

Leucadia Asset Management LLC
Riposte Capital Division

FORM ADV PART 2A
The Brochure

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This brochure provides information about the qualifications and business practices of Leucadia Asset Management LLC (f/k/a/ Jefferies Investment Advisers LLC) ("LAM"). If you have any questions about the contents of this brochure, please contact us at (212) 323-3380. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the "SEC") or by any state securities authority. LAM is registered as an investment adviser with the SEC. Registration does not imply that a registered adviser has achieved a certain level of skill, expertise, or training in providing advisory services to its clients.

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

Jefferies

Item 2. Material Changes

Effective as of January 1, 2021, Jefferies Investment Advisers, LLC changed its name to Leucadia Asset Management LLC ("LAM").

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Item 4. Advisory Business

Leucadia Asset Management LLC (f/k/a Jefferies Investment Advisers, LLC) ("LAM" or "we"), a registered investment adviser, is a wholly owned subsidiary of Jefferies Group LLC, a direct wholly owned subsidiary of Jefferies Financial Group Inc. LAM, established in 2002, has been registered as an investment adviser with the Securities and Exchange Commission since January 2003. This Brochure relates to our Riposte Capital Division ("Riposte" or the "Division"). Riposte engages in the business of offering advisory and portfolio management services to institutional and high net worth investors through private funds ("Funds"). While Riposte does not currently offer advisory and portfolio management services to separately managed accounts ("SMAs" and, together with the Funds, the "Accounts"), it may choose to do so in the future. On January 15, 2020, Riposte Capital, LLC entered into a Transaction Agreement with Jefferies Asset Management Holdings LLC pursuant to which LAM becomes the investment adviser with respect to the Funds as of February 1, 2020. Prior to February 1, 2020, Riposte Capital, LLC served as the investment adviser of the Funds.

Our principal place of business is New York City where we perform portfolio management, research, quantitative analysis, systems development, trading, operations, accounting, legal and compliance functions. Various affiliates of LAM perform administrative functions and services (such as Human Resources, Information Technology, Accounts Payable, Treasury, and Purchasing) in New York, New York, Jersey City, New Jersey and other U.S. locations of Jefferies Group LLC and its subsidiaries.

Riposte implements a bottom-up investment approach focused on operating and asset-specific data across primarily five core sectors: transportation, real estate, financials, consumer and energy. The process is defined by a strict risk/reward analysis whereby every assumption is underwritten independently and rigorously to construct a concentrated long/short global equity portfolio.

Riposte also may make private investments through certain special purpose vehicles ("Select Investments"). Select Investments are offered to electing investors and may, in the aggregate, generally represent 20% of a Fund's assets. Additionally, Riposte may offer certain Select Investments to existing investors in the Funds or third parties based on, among other things, the size of the investment, the risk profile, and the balance of a Fund's assets that are invested in Select Investments. Please see Item 8 below for a description about Select Investments.

The objective of Riposte's investment program is to provide clients with exposure to investment strategies focused on the transportation, real estate, financials, consumer and energy sectors. The investment strategies which Riposte employs primarily trade non-U.S. and U.S. equity and equity-related securities, swaps, futures and derivatives.

As of February 1, 2020, Riposte expects to have Regulatory Assets Under Management ("RAUM") totaling approximately \$143 million on a discretionary basis. Riposte does not manage assets on a non-discretionary basis. The term "RAUM" is defined by the SEC in the instructions to Form ADV, and RAUM is calculated in accordance with the requirements prescribed by the SEC.

Item 5. Fees and Compensation

We typically receive management fee and/or incentive fees, which can vary by Fund.

For Funds, management fees, which are calculated quarterly in advance and are payable quarterly in arrears, are generally between 1.5% and 2.0% *per annum* of the net asset value of the respective Fund

(calculated before deduction of any accrued management fee). Management fees are appropriately prorated for partial periods. Incentive fees are typically between 15% and 20% of net new appreciation attributable to each investor in the respective Fund. Incentive fees are paid at the end of the calendar year or upon redemption. With the assistance of the Fund's third party administrator, we deduct our fees directly from the Accounts of our Fund clients.

The fees received by us are explained more fully in the offering memorandum for each Fund (the "Offering Memorandum") or, in the case of an SMA, will be set forth in the investment management agreement between the client and ourselves (together with any Offering Memorandum, the "Disclosure Document").

The fees described above are our typical fee rates. We may, in our sole discretion, waive all or a portion of the fees due to us. Each Fund has the right to enter into agreements with one or more of its investors providing for a waiver or modification of certain terms of the Fund. Such arrangements are documented in the offering documents or side letter agreements with particular investors in certain Funds.

When we consider appropriate, we may invest a portion of an Account's assets in one or more money market funds or exchange-traded funds. When any such investments are made, the Account will be paying, in addition to the compensation payable to us, the Account's proportionate share of any management fees charged by the manager of such money market fund or exchange-traded fund.

Our Funds generally bear (i) the organizational and initial offering expenses incurred in the formation of the Fund and the marketing and sale of the Interests (excluding the compensation of placement agents but including all legal, accounting, filing, printing, travel and accommodation expenses of all of our affiliated personnel and third party marketers) and ongoing offering expenses (excluding the compensation of placement agents but including the costs associated with the ongoing marketing and sale of the Interests and any costs associated with any amendments to and/or restatements of fund documents), management fees and other direct expenses including, without limitation: (i) all operating expenses of a Fund such as tax preparation fees, governmental fees and taxes, accountant, administrator fees, insurance (including liability insurance and other coverage for the benefit of the Funds, (and if permitted) the general partner, Riposte and their personnel), communications with investors in a Fund, research and related expenses (including research-related travel expenses), expenses associated with regulatory filings that relate to a Fund and ongoing legal, compliance, accounting, auditing, bookkeeping, consulting and other professional fees and expenses, and infrastructure provider fees and expenses; (ii) all Fund trading costs and expenses (e.g., brokerage commissions, margin interest, expenses related to short sales, custodial fees and clearing and settlement charges) and expenses associated with market data services and communication systems, brokerage services and order management systems expenses; (iii) all fees in connection with proxy contests or to protect or preserve any investment held by the Fund, as determined in good faith by the general partner; (iv) a Fund's *pro rata* share of the operating expenses of the master fund (including Advisory Committee fees and expenses); and (v) all fees and other expenses incurred in connection with the investigation, prosecution or defense of any claims by or against a Fund.

Item 6. Performance-Based Fees and Side-by-Side Management

PERFORMANCE BASED FEES.

We receive performance-based fees from all of our clients in the form of incentive fees. Prospective investors should note that (i) the fact that incentive fees may be payable out of increases in net trading profits may create an incentive for us to make investments that are riskier or more speculative than would

be the case if we were compensated solely based on a flat percentage of capital and (ii) we may receive increased compensation because the incentive fees are calculated on a basis that includes unrealized appreciation as well as realized gains.

SIDE-BY-SIDE MANAGEMENT.

We trade on behalf of multiple client Accounts. As described in "Fees and Compensation" above, we receive performance-based incentive fees from all Accounts. Some Accounts also pay us management fees. As a result, we have a conflict of interest because we can potentially receive proportionately greater compensation from those Accounts that pay us incentive fees and management fees than from those Accounts that pay us incentive fees only.

We owe a fiduciary duty to our clients not to favor one Account over another, without regard to the types and amounts of fees paid by those Accounts. In light of the conflicts of interest described above, we have allocation policies and procedures in place in an effort to ensure that Accounts are treated fairly. We do not necessarily trade for Accounts on a *pari passu* basis, as some Accounts may be distinguished from one another by their investment objectives, investment methodology, fee terms or other investment or trading parameters. Accordingly, our investment professionals may cause purchases or sales to be effected for one or more Accounts while not causing such purchases or sales to be effected for other Accounts. We may determine also to use substantially different degrees of leverage in certain Accounts when effecting a transaction, when maintaining a position, or in conducting an Account's activities generally. Discretion as to which Accounts will receive allocations of particular positions may occur whether investment opportunities are limited or unlimited, and opportunities to participate in transactions may not necessarily be allocated among the Accounts in any particular proportion.

If multiple Accounts qualify for participation in the purchase of a specific security or investment opportunity by such portfolio group, we will, in general, allocate the instruments among the Accounts for which the instrument or investment opportunity is appropriate, on a fair and equitable basis. Common trades on the same day for Accounts managed by the same portfolio management group generally are allocated, where possible, on the basis of the relative assets committed to the strategy at the previous day's closing price per share among such Accounts. While no Account will be given investment priority over any other Account, each Account may have separate investment objectives and investment restrictions which we are required to follow; as a result, certain investment opportunities may be appropriate for certain Accounts and not for others. We apply such considerations as we deem appropriate, including relative size of such entities, amount of available capital, size of existing positions in the same or similar securities, leverage and tax considerations and other factors. Nevertheless, prospective investors should understand that we, and our investment professionals, may have an incentive to favor certain Accounts over others.

Item 7. Types of Clients

We provide advisory services to the following types of clients:

- Private funds (e.g., hedge funds);
- Corporations and other business entities;
- Other institutional investors; and
- High Net-Worth Individuals (indirectly as clients through their investments in the Funds).

Funds are generally organized as “master-feeder” structures whereby a U.S. feeder fund domiciled in Delaware and a non-U.S. domiciled feeder fund that is either a Cayman Islands exempted limited company or exempted limited partnership that invest in a master fund that is either a Cayman Islands exempted limited company or exempted limited partnership. Each Fund is excepted from the definition of an “investment company” pursuant to Section 3(c)(7) of the Company Act. The investors in these Funds are generally “accredited investors,” as that term is defined in Regulation D promulgated under the Securities Act of 1933, and “qualified purchasers” as that term is defined in the Company Act and the rules promulgated thereunder. Each of the Funds sets minimum investment requirements for the investors in such vehicle. The minimum investments are currently \$1,000,000. Such minimum investment requirements may be waived at our discretion, except to the extent that such waiver is expressly prohibited by the constituent documents of the Fund or applicable law.

SMA clients are typically institutional investors. Should we decide to offer services through SMAs, we will review any requests for managed accounts on a case-by-case basis.

Item 8. Methods of Analysis, Investment Strategies and Risk of Loss

The following is a summary of the investment strategies and methods of analysis we generally employ on behalf of our clients. Specific descriptions of such strategies and methods are included in the relevant Offering Memorandum. All investments involve risk of loss that investors should be prepared to bear.

INVESTMENT STRATEGY AND METHODS OF ANALYSIS

Riposte offers strategies which seek to achieve an investment objective agreed with the applicable client or as set forth in the relevant Disclosure Document (the “Investment Objective”). Our strategies present risks to our clients and clients must fully understand and accept those risks before making any investment.

Each strategy, as well as trading approaches used in the strategies, is proprietary and highly confidential. Accordingly, clients should note that the descriptions set out below are general only and are not intended to be exhaustive.

While strategies offered through Riposte are largely comprised of equities products and futures, our strategies rely on the discretion of our investment professionals, who may employ one or more proprietary investment and/or trading strategies and methodologies (collectively “Strategies”). These strategies may include additional markets and products including fixed income and foreign currency instruments as well.

We are under no requirement to limit ourselves to a particular Strategy level of exposure. In general, our Strategies are determined by the judgment or discretion of our investment professionals.

We may formulate new approaches and investment strategies to carry out our principal Investment Objectives based on, among other factors, changing market circumstances. This includes (without limitation) the incorporation of new markets, instruments and strategies. We will notify a client of such changes only if they amount to material changes to the Investment Objective.

Clients should note that the foregoing is not intended to be an exhaustive description of the strategies and Strategies that may be employed by us. At various times, we may employ on behalf of Accounts any of the Strategies discussed herein in various proportions as well as others, some of which may involve higher levels of risk. There is risk associated with each Strategy and there is no assurance that any of the Strategies will be profitable or that we will be able to achieve the Investment Objective or avoid losses.

