea and its employees have not been involved in legal or disciplinary events related to past or present advisory clients.

ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

A. Financial Industry Activities: Broker-Dealer, Registered Representative

Aegea is not a registered broker-dealer and does not have an application pending to register as a broker-dealer. None of Aegea's management or supervised persons is registered as representatives of, or has applications pending to register as representatives of a broker-dealer.

B. Financial Industry Activities: Futures and Commodities, Associated Persons

Aegea Capital is a commodity pool operator ("CPO") registered with the Commodity Futures Trading Commission ("CFTC") and is a member of the National Futures Association serves as [managing member of pooled investment vehicles, sub-adviser to pooled investment vehicles, adviser to separately managed accounts]. Cem

Commented [BDR4]: Need to review the structure of the relationship with MIO and

C. Financial Industry Affiliations

Aegea engages in no other industry activities and no other affiliations material to its delivery of services as an investment adviser.

D. Other Investment Advisers

Aegea does not recommend or select other investment advisers.

ITEM 11: CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

A. Code of Ethics

Aegea has adopted a comprehensive Code of Ethics designed to promote high ethical standards and reflect Aegea's fiduciary duty to its Advisory Clients. The Code of Ethics establishes standards of business conduct for all employees and is designed to detect and prevent prohibited acts and mitigate potential conflicts of interest between Aegea, its employees and Advisory Clients. Aegea provides training at least annually to all employees with regards to its Code of Ethics and its compliance policies and procedures. A copy of the Code of Ethics is available to any client or prospective client upon request.

The Code of Ethics permits employees of Aegea to buy or sell securities for their own accounts. However, to address the various conflicts of interest that exist with personal trading, Aegea has generally prohibited employees from trading in the same securities as those held by Advisory Clients.

The Code of Ethics prohibits any employee from trading, either personally or on behalf of others, including Advisory Clients, on the basis of material non-public information or communicating material non-public information to others. The Code of Ethics establishes guidelines for employees with identifying instances when they might be exposed to material non-public information and compliance procedures when they believe they are in possession of material non-public information. The Code of Ethics also strictly prohibits Aegea and its employees from engaging in market manipulation, the spreading of rumors and any sort of collusion with other market participants.

Other features of Aegea's Code of Ethics include:

- annual certification by employees that they have read, understand and agree to abide by Aegea's Code of Ethics and insider trading policies and procedures; and
- quarterly submission of securities transaction reports and annual securities holdings reports for each personal account of the employee and their spouse, minor children, and any other person or entity over which the employee exercises control or investment discretion.

Commented [BDR5]: Edit to current Code

B. Participation of Interest in Client Transactions

Aegea Capital's Managing Member, Cem Karsan is also a significant investor in the Aegea Fund. These and other pertinent conflicts of interest are disclosed in Aegea Fund's offering documents.

Commented [BDR6]: verify

ITEM 12: BROKERAGE PRACTICES

A. Selection and Recommendation

While Aegea has discretion to select brokers to effect transactions, Aegea always seeks to obtain "best execution" and considers various factors, including (1) where the best price is likely to be obtained; (2) a firm's ability to properly execute any orders (based on the size of the trade and its complexity to execute); and (3) the operational aspects of brokerage firms' back office, custodial or other administrative services. "Best execution" is not synonymous with lowest brokerage commission or cost of execution. Consequently, Aegea may pay a brokerage commission in excess of that which another broker might have charged for executing the same transaction for other parties. However, in such cases, Aegea has determined that the execution and other services rendered by a particular broker merit greater than typical fees.

Aegea does not use soft dollars.

B. Directed Brokerage

Aegea will recommend that the Other Funds utilize its recommended broker dealer to execute transactions and act as custodian. This arrangement is designed to maximize efficiency, enhance the ability to monitor positions, and to be cost effective for our Advisory Clients. By requiring the Other Funds to use specific custodians which Aegea has approved, we seek to achieve the most favorable execution of transactions.

When an Other Fund directs brokerage, Aegea will notify them that Aegea cannot negotiate commission rates, and as a result, they may pay higher brokerage commissions than might otherwise be paid if Aegea were granted discretion to select a broker to handle the account. In addition, they might lose the benefits of potentially better executions including those available through bunched transactions of our Firm's recommended broker-dealer custodian.

C. Order Aggregation

Aegea may, at times, aggregate buy and sell orders of securities for the purpose of obtaining the best pricing averages and minimizing trading costs. This practice is reasonably likely to result in administrative convenience or an overall economic benefit to Aegea. Clients also generally benefit with better purchase or sell execution prices, lower commission expenses or beneficial timing of transactions or a combination of these and other factors. Our policies and procedures mandate aggregating multiple orders. Aggregate orders will be allocated to accounts in a systematic non-preferential manner.

Commented [BDR7]: Review versus actual practice

Research and Other Soft Dollar Benefits
Brokerage for *Client* Referrals
Directed Brokerage

ITEM 13: REVIEW OF ACCOUNTS

A. Periodic Reviews

Aegea reviews client accounts on a continual basis to ensure adherence to each Advisory Client's investment objectives and restrictions. Cem Karsan conducts such reviews.

B. Client Reports

The Aegea Funds

Aegea ensures each Investor in the Aegea Funds receives unaudited performance reports that review the Aegea Funds' investment activities, beginning balances, and performance on a monthly basis and audited financial statements on an annual basis within 90 days of year end.

The Other Funds

The Other Funds receive a report at least quarterly from the custodian, detailing account performance and account holdings. In most cases, clients will also have online access to view their account at any time.

Commented [BDR8]: Review versus actual practice

ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION

A. Economic Benefits from Others

Aegea does not receive an economic benefit from any third party for providing investment advice or other advisory services to its clients.

B. Compensation to Unaffiliated Third Parties

Aegea Capital has engaged third-party 303 Capital to provide marketing and distribution services as well as risk monitoring and general operational support, in connection with the offering of interests in Aegea Funds.

303 Capital is compensated by Aegea Capital for risk monitoring and general operational support subject to a written agreement. 303 Capital, and any other such parties as Aegea Capital may engage, also can earn a placement fee to be paid by Aegea Capital.

ITEM 15: CUSTODY

The Aegea Funds

Advisory Client funds and securities are maintained with independent qualified custodians in compliance with Rule 206(4)-2 under the Investment Advisers Act of 1940 (the “Custody Rule”). However, Aegea is deemed to have custody of the assets of the Aegea Funds as a result of having broad authority to control those assets. Aegea complies with the “audit exemption” of Rule 206(4)-2 by ensuring the Aegea Funds are subject to an annual audit performed by an independent public accountant that is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board, and audited financial statements prepared in accordance with U.S. generally accepted accounting principles are distributed annually to Investors within 120 days of year end.

The Other Funds

Aegea does not have physical custody of any of the Other Fund’s assets. However, Aegea has indirect custody by virtue of its ability to deduct advisory fees payable to it. Each Advisory Clients’ qualified custodian will send statements, at least quarterly. Aegea urges Other Funds to carefully review such statements and compare such official custodial records to the statements provided by Aegea.

ITEM 16: INVESTMENT DISCRETION

The Aegea Funds

Investors in the Aegea Funds have no authority to direct Aegea in any way concerning the investment decisions for the Aegea Funds. Aegea has full discretion and authority to make all investment decisions with respect to the types of securities to be bought or sold and the

amount of securities to be bought or sold for the Aegea Funds.

The Other Funds

The Other Funds may grant Aegea full discretionary authority in order to supervise and direct the investments of their accounts. Other Funds grant this authority upon execution of Aegea's Investment Management Agreement. This authority is for the purpose of making and implementing investment decisions, without the Other Funds' prior consultation. All investment decisions are made in accordance with the Other Funds' stated investment objectives. The Other Funds may impose certain restrictions regarding investment strategies or types of securities transactions within their account(s).

ITEM 17: VOTING CLIENT SECURITIES

The nature of the securities in which Aegea invests do not have issuer voting rights and, as such, Aegea does not normally vote proxies. However, if Aegea were to hold securities that have voting rights, Aegea would vote such proxies in the best interest of Advisory Clients, which will be determined on a case by case basis. As part of its proxy voting procedures, Aegea will determine if a conflict of interest exists with its voting of such proxy. If it is determined that a conflict of interest exists, Aegea will take appropriate actions to reasonably deal with such conflict of interest.

A copy of Aegea's Proxy Policy or information regarding how Aegea voted any proxies, if applicable, can be obtained by contacting the Chief Compliance Officer and will be provided to you free of charge.

ITEM 18: FINANCIAL INFORMATION

A. Balance Sheet Requirement

Aegea does not require prepayment of fees from Clients.

B. Financial Condition

Aegea is not aware of any financial impairment that would preclude the Firm from meeting contractual commitments to clients.

C. Bankruptcy Petition

Aegea has never been the subject of a bankruptcy petition.