

ITEM 1 - Cover Page

Part 2A of Form ADV: Brochure

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Part 2A of Form ADV (the “Brochure”) provides information about the qualifications and business practices of Gruss Asset Management, L.P. (“GAM” or the “firm”). If you have any questions about the contents of this Brochure, please contact us at (212) 688-1500. Our Brochure is also available on our web site www.gruss.com, free of charge. 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. GAM is a registered investment adviser. Registration of an investment adviser does not imply any level of skill or training.

Additional information about GAM is can be found on the SEC’s website at www.adviserinfo.sec.gov. The SEC’s web site also provides information about any persons affiliated with GAM who are registered, or are required to be registered, as investment adviser representatives.

ITEM 2 - Material Changes

GAM is required to identify and discuss any material changes made to its Brochure since the last annual update. On February 1, 2012, GAM reported the formation of GGI SRI, Ltd. (see Item 4 below).

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ITEM 4 - Advisory Business

GAM, a Delaware limited partnership, serves as investment manager with discretionary trading authority over the following private investment funds (collectively, the “Funds”): Gruss Arbitrage Partners, L.P., Gruss Offshore Arbitrage Fund, Ltd. and Gruss Arbitrage Master Fund, Ltd. (collectively, the “Arbitrage Funds”); Gruss Global Investors, L.P., Gruss Global Investors II, L.P., Gruss Global Investors, Ltd., GGI SRI, Ltd. and Gruss Global Investors Master Fund, Ltd. (collectively, the “Global Investors Funds”); and Gruss Global Investors (Enhanced), L.P., Gruss Global Investors (Enhanced), Ltd. and Gruss Global Investors Master Fund (Enhanced), Ltd. (collectively, the “Global Investors Enhanced Funds”). The Arbitrage Funds and Global Investors Enhanced Funds consist of a Delaware limited partnership (each, an “Onshore Fund”) and a Cayman Islands exempted company (each, an “Offshore Fund”) that invest substantially all of their assets through a “master-feeder” structure in a Cayman Islands exempted company (each, a “Master Fund”). The Global Investors Funds consist of two Onshore Funds and two Offshore Funds that invest substantially all of their assets through a “master-feeder” structure in a Master Fund. A description of the Funds’ investment strategies can be found in Item 8 of this Brochure.

Limited Partnership interests in the Onshore Funds are offered on a private placement basis, and in reliance on Section 3(c)(7) of the Investment Company Act of 1940, as amended (the “Company Act”), to persons who generally are “accredited investors” as defined under the Securities Act of 1933, as amended (the “Securities Act”) and “qualified purchasers” as defined under the Company Act, and who are subject to certain other conditions, which are fully set forth in the offering documents for the Onshore Funds.

Shares in the Offshore Funds are generally offered to persons who are not “U.S. Persons,” as defined under Regulation S of the Securities Act, or who are tax-exempt U.S. Persons (or entities substantially comprised of tax-exempt U.S. Persons) on a private placement basis, and who are subject to certain other conditions, which are fully set forth in the offering documents for the Offshore Funds.

For December 31, 2011, the estimated net asset values of each Fund are as follows:

Gruss Global Investors, L.P.	312,142,000
Gruss Global Investors II, L.P.	148,356,000
Gruss Global Investors, Ltd.	669,582,000
Gruss Global Investors (Enhanced), L.P.	219,909,000
GGI SRI, Ltd.	41,600,000
Gruss Global Investors (Enhanced), Ltd.	568,576,000
Gruss Arbitrage Partners, L.P.	52,736,000
Gruss Offshore Arbitrage Fund, Ltd.	205,166,000

(Estimated net assets for GGI SRI, Ltd. are as of February 1, 2012.) As used herein, the term “client” generally refers to each Fund.

Launched in 2000, GAM traces its roots to the 1940s when the late Joseph Gruss founded Gruss & Co. as a private investment concern. His son, Martin Gruss, later developed a proprietary event-driven strategy, an early forerunner to GAM’s current platform. The firm’s principal owners are the

three managing members of Gruss Management, LLC (the “Managing Members”) which serves as the general partner of GAM: Sean Dany, the firm’s CIO, CRD No. 2543189; Howard Guberman, the firm’s COO, CRD No. 1655040; and Joshua Gruss, CRD No. 5866373. The Managing Members are also the principal owners of Gruss Capital Advisors, LLC (the “General Partner”), an affiliate of GAM, which serves as the general partner of the Onshore Funds.

GAM has discretionary trading authority with respect to investment decisions, and its advice with respect to the Funds is tailored according to the investment objectives, guidelines, and requirements as set forth in each Fund’s respective offering memorandum. GAM shares such discretionary trading authority with Gruss Asset Management LLP (“GAM UK”), a United Kingdom limited liability partnership. See Items 10 and 16. Representatives of both GAM and GAM UK, in their capacities as co-managers of the above-listed Funds, make up the investment committee which establishes overall investment policies for the Funds.

Gruss Asset Management (Asia), Limited (“GAM HK”), a wholly-owned subsidiary of GAM formed under the laws of Hong Kong, provides investment advisory services to the Master Funds through separate advisory agreements. GAM HK has discretionary trading authority subject to the policies and oversight of GAM and GAM UK. GAM HK is not a separately registered investment adviser with the SEC, but instead relies on GAM’s registration with the SEC in not registering in accordance with the *American Bar Association, Business Law Section* (Jan. 18, 2012) no-action letter.

The firm does not participate as either a sponsor or manager of any wrap fee programs.

ITEM 5 - Fees and Compensation

The fees and expenses applicable to each Fund are set forth in detail in each of such Fund's respective offering documents. A brief summary of those fees and expenses is provided below. No GAM employee is compensated (e.g., through receipt of commissions) for the sale of securities or other investment products.

Fees and Compensation

GAM and GAM UK, in the aggregate, receive a monthly management fee in advance, equal to a percentage of the net asset value of the interests of each Onshore Fund and the shares of each Offshore Fund. The management fee with respect to (i) the Global Investors Funds and Global Investors Enhanced Funds ranges between 1.25% and 1.5% (annualized) and (ii) for the Arbitrage Funds, 1.5% (annualized). Management fees are prorated for partial periods. In the event of a withdrawal by a Fund Investor other than as of the last day of a month, a prorated portion of the management fee paid by such Fund Investor will be returned.

GAM and GAM UK, in the aggregate, receive an annual incentive fee in arrears, equal to a percentage of the net realized and unrealized appreciation in the net asset value of each series of shares of the Offshore Funds (adjusted for any redemption of shares in a series made during the year), subject to a "high water" mark. Similarly, the General Partner receives an incentive allocation in arrears, equal to a percentage of the net realized and unrealized appreciation allocated to the capital account of each limited partner of the Onshore Funds for such year (adjusted for any withdrawals made during the year), subject to a "high water" mark. The incentive fee and incentive allocation with respect to (i) the Global Investors Funds and Global Investors Enhanced Funds ranges between 15% and 20% and (ii) for the Arbitrage Funds, 20%. GAM UK receives a portion of the incentive allocation made to the General Partner.

At GAM and the General Partner's discretion, as applicable, the management fee and incentive compensation may be calculated differently with respect to, or may not be charged to, any Fund Investor, including Fund Investors who are affiliates of GAM, members of the immediate families of such persons or trusts or other entities established for their benefit.

Management fees and incentive compensation paid by the Funds are generally deducted from the assets of such clients. As detailed above, management fees are generally deducted on a monthly basis and incentive compensation is generally deducted on an annual basis.

Expenses

As more fully described in each Fund's respective offering documents, investors in a Fund bear that Fund's expenses (as well as a pro rata share of the corresponding master fund's expenses) relating to operations, which may include, without limitation: investment-related expenses—for example, brokerage commissions and other transaction costs, prime broker fees, interest on margin accounts and other indebtedness, borrowing charges on securities sold short, custodial fees, bank service fees, withholding and transfer fees, entity-level taxes, clearing and settlement charges, reasonable research-related travel and meal expenses, professional fees, including, without limitation, expenses of consultants and experts relating to investments, and other expenses related to the purchase or sale of investments); legal fees; audit and tax preparation fees; corporate licensing fees; fees of the administrator; fees and expenses of the board of directors (including directors' and officers'

insurance), where applicable; organizational expenses; offering expenses; and any extraordinary expenses.

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

GAM and the General Partner accept performance-based fees from every client. As a result, GAM and the General Partner do not face the conflicts of interest that may arise when an investment adviser accepts performance-based fees from some clients, but not from other clients.

ITEM 7 - Types of Clients

As described in Item 4, GAM serves as investment manager with discretionary trading authority to the Arbitrage Funds, Global Investors Funds and Global Investors Enhanced Funds. Investors in the Funds include, among others: high net worth individuals, corporations, trusts, charitable institutions, foundations, endowments, financial institutions, corporate pension plans, other U.S. and international institutional investors, and government entities. While the Funds' minimum initial subscription amounts range from \$5 million to \$100 million, these minimums have been waived in the past in accordance with provisions set forth in each Fund's respective offering documents.

ITEM 8 - Methods of Analysis, Investment Strategies and Risk of Loss

The methods of analysis, investment strategies and (material) risks applicable to each Fund are set forth in detail in each of the Fund's respective offering documents. A brief summary of GAM's methods of analysis and those investment strategies and (material) risks is provided below.

The descriptions set forth in this brochure of specific advisory services that GAM offers to clients, and investment strategies pursued and investments made by GAM on behalf of its clients, should not be understood to limit in any way GAM's investment activities. GAM may offer any advisory services, engage in any investment strategy and make any investment, including any not described in this brochure, that GAM considers appropriate, subject to each client's investment objectives and guidelines. The investment strategies that GAM pursues are speculative and entail substantial risks. Investors in the Funds should be prepared to bear a substantial loss of capital. There can be no assurance that the investment objectives of any Fund will be achieved.

Methods of Analysis

The firm's investment process typically adheres to the following generalized approach:

- | | |
|------------------------------|---|
| Idea Generation | <ul style="list-style-type: none">○ Public announcements○ Global research and screening○ Third party research○ Public information |
| Initial Risk/Reward Analysis | <ul style="list-style-type: none">○ Analysis of merger/deal agreement and conditions○ Analysis of potential catalyst/triggers○ Initial risk/reward assessment with emphasis on downside |
| Detailed Research | <ul style="list-style-type: none">○ Financial and valuation analyses○ Industry, strategic, legal and governance analyses○ Hedging analysis○ Regional intelligence○ Company meetings |
| Investment Analysis | <ul style="list-style-type: none">○ Review investment thesis○ Follow-up risk/reward assessment○ Develop hedging strategy○ Develop timing strategy○ Approve position size |
| Initial Investment | <ul style="list-style-type: none">○ Utilize strong execution capabilities○ Utilize access to principal exchanges, broker-dealers |

- | | |
|-------------------------------------|--|
| Ongoing
Monitoring and
Review | <ul style="list-style-type: none"> ○ Active review of news, research, markets ○ Ongoing analysis of risk/reward ○ Increase or reduce position size ○ A committee, comprised of representatives of GAM and GAM UK, reviews adherence to risk guidelines |
|-------------------------------------|--|

GAM seeks to mitigate risks (including those detailed below) through a variety of means, including, but not limited to: (i) in depth qualitative assessments of downside risk per trade; (ii) ongoing risk/reward analysis for all positions; (iii) a focus on isolating event alpha via hedging of stock/sector/market risk; (iv) loss tolerance targets per trade; (v) stress market analysis; (vi) currency exposure hedging to USD; (vii) committee meetings to review positions, risk factors and macro environment; (viii) compliance overview on investment and trade guidelines; and (ix) exposure analysis, including portfolio, strategy, position, hedges, delta, beta and macro.

Investment Strategies Generally

Distressed/Credit: GAM's strategy involves a bottom-up fundamental approach focused on specific events of the distressed cycle. Examples include: bank debt; post Chapter 11 equities; defaulted bonds; capital structure arbitrage; restructurings and liquidations; and selective shorts.

Special Situations: In special situations investing, returns are determined by the outcome of an event rather than the market. Examples include: corporate restructurings; potential bid targets; orphaned equities; spin-offs; litigation; holding company arbitrage; dual listed securities; and post-deal equities.

Event Arbitrage: GAM's strategy focuses on deals featuring higher risk/reward profiles and upside potential. Examples include: hostile/contested mergers; tender offers; liquidations; management/leverage buyouts; and minority squeeze-outs.

The Investment Strategy of the Arbitrage Funds

The Arbitrage Funds pursue an event arbitrage strategy, oftentimes on a leveraged basis. The Arbitrage Funds may invest in the equity securities and debt obligations of companies that are the subject of, or associated with, an arbitrage event, as well as options and other derivatives relating to such securities. Event arbitrage investing involves capturing the spreads that are created between the existing market price of a security and the anticipated future value of that security through the purchase and sale of securities of companies, including financially troubled companies, both U.S. and non-U.S., that are involved in publicly announced actual or potential transactions, including mergers, tender offers, restructurings, liquidations and recapitalizations ("Arbitrage Events"). Returns are tied to transactions involving Arbitrage Events rather than positive movements in the market as a whole. To seek to minimize volatility and risk of loss resulting from the failure of participants to an Arbitrage Event to complete their announced transaction, the portfolio of the Arbitrage Funds is generally diversified. On occasion, however, the Arbitrage Funds may seek to concentrate their positions when the investment managers believe the risk-adjusted return is favorable. The Arbitrage Funds generally do not engage in investment transactions unrelated to Arbitrage Event activities, although for liquidity and temporary investment purposes, the Arbitrage Funds may invest in short term investments, including money market instruments and other cash equivalents. In addition, the Arbitrage Funds may, from time to time, invest a small portion of their assets in "new issues" and may, for hedging purposes, invest in other instruments, including, but not limited to, exchange

traded index funds and futures. Although the Arbitrage Funds normally invest substantially all of their assets in arbitrage situations, they may maintain large cash positions when the investment managers believe that arbitrage returns seem meager or market conditions seem precarious. The investment managers may seek to hedge any portion of the Arbitrage Funds' foreign currency exposure.

The Investment Strategies of the Global Investors Funds and the Global Investors Enhanced Funds

The Global Investors Funds and the Global Investors Enhanced Funds seek to achieve high risk adjusted returns by investing opportunistically in global markets using a combination of investment strategies, the latter on a leveraged basis. The investment managers expect that event arbitrage, distressed and special situation investment strategies will be significant focus areas for the Global Investors Funds and the Global Investors Enhanced Funds. The Global Investors Funds and the Global Investors Enhanced Funds may also employ a variety of other investment strategies when deemed appropriate by the investment managers, including, without limitation, long/short equity, global macro and other arbitrage strategies (including, without limitation, convertible arbitrage, statistical arbitrage, fixed income arbitrage and share class arbitrage). The Global Investors Funds and the Global Investors Enhanced Funds are not limited with respect to the types of investment strategies they employ, the markets in which they invest, the securities or other instruments in which they invest, the types of positions they take or the concentration of their investments. Depending on conditions and trends in securities markets and the economy generally, the investment managers may pursue other investment objectives or employ other techniques as they consider appropriate and in the best interest of the Global Investors Funds and the Global Investors Enhanced Funds. The Global Investors Funds and the Global Investors Enhanced Funds may maintain large cash positions when the investment managers believe that returns seem meager or market conditions seem precarious. The investment managers may seek to hedge any portion of the Global Investors Funds' and the Global Investors Enhanced Funds' foreign currency exposure.

Like the Global Investors Funds and the Global Investors Enhanced Funds, GGI SRI, Ltd. seeks to achieve high risk adjusted returns by investing opportunistically in global markets using a combination of investment strategies while simultaneously employing a Socially Responsible Investment ("SRI") mandate. To accomplish this SRI mandate, the fund employs a negative screen at the master fund level using various investor-approved criteria. The fund has retained an outside vendor to provide the investment managers on a quarterly basis with a list of ineligible investments based on the designated criteria.

Material, Significant or Unusual Risks Relating to Investment Strategies and Particular Securities

The following risk factors do not purport to be a complete list or explanation of the risks involved in an investment in the Funds. These risk factors include only those risks GAM believes to be material, significant or unusual and relate to certain investment strategies or methods of analysis employed by GAM.

All investing involves a risk of loss that investors should be prepared to bear. The investment strategies offered by GAM could lose money over short or long periods of time. Identifying undervalued securities and other assets is difficult, and there are no assurances that GAM's investment strategies will succeed. GAM cannot give any guarantee that it will achieve Fund investment objectives or that any Fund will receive a return of its investment.

Investors should ultimately refer to the Funds' respective offering documents for detailed risk disclosures that specifically address risks of each Fund's investment strategies, methods of analysis,

and/or particular types of securities recommended. Below is a summary of potentially material risks for each significant GAM investment strategy used, the methods of analysis used, and/or the particular types of securities that a Fund may invest in. Please note that GAM's use of the term "investor" in this section may refer to either a limited partner in an Onshore Fund or a shareholder in an Offshore Fund.

Risks of Arbitrage Investing

Arbitrage strategies generally seek to profit from changes in the price of securities of companies involved in mergers, acquisitions, corporate restructurings, spin-offs, recapitalizations, liquidations, substantial self-tenders or other extraordinary events ("Arbitrage Transactions"). These strategies involve taking long and short positions in securities which have either an economic or mathematical relationship to each other and where a distortion exists between either the historical price or the fair value of that relationship. Although there is an economic or mathematical relationship between such long and short positions, there is no guarantee that GAM's assessment of that relationship will be correct.

The Funds may take long and short positions in securities of U.S. and non-U.S. companies which GAM believes will engage in a corporate restructuring, recapitalization, spin-off or split-up. Such securities may have significant exposure to overall market movements. The Funds may invest and trade in securities of companies which GAM believes are undervalued in the sense that, although they are not the subject of an announced tender offer, merger or acquisition transaction, in GAM's view the companies are potential candidates for such a transaction. In such case, if the anticipated transaction does not in fact occur, the Funds may sell the securities at a loss. The price offered for securities of a company involved in an announced deal generally represents a significant premium above the market price prior to the announcement.

The value of such securities held by the Funds will decline in the event the proposed transaction is not consummated and if the market price of the securities returns to a level comparable to the price prior to the announcement of the deal. The Funds may purchase securities at prices slightly below the anticipated value of the cash, securities or other consideration to be paid or exchanged for such securities in a proposed Arbitrage Transaction.

The Funds may determine that the offer price for a security which is the subject of a tender offer is likely to be increased, either by the original bidder or by another party. In those circumstances, the Funds may purchase securities above the offer price, and such purchases are subject to the added risk that the offer price will not be increased or that the offer will be withdrawn.

Often a tender or exchange offer will be made for less than all of the outstanding securities of an issuer or a higher price will be offered for a limited amount of the securities, with the provision that, if a greater number is tendered, securities will be accepted pro rata. Since, after completion of the tender offer, the market price of the securities may have declined below a Fund's cost, a sale of any returned securities may result in a loss. Investments may be held for such periods of time as GAM deems advisable to seek to maximize gains or minimize losses, which may expose the Funds to the risk of further losses.

There are significant business risks associated with arbitrage investing. Such strategies may involve investments in securities that are difficult to analyze, have limited trading histories and have limited in-depth research coverage. Because of the inherently speculative nature of this activity, the results of a Fund's operations may be expected to fluctuate from month to month and from period to

period. Accordingly, investors should understand that the results of a particular period will not necessarily be indicative of results which may be expected in future periods.

Arbitrage strategies generally incur significant losses when proposed transactions are not consummated. The consummation of mergers, tender offers, and exchange offers and other significant corporate events can be prevented or delayed by a variety of factors, including: (i) regulatory intervention; (ii) efforts by the target company to pursue a defensive strategy, including a merger with, or a friendly tender offer by, a company other than the offeror; (iii) failure to obtain the necessary shareholder approvals; (iv) adverse market or business conditions resulting in material change or termination of the pending transaction; (v) additional requirements imposed by law; and (vi) inability to obtain adequate financing. There is no assurance that any proposed transaction invested in by the Funds will be consummated or that the anticipated profit will be realized. The Funds may sell the securities of a target company short if GAM determines that it is probable that a proposed transaction will not be consummated. If the transaction is consummated and as a result of such transactions the price of the target company's securities increases, the Funds may be forced to cover its short sale, resulting in a loss.

Risks Inherent in Event Arbitrage Investments

The arbitrage business is extremely competitive. In any given transaction, arbitrage activity by other firms tends to narrow the spread between the price at which a security may be purchased (or sold short) by the Funds and the price it expects to receive, thereby reducing a Fund's opportunity for profit. There are business risks associated with event arbitrage. Because of the inherently speculative nature of this activity, the results of the Funds' operations may be expected to fluctuate from month to month and from period to period. Accordingly, investors should understand that the results of a particular period will not necessarily be indicative of result which may be expected in future periods.

Distressed Securities

The Funds may invest in securities of domestic and foreign issuers in weak financial condition, experiencing poor operating results, having substantial capital needs or negative net worth, facing special competitive or product obsolescence problems, or that are involved in bankruptcy or reorganization proceedings. Investments of this type may involve financial and business risks that can result in losses. Among the risks inherent in investments in troubled entities is the fact that it frequently may be difficult to obtain information as to the true condition of such issuers. Such investments also may be adversely affected by laws relating to, among other things, fraudulent transfers and other voidable transfers or payments, lender liability and the bankruptcy court's power to disallow, reduce, subordinate or disenfranchise particular claims. The market prices of such securities are also subject to abrupt and erratic market movements and above-average price volatility, and the spread between the bid and asked prices of such securities may be greater than normally expected. It may take a number of years for the market price of such securities to reflect their intrinsic value.

In liquidation (both in and out of bankruptcy) and other forms of corporate reorganization, there exists the risk that the reorganization either will be unsuccessful (due to, for example, failure to obtain requisite approvals), will be delayed (for example, until various liabilities, actual or contingent, have been satisfied) or will result in a distribution of cash or a new security the value of which will be less than the purchase price to the Funds of the security in respect of which such distribution was made.

In certain transactions, the Funds may not be “hedged” against the risk of market fluctuations, or, in liquidation situations, may not accurately assess the value of the assets of the company being liquidated. This can result in losses, even if the proposed transaction is consummated.

The administrative costs in connection with a bankruptcy proceeding are frequently high and will be paid out of the debtor’s estate prior to any return to creditors (other than out of assets or proceeds thereof, which are subject to valid and enforceable liens and other security interests) and equity holders. In addition, certain claims that have priority by law over the claims of certain creditors (for example, claims for taxes) may be quite high.

Event-Driven Strategies

With respect to the Funds’ event-driven investments, GAM will have to make predictions about (i) the likelihood that an event will occur and (ii) the impact such event will have on the value of a company’s securities. If the event fails to occur or it does not have the effect foreseen, losses can result. For example, the adoption of new business strategies, a meaningful change in management or the sale of a division or other significant assets by a company may not be valued as highly by the market as GAM had anticipated, resulting in losses. In addition, a company may announce a plan of restructuring which promises to enhance value and fail to implement it, resulting in losses to investors.

Proxy Contests and Unfriendly Transactions

The Funds may purchase securities of a company which is the subject of a proxy contest in the expectation that new management will be able to improve the company’s performance or effect a sale or liquidation of its assets so that the price of the company’s securities will increase. If the incumbent management of the company is not defeated or if new management is unable to improve the company’s performance or sell or liquidate the company, the market price of the company’s securities will typically fall, which may cause the Funds to suffer losses. In addition, where an acquisition or restructuring transaction or proxy fight is opposed by the subject company’s management, the transaction often becomes the subject of litigation. Such litigation involves substantial uncertainties and may impose substantial cost and expense on the company participating in the transaction.

Leverage and Financing Risk

The Funds may leverage their capital. Through the use of leverage, the Funds may pledge its securities in order to borrow additional Funds for investment purposes. The Funds may also leverage their investment return with derivative instruments. In addition, to the extent the Funds use leverage, it is