The Strategies used present special and significant risks which investors should carefully consider in conjunction with their investment, legal and tax advisors. In addition, clients may request, and/or we may develop, additional strategies with some similarities to existing strategies. Any such strategies may be subject to risks and conflicts of interest, and also may be subject to additional risks and conflicts of interest that may be described in the applicable Disclosure Documents.

SELECT INVESTMENTS

To a lesser extent and to the extent permitted by applicable law, the Funds will also be permitted to make investments in certain privately offered investments that are sourced by Riposte and made available to the Funds for investment (the "Select Investments"). Select Investments may, in the aggregate, generally represent up to 20% of a Fund's assets. Investors will be given a one-time initial opportunity (at the time of an investor's initial capital contribution to the Funds) to opt-in and participate in Select Investments (unless the general partner permits, on a case-by-case basis in its sole and absolute discretion, a non-Electing Partner to opt-in with respect to an additional capital contribution). Once an investor elects to participate in Select Investments, such will participate in all Select Investments made by the Funds until the investor withdraws in full. Investors who opt in are referred to herein as "Electing Partners". Electing Partners will not participate in the selection of any Select Investments, rather, Riposte will make Select Investments through the Funds on behalf of the Electing Partners which will be allocated to all Eligible Electing Partners, on a pro rata basis with all other Eligible Electing Partners. Only Electing Partners who were Electing Partners at the time a Select Investment is made will participate in such Select Investments (referred to as "Eligible Electing Partners")

METHOD OF ANALYSIS AND INVESTMENT STRATEGIES

Riposte intends to make concentrated investments with a focus on the core industries of transportation, real estate, financials, consumer and energy that it believes are at an inflection point in their cycle. When considering investment opportunities, Riposte intends to capitalize on data sourced from its network which will be evaluated in conjunction with industry specific due diligence and in-depth research and analysis. Riposte intends to construct a diversified portfolio of high conviction long securities that significantly outperform a partly offsetting selection of securities sold short. Riposte expects to focus primarily on mid-cap companies in developed markets (i.e. US\$1-\$10 billion market capitalization) where Riposte believes the largest amount of inefficiencies exist. Riposte's process will be complimented by real time information flow on trends and data points in the industries and sectors mentioned above.

RISK OF LOSS

OUR INVESTMENTS ARE SPECULATIVE, ENTAIL A HIGH DEGREE OF RISK, AND ARE SUITABLE ONLY FOR INVESTORS WHO HAVE NO IMMEDIATE NEED FOR LIQUIDITY AND WHO CAN AFFORD TO BEAR A LOSS OF THE ENTIRE AMOUNT INVESTED. NO REPRESENTATION OR GUARANTEE IS MADE AS TO THE LIKELIHOOD OF ACHIEVING OUR INVESTMENT OBJECTIVES. INVESTORS SHOULD CAREFULLY CONSIDER, AMONG OTHER FACTORS, THE FOLLOWING MATERIAL RISKS INVOLVED WITH OUR INVESTMENT STRATEGIES. INVESTORS SHOULD REFER TO THE APPLICABLE GOVERNING DOCUMENTS FOR MORE COMPLETE INFORMATION ON OUR INVESTMENT STRATEGIES AND THE RISKS ASSOCIATED WITH OUR INVESTMENTS.

PORTFOLIO INVESTMENT-RELATED MATERIAL RISKS

Equity Securities. We will invest in equity securities. The value of equity securities may fluctuate in response to specific situations for each company, industry market conditions and general economic

environment. The Funds may acquire long and short positions in listed and unlisted common equities, preferred equities and convertible securities of issuers domiciled in developed or in emerging countries. The Funds may invest in equity securities regardless of market capitalization, including micro- and small-cap companies. The securities of smaller companies may involve more risk and their prices may be subject to more volatility. The Funds may also invest in distressed equity securities, which are generally considered to be riskier, speculative and relatively illiquid.

Futures. We may, from time to time, engage in futures transactions for investment and for hedging purposes. Futures are standardized exchange-traded contracts which obligate a purchaser to take delivery and a seller to make delivery of a specific amount of an asset at a specified future date at a specified price. No price will be paid upon initiation of a futures contract. Rather, the Funds will be required to deposit margin equal to a percentage of the contract value. The Funds will then receive or pay maintenance margin based on the gains or losses experienced on an on-going basis. Futures therefore involve substantial leverage. As a result, the Funds can suffer losses that significantly exceed the amount deposited with the prime brokers. Futures positions may be illiquid because, for example, most US commodity exchanges limit fluctuations in certain futures contract prices during a single day by regulations referred to as a "daily price fluctuation limits" or "daily limits". Once the price of a contract for a particular future has increased or decreased by an amount equal to the daily limit, positions in the futures can neither be taken nor liquidated unless traders are willing to effect trades at or within the limit. Futures contract prices in various commodities occasionally have moved the daily limit for several days with little or no trading. Similar occurrences could prevent the Funds from promptly liquidating unfavorable positions and subject the Funds to substantial losses. In addition, the Funds may not be able to execute futures contract trades at favorable prices if trading volume is low. It is also possible that an exchange or the CFTC may suspend trading in a particular contract, order immediate liquidation and settlement of a particular contract or order trading in a particular contract be conducted for liquidation only.

Risks of Derivatives. We may trade derivatives. The risks posed by derivatives include: (1) credit risks (the exposure to the possibility of loss resulting from a counterparty's failure to meet its financial obligations); (2) market risks (adverse movements in the price of a financial asset or commodity); (3) legal risks (an action by a court or by a regulatory or legislative body that could invalidate a financial contract); (4) operations risks (inadequate controls, deficient procedures, human error, system failure or fraud); (5) documentation risks (exposure to losses resulting from inadequate documentation); (6) liquidity risks (exposure to losses created by the inability to prematurely terminate a derivative); (7) system risks (the risk that financial difficulties in one institution or a major market disruption will cause uncontrollable financial harm to the financial system); (8) concentration risks (exposure to losses from concentration of closely-related risks such as exposure to a particular industry or exposure linked to a particular entity); and (9) settlement risks (the risk that the Funds face when it has performed its obligations under a contract but has not yet received value from its counterparty).

Swaps. We will enter into swap agreements (including total return and foreign exchange swaps) and other types of over-the-counter transactions ("OTC") with broker-dealers or other financial institutions. Depending on their structures, swap agreements may increase or decrease the Funds' exposure to various securities, commodities, indices, currencies or other investments or units of measure. The values of the Funds' swap positions would increase or decrease depending on the changes in value of the underlying asset. Total return swaps typically involve commitments to pay interest in exchange for a market-linked return, both based on notional amounts. Depending on the change in the value or level of the underlying instrument, basket of instruments, or index, the Funds will either receive or make a payment based on the amount of the change. To the extent the total return of the instrument, basket of

instruments, or index underlying the transaction exceeds or falls short of the offsetting interest rate obligation, the Funds will receive a payment from or make a payment to the counterparty, respectively.

The use of swaps involves investment techniques and risks different from and potentially greater than those associated with ordinary securities transactions. Swaps involve the risk that the price of the swap used by the Funds to calculate net asset value does not accurately reflect its fair market value, which could have a favorable or unfavorable effect on the net asset value of the Funds. Some swaps are complex and, in the case of bilateral (uncleared) swaps, may be valued based on quotations given by a Fund's swap counterparty, who has adverse interests to such Fund with respect to the value of the swap. In certain cases related to bilateral (uncleared) swaps, a Fund's swap counterparty may be the only source of value quotations for a swap, while in other cases, multiple quotes may be available. There are also different methodologies that may be used to determine the value of a credit default swap and credit default swap spreads may be wide. As a result of the foregoing factors, a Fund may not be able to close out swaps at the price used by the Fund to calculate its net asset value. Also, under certain circumstances related to bilateral (uncleared) swaps, if a swap counterparty undervalues a Fund's interest in a swap, it could require a Fund to transfer greater amounts of collateral to the counterparty than if the swap was valued at fair market value.

Because the master and credit support agreements for bilateral (uncleared) OTC swap transactions are individually negotiated with a specific counterparty, there exists the risk that the parties may interpret contractual terms (*e.g.*, the definition of default) differently when a Fund seeks to enforce its contractual rights. If that occurs, a Fund may be forced to seek to enforce its contractual rights through legal proceedings, which may be costly and time consuming.

There is currently little case law characterizing total rate of return swaps and other derivatives, interpreting their provisions and characterizing their tax treatment. There can be no assurance that future decisions construing similar provisions to those in many of the Funds' swap agreements or other related documents or additional regulations and laws governing such derivatives will not have a material adverse effect on the Funds.

Leverage. The Funds are authorized to borrow in order to enhance its investment leverage, and there are no restrictions on a Fund's borrowing capacity other than limitations imposed by lenders and any applicable credit regulations. The amount of leverage utilized by the Funds will vary depending on the strategy employed. Loans with respect to the Funds generally may be obtained from securities brokers and dealers or from other financial institutions; such loans will be secured by securities or other capital of the Funds, as the case may be, pledged to such brokers or financial institutions. Indirect forms of leverage include leverage via short sales or derivative instruments such as options techniques, which have embedded leverage features.

Leverage creates an opportunity for greater yield and total return, but at the same time increases exposure to capital risk and higher current expenses. If loans to the Funds are collateralized with portfolio securities that decrease in value, the Funds may be obligated to provide additional collateral to the lender in the form of cash or securities to avoid liquidation of the pledged securities. Any such liquidation could result in substantial losses. Moreover, counterparties of the Funds, in their sole discretion, may change the leverage limits that they extend to the Funds.

Infrastructure Risks. Our investments are subject to certain risks associated with the ownership of infrastructure and infrastructure-related assets in general, including: the burdens of ownership of infrastructure; local, national and international economic conditions; the supply and demand for services from and access to infrastructure; the financial condition of users and suppliers of infrastructure assets;

changes in interest rates and the availability of funds which may render the purchase, sale or refinancing of infrastructure assets difficult or impractical; changes in environmental and planning laws and regulations, and other governmental rules; environmental claims arising in respect of infrastructure acquired with undisclosed or unknown environmental problems or as to which inadequate reserves have been established; changes in energy prices; changes in fiscal and monetary policies; negative economic developments that depress travel; uninsured casualties; force majeure acts, terrorist events, underinsured or uninsurable losses; and other factors which are beyond the reasonable control of the Funds. Many of these factors could cause fluctuations in usage, expenses and revenues, causing the value of the Funds' investments to decline and negatively affecting the Funds' returns. Although portfolio companies may maintain insurance to protect against certain risks, where available on reasonable commercial terms (such as business interruption insurance that is intended to offset loss of revenues during an operational interruption), such insurance is subject to customary deductibles and coverage limits and may not be sufficient to recoup all of a portfolio company's losses. Furthermore, once infrastructure assets become operational, they may face competition from other infrastructure assets in the vicinity of the assets they operate, the presence of which depends in part on governmental plans and policies.

General Real Estate Risks. We will invest in real estate equity securities or in debt secured by real estate. The value of real estate fluctuates depending on conditions in the general economy and the real estate business. The factors that affect the value of real estate investments include, among other things: national, regional and local economic conditions; the condition of the financial markets; developments or trends in a particular industry; competition from other available space; local conditions such as an oversupply of space or a reduction in demand in the area; management of properties; the development and/or redevelopment of properties; changes in market rental and occupancy rates; the timing and costs associated with property improvements and rentals; changes in operating expenses; the financial condition of tenants; availability of obtaining financing on acceptable terms; fluctuations in interest rates; changes in zoning laws and taxation; government regulation; potential liability under environmental or other laws or regulations; and acts of God, terrorist attacks, social unrest and civil disturbances. The value of the Funds' investments in real estate equity securities or in debt secured by real estate may decline as a result of adverse changes in any of these factors. In addition, adverse changes in the real estate market increase the probability of default, as the equity in the underlying property declines.

Investing in real estate and real estate-related instruments is subject to cyclicalities and other uncertainties. There can be no assurance as to the Funds' performance in a weaker market or weakened economy. The cyclicalities and leverage associated with real estate and real estate-related investments have historically resulted in periods, including significant periods, of adverse performance, including performance that may be materially more adverse than the performance associated with other investments.

Financial Services Risks. Our investments in the financial services sector are subject to the following risks: (i) Systemic Risk: Factors outside the control of a particular financial institution—like the failure of another, significant financial institution or material disruptions to the credit markets—may adversely affect the ability of the financial institution to operate normally or may impair its financial condition; (ii) Regulatory Actions: financial services companies may suffer setbacks if regulators change the rules under which they operate; (iii) Changes in Interest Rates: unstable and/or rising interest rates may have a disproportionate effect on companies in the financial services sector; (iv) Non-Diversified Loan Portfolios: financial services companies whose securities the Funds purchase may themselves have concentrated portfolios, such as a high level of loans to real estate developers, which makes them vulnerable to economic conditions that affect that industry; (v) Credit: financial services companies may

have exposure to investments or agreements which under certain circumstances may lead to losses, for example sub-prime loans; and (vi) Competition: the financial services sector has become increasingly competitive.

Consumer Sector Risks. We will make investments in the securities of companies within the consumer sector. Securities of companies within the consumer sector can perform differently than the overall market. Economic factors relating to consumer spending generally, including consumer confidence, consumer spending and disposable income levels, employment levels and wage rates, availability of consumer credit, recession, deflation, and inflation may impact the Funds' investment strategies and performance. The Funds' investments also face risks related to consumer purchasing trends in specific industries and distribution channels, such as the decline in shopping mall traffic. These economic risk factors are beyond the control of the Funds and may be difficult to predict or plan for effectively.

Consumer spending, especially with respect to discretionary products (such as apparel) may decline in periods of economic downturn and uncertainty as the success of companies within the consumer sectors can depend significantly on disposable household income and consumer spending. In addition, companies in the consumer sector in which the Fund invests may be subject to severe competition, which may also have an adverse impact on their profitability.

Energy Market Risk. We will make investments in the energy markets through investments in the securities of energy and energy-related companies. Energy markets may be subject to short-term volatility due to a variety of factors, including weather, international political and economic developments, supply and demand for the relevant energy resource, interest rates, currency exchange rates, investment and trading activities in commodities markets, special risks of constructing and operating facilities, breakdowns in the facilities for the production, storage or transport of energy and energy-related products, acts of terrorism, changes in government regulation and sudden changes in fuel prices. The businesses in which we invest may be adversely affected by non-U.S. and U.S. Federal, state and local laws and regulations including regulations governing energy production, distribution and sale, as well as environmental, health and safety, taxation, land access and other regulations. Present, as well as future, statutes and regulations could cause additional expenditures, restrictions and delays that could materially and adversely affect our prospects.

We face the risk that the earnings, dividends, and stock prices of energy companies will be greatly affected by changes in the prices and supplies of oil, gas and other energy resources. Prices and supplies of energy can fluctuate significantly over short and long periods because of a variety of factors, including changes in international politics; policies of the Organization of Petroleum Exporting Countries ("OPEC"); relationships among OPEC members and between OPEC and oil-importing nations; energy conservation; the regulatory environment; government tax policies; and the economic growth and stability of the key energy-consuming countries. Because our performance depends on a variety of factors affecting energy companies, rather than on the stock markets generally, our performance could decline, even if the performance of either the U.S. or foreign stock markets are positive.

Transportation Sector Risks. The transportation sector is highly competitive and cyclical in nature. There is no guarantee that the Funds will be able to locate suitable investment opportunities:

Shipping Industry. The maritime shipping industry is both cyclical and volatile in terms of charter rates and profitability. We face the risk that a worsening of the current global economic conditions may adversely affect the Funds' investments or the ability of the Funds to sell such shipping-related assets. Fluctuations in charter rates and vessel values result from changes in

the supply and demand for vessel capacity and changes in the supply and demand for the products that such vessels carry. The factors affecting the supply and demand for vessels are outside of the Funds' control, and the nature, timing and degree of changes in industry conditions are unpredictable.

Automotive Industry. The automotive industry can be significantly affected by labor relations and fluctuating component prices. While most of the major automotive manufacturers are large companies, certain others may be non-diversified in both product line and customer base and may be more vulnerable to certain events that may negatively impact the automotive industry.

Aviation Industry. Airline business and results of operations are significantly impacted by general economic and industry conditions. The airline industry is highly cyclical, and the level of demand for air travel is correlated to the strength of the U.S. and global economies. Robust demand for air transportation services depends on favorable economic conditions, including the strength of the domestic and foreign economies, low unemployment levels, strong consumer confidence levels and the availability of consumer and business credit. In addition, airlines are subject to extensive regulatory oversight, and compliance with U.S. and international regulations imposes significant costs and may have adverse effects on an airline.

Railcar Industry. Sales of railcars and related products have increased in recent years, but these improvements may or may not continue. Reductions in oil prices may result in reduced demand for U.S. oil, and thus drive down demand for railcars that service the crude oil industry. The use of railcars as a significant mode of transporting freight could decline over time in favor of other more economic modes of transportation, and operations could be adversely affected by changes in the preferred method to ship products. Further, fluctuations in the supply of components and raw materials necessary to manufacture railcars, which are often only available from a limited number of suppliers, could cause production delays or reductions in the number of railcars that can be manufactured. Additionally, the nature of the railcar industry exposes it to potential claims for and litigation related to personal injury and property damage, environmental claims and various other matters.

Increased Regulatory Oversight. The financial services industry generally, and the activities of hedge funds and their managers in particular, have been subject to intense and increasing regulatory scrutiny. Such scrutiny may increase the Funds', the general partner's and/or Riposte's exposure to potential liabilities and to legal, compliance and other related costs. Increased regulatory oversight can also impose administrative burdens on the general partner and Riposte, including, without limitation, responding to investigations and implementing new policies and procedures. Such burdens may divert the general partner's and Riposte's time, attention and resources from portfolio management activities.

Illiquidity of Interests. Transfers of Interests are restricted. There is not now, and there is not likely to develop, any market for the resale of the Interests. The Interests are subject to limited withdrawal rights. Since the Funds do not plan to make any distributions, investors will be required to have sufficient liquid assets, separate from their investment in the Funds, to meet their individual tax obligations. Furthermore, the Funds may be unable to liquidate some of its investments to fund withdrawals in a timely manner. Neither the Funds, the general partner, Riposte nor any of their affiliates have agreed to purchase or otherwise acquire from any investor any Interests or assume the responsibility for locating prospective purchasers of Interests. Even if a purchaser for an Interest were available, approval of the transfer by the general partner and satisfaction of certain requirements specified in the governing

documents would be required before any transfer may occur. In addition, the Interests have not been registered under the securities laws of any jurisdiction and the Funds have no plans to, and is under no obligation to, register the Interests under any such law. Accordingly, Interests may not be transferred unless registered under applicable securities laws or unless appropriate exemptions from such laws are available.

Institutional Risk and Custodial Risks. The institutions, including brokerage firms and banks, with which the Funds do business, or to which securities have been entrusted for custodial and prime brokerage purposes, may encounter financial difficulties that impair the operational capabilities or the capital position of the Funds. Brokers may trade with an exchange as a principal on behalf of the Funds, in a “debtor-creditor” relationship, unlike other clearing broker relationships where the broker is merely a facilitator of the transaction. Such broker could, therefore, have title to all of the assets of the Funds (for example, the transactions which the broker has entered into on behalf of the Funds as principal as well as the margin payments which the Funds provide). In the event of such broker’s insolvency, the transactions which the broker has entered into as principal could default and a Fund’s assets could become part of the insolvent broker’s estate, to the detriment of the Fund. In this regard, Fund assets may be held in “street name” such that a default by the broker may cause Fund’s rights to be limited to that of an unsecured creditor.

Investment Concentration. The Funds’ assets may be invested in the securities of a limited number of issuers. To the extent the Funds’ investments are concentrated in a single issuer, industry and/or geographic region, the Funds will be susceptible to a greater degree of risk affecting investments in that issuer, industry and/or region than would otherwise be the case. Such concentration of investments will increase the volatility of the value of the Funds’ portfolio investments.

Purchasing Initial Public Offerings. The Funds may purchase securities of companies in initial public offerings or shortly after those offerings are complete. Special risks associated with these securities may include a limited number of shares available for trading, lack of a trading history, lack of investor knowledge of the issuer, and limited operating history. These factors may contribute to substantial price volatility for the shares of these companies. The limited number of shares available for trading in some initial public offerings may make it more difficult for the Funds to buy or sell significant amounts of shares without an unfavorable effect on prevailing market prices. In addition, some companies in initial public offerings are involved in relatively new industries or lines of business, which may not be widely understood by investors. Some of these companies may be undercapitalized or regarded as developmental stage companies, without revenues or operating income, or near-term prospects of achieving revenues or operating income.

Moreover, the Funds and/or certain investors may be limited as to the amount of new issue allocations it/they can receive while other investors may not be restricted at all and may be entitled to receive or may actually receive a larger portion of any new issue allocation. Conversely, we may determine to restrict the Funds as a whole from purchasing new issues even though one or more investors may otherwise be eligible to receive new issue allocations.

Item 9. Disciplinary Information

There are no legal or disciplinary events that are material to a client’s or a prospective client’s evaluation of our advisory business or the integrity of our management.

Item 10. Other Financial Industry Activities and Affiliations

MATERIAL FINANCIAL INDUSTRY AFFILIATIONS OF THE FIRM

In addition to our being a registered investment adviser, certain of our employees are registered representatives of our affiliate Jefferies LLC, a registered broker dealer.

Jefferies LLC is the principal subsidiary of Jefferies Group LLC. Jefferies Group LLC, a direct, wholly-owned subsidiary of Jefferies Financial Group Inc. ("Jefferies"), is a global investment banking firm that provides clients with capital markets and financial advisory services, institutional brokerage and securities research, as well as wealth and asset management. Jefferies provides research and execution services in equity, fixed income, foreign exchange, and derivatives markets, and a full range of investment banking services including underwriting, merger and acquisition, restructuring and recapitalization and other advisory services.

Jefferies LLC and its London affiliates may act as a placement agent for the private funds which we manage. At the current time, no placement fees are charged to an investor in a private fund; however, we may pay a portion of our fees to Jefferies LLC or other placement agents, whether affiliated or unaffiliated, for having introduced an investor to the private fund. We may also pay such fees to Jefferies LLC for SMA clients they introduce to us.

LAM is a registered Commodity Trading Advisor ("CTA"), Commodity Pool Operator ("CPO") and is a member of the National Futures Association.

We will use one or more of our affiliates as executing brokers for Accounts.

Our affiliates may be advising, or may in the future play an advisory role or perform other services for, our clients and/or for one or more of a client's portfolio companies. Using information walls and similar policies and procedures, we seek to avoid becoming aware of the roles our affiliates are playing. However, if one of our affiliates decides to play such a role, e.g., act as adviser to a portfolio company, and in the unlikely event that we are aware or are deemed to be aware of that role, our client may be required or expected to liquidate its position in such portfolio company. Such a transaction may cause the client to realize reduced profits or losses. Similarly, if the client maintains a short position in a company for which our affiliate intends to play an advisory role, and if we become aware or are deemed to become aware of that role, the client may be forced to cover the short prematurely, which, in turn, may result in reduced profits or losses. If the client is permitted to maintain its position in such instance, our affiliate may take actions or provide advice with respect to the portfolio company that could result in adverse consequences to the client and the restriction on the ability to close such position.

By reason of the advisory, investment banking, and/or other activities of our affiliates, we and our affiliates may acquire confidential or material non-public information or be restricted from initiating transactions in certain securities. We will not be free to divulge, or to act upon, any such confidential or material non-public information and, due to these restrictions, we may not be able to initiate a transaction for a client Account that we otherwise might have initiated. A client Account may be frozen in an investment position that it otherwise might have liquidated or closed out.

Certain of our affiliates are investment advisers and other financial institutions whose businesses have no material relationship to our business. Certain of our officers and directors also serve as officers and directors of other Jefferies companies.

POTENTIAL CONFLICTS OF INTEREST

Compensation. We could receive compensation in the form of management fees, even from Accounts that lose value.

Advisory Time. We devote as much time to the business of each of our divisions and each of our Accounts, as in our judgment, is reasonably required. However, we also provide investment advisory services for other clients (including other managed accounts as well as pooled accounts) and engage in other business ventures in which our advisory clients have no interest. As a result of these separate business activities, we may have conflicts of interest in allocating management time, services, and functions among Accounts and other business ventures or clients.

Other Clients; Allocation of Investment Opportunities. We are responsible for the investment decisions made on behalf of Accounts. As described above, there are no restrictions on our ability to manage any number of accounts for other clients following the same or different Investment Objectives, philosophies and strategies. As a general matter, it would not be expected that Accounts with different portfolio managers would share information relating to potential transactions. Therefore, one Account may trade prior to and at a better price than another Account trading in the same instrument.

These situations may involve conflicts between our interests or those of our related persons, on the one hand, and the interests of our clients, on the other.

Asset Valuation. Our fees are based directly on the value of the Accounts as of various dates. To the extent that our agreements with our clients provide that we will value the clients' assets, we will have a conflict of interest in reviewing or determining such valuations because the valuations directly affect the value of the Account and thus the amount of fees that we receive. Prices assigned to portfolio positions by us may not necessarily conform to the prices assigned to the same financial instruments if held by our affiliates.

Side Letters. As described above in Item 5, we may enter into side letters to agree to different fee terms or other negotiated terms.

General. We may, without prior notice to a client, arrange, recommend, and/or effect transactions in which, or provide services in circumstances where, we have, directly or indirectly, a material interest or relationship with another party that may present a potential conflict with our duty to a client.

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

CODE OF ETHICS

Our employees are subject to the Jefferies Group LLC Code of Ethics. Our own Code of Ethics (the "Code") incorporates and supplements the Jefferies Group LLC Code of Ethics with policies and procedures applicable to our employees. The purpose of the Code is to identify the ethical and legal framework in which we and our personnel are required to operate and to highlight some of the guiding principles and mechanisms for upholding our standard of business conduct. A complete copy of the Code is provided to clients and prospective clients upon request.

The Code is based on a few basic principles: (i) the interests of our clients come before our interests and those of our personnel; (ii) the professional activities and personal investment activities of our personnel must be consistent with the Code and avoid any actual or potential conflict between the interests of clients and those of our firm or our personnel; (iii) the activities of our personnel must be conducted in a way that avoids any abuse of any such person's position of trust with and responsibility to our firm and

its clients; and (iv) our personnel may not engage in any act, practice or course of conduct that would violate the provisions of the federal securities laws.

INTERESTED TRANSACTIONS

Participation or Interest in Client Transactions. We and our affiliates may have an interest in transactions for our advisory clients to the extent permitted by law and by the constituent documents of the applicable Account. For example, from time to time, we may take the following actions: (1) buy or sell instruments in which we or our related persons have an interest and (2) buy or sell instruments in which we, our related parties or other Accounts are at the same time effecting a sale or purchase. Furthermore, we may act as investment adviser for related persons. We have adopted policies and procedures with respect to permitted transactions with our affiliates designed to assure that our clients are treated fairly.

Various potential and actual conflicts of interest may arise from our overall advisory, investment and other activities and our affiliates and clients. These conflicts are explained more fully in the relevant Disclosure Document.

Instruments in Which We or Our Affiliates Hold Interests. We may, from time to time, recommend to or purchase or sell on behalf of clients, securities or other investment products in which we, our affiliates or other related persons have a financial interest.

We and our affiliates may receive fees from third parties for performing consulting, merger and acquisition structuring or other financial advisory services or acting as directors, officers or creditors' committee members. These fees can relate to actual, contemplated or potential investments of our clients. Such fees may be retained entirely by us or our affiliates.

Proprietary Trading. Our proprietary activities or portfolio strategies and those of our principals, affiliates and employees or the activities or strategies used for Accounts could conflict with the transactions and strategies employed for a client and affect the prices and availability of the instruments in which the client invests. Issuers of instruments held by the client may have publicly or privately traded securities in which we and our affiliates are investors or make a market. Our trading activities and those of our affiliates generally are carried out without reference to positions held directly or indirectly by Accounts and may have an effect on the value of the positions so held or may result in us and our affiliates having an interest in the issuer adverse to that of a client.

Notwithstanding the foregoing, all employees when trading for their own accounts will do so in accordance with our Personal Account Trading Policy (described below).

PERSONAL TRADING

Personal Securities Transactions. Our policies require that our employees do not trade securities or commodities for their own account, except for (i) government and municipal securities, open-ended mutual funds and registered commodity pools, or (ii) otherwise with pre-approval from our compliance personnel. Without limiting the foregoing, we may permit an employee to maintain a position in a security even if an account trades the instrument. There is no current intention to change this policy, but the policy is subject to change in our sole discretion. The records of such trading, whether under the current or a new policy, are not made available to the clients for inspection.

Insider Trading. Our personnel may not trade, either personally or on behalf of another, on material non-public information or communicate material non-public information to another person in violation

of the law. This policy applies to all of our personnel and extends to their activities both within and outside their duties with us.

Item 12. Brokerage Practices

INVESTMENT OR BROKERAGE DISCRETION.

In selecting the brokers for performing portfolio executions, we take into account various factors, most notably, technology capabilities and systems capacity, and could also take into account such factors as the financial stability and reputation of the broker, the quality of the investment research, investment strategies, special execution capabilities, clearance, settlement, custody, recordkeeping and other ancillary services, including the broker's willingness to provide "soft dollars". Accounts may pay more than the lowest available commission in consideration for our receipt of any or all of the above services. We assist in the selection of these service providers for our Funds and in the negotiation of related fees.

We are not required to allocate either a stated dollar or stated percentage of our brokerage business to any broker for any minimum time period, and we review brokerage relationships from time to time.

SOFT DOLLARS

"Soft dollars" refers to the provision by brokers of services and equipment to an adviser as a consequence of the adviser directing the trading of accounts it manages through such broker. Riposte does not currently intend to maintain soft dollar arrangements.

TRADE ERRORS

We reserve the right, depending on the circumstances, to decline to reimburse an Account for any clerical errors or mistakes with respect to our placing or executing trades for such Account ("Trade Errors"), as such errors may be considered by us to be a cost of doing business. However, we will reimburse such Account for any net loss from a material Trade Error resulting from our willful misconduct, bad faith, or gross negligence. As a general matter, Trade Errors that result in a *de minimis* loss are generally not considered to implicate the foregoing standard of conduct, and therefore any such *de minimis* loss will be borne by the client. We have a conflict of interest in determining whether a loss is *de minimis*. We, subject to our fiduciary obligations, will determine whether or not any Trade Error is required to be reimbursed in accordance with such liability and exculpation provisions. Our reimbursement of an Account for any particular Trade Error or Trade Errors will not constitute a waiver of any policy to cause such Account to bear the losses from such Trade Errors. We have an inherent conflict of interest with respect to the discovery and treatment of Trade Errors. Any net gain resulting from Trade Errors will be for the benefit of the client, and will not be retained by us. Though we attempt to correct trading errors committed by a broker as soon as they are discovered, we are not be responsible for poor executions or such trading errors.

TRADE AGGREGATION

We aggregate and allocate trades as discussed in Item 6, "Performance-Based Fees and Side-by-Side Management – Side-by-Side Management."

Item 13. Review of Accounts

Accounts are monitored and reviewed as follows: For each Account, the portfolio manager(s) monitor the performance of their respective Account(s) on an ongoing basis. On a daily basis our operations staff review and reconcile the positions and market value of each Account. In addition, a committee including legal, compliance, operations and finance staff meets periodically to review items related to trading in the Accounts.

We, either directly or through the third-party administrator to the Funds, provide the following reports to investors in our Funds: monthly statements, annual audit report for Funds, and for investors in U.S. Funds an IRS Schedule K-1. We may provide additional reports to the investors in the Funds as we deem necessary. Upon request, select Funds will provide weekly and monthly estimates to investors. Upon request, certain investors in a Fund may receive more frequent and/or more detailed information from us, in our sole discretion. Our investment staff is available for conference calls or meetings for those clients, investors or prospective clients or investors that wish to undertake a due diligence review of our operations.

Item 14. Client Referrals and Other Compensation

For a discussion of Jefferies LLC and its London affiliate as placement agent, please see Item 10.

We may also, from time to time, have one or more arrangements in place with unaffiliated placement agents. Investors solicited by such placement agents will be informed of any placement fee paid by us to the placement agent, and will be informed of any placement fee to be paid by the investor, each to the extent required by law.

We do not direct brokerage for client referrals.

Item 15. Custody

We are typically deemed to have custody of the assets of certain of our Funds since we serve as managing member of those Funds. Investors will not receive statements from the Funds' custodian with regard to portfolio holdings and transactions. Instead, the Funds are subject to an annual audit and the audited financial statements are distributed to each investor. The audited financial statements will be prepared in accordance with generally accepted accounting principles and distributed within 120 days of the Funds' fiscal year ends.

In the event that we provide services to SMA clients, we do not expect to have custody.

Item 16. Investment Discretion

We have full discretionary authority with respect to investment decisions, and our advice with respect to the Accounts is provided in accordance with the investment objectives and guidelines as set forth in the Disclosure Documents.

Item 17. Voting Client Securities

We may be responsible for voting on shareholder proxies and may do so only in accordance with the Division's Proxy Voting Procedures. The Division owes each of its clients a duty of care and loyalty with respect to proxy voting and will act in a manner believed to maximize the value of client's holdings.

Item 18. Financial Information

We have no financial commitment that impairs our ability to meet contractual and fiduciary commitments to clients and we have not been the subject of a bankruptcy proceeding. We do not require any payment in advance.

Item 19. Privacy Policy

Jefferies

Your Privacy is Important to Us

At Leucadia Asset Management LLC, we understand that our relationship with you is based on trust. This is reflected in everything we do including the way we handle our clients' nonpublic personal information. The following disclosure explains what personal information we collect, what we do with that information and the steps we have put in place to protect the nonpublic personal information you have entrusted to us.

Information We Collect

From time to time, we gain access to your personal information through

- Our interaction with you on the telephone, in person or through e-mail
- Account Applications or other forms you complete
- Transactions in your accounts or on your behalf
- Our website or the websites of our affiliated companies
- Trading tools or other information tools we may make available to you
- Third parties with whom we deal, such as consumer-reporting agencies, to verify information we receive from you and your credit worthiness

Information We Disclose

Subject to legal, regulatory or other governmental requirements, it is our policy not to disclose any of your nonpublic personal information to third parties without your consent, unless those parties are providing services or support to us and have agreed to keep your nonpublic personal information confidential. Examples of these parties include, but are not limited to, the Fund administrator, attorneys and accountants and affiliates thereof. Even if you cease to transact business with us, we will continue to apply the same protections to your nonpublic personal information as we did when you were an active client.

The Jefferies Family of Companies

Leucadia Asset Management LLC is a member of a family of related companies which are owned in whole or in part by Jefferies Group LLC. These affiliated companies allow us to provide greater value to our customers, employees and shareholders. In the course of our business, employees or representatives of various affiliates will have access to your nonpublic personal information. They have agreed to hold your information confidential and to comply with the privacy policy established by Leucadia Asset Management LLC.

Protecting Your Information

Leucadia Asset Management LLC protects your nonpublic information from access by third parties by maintaining physical, electronic and procedural safeguards. We limit access to your information to those employees who are trained in the proper handling of nonpublic client information and who need access to the information to perform their job functions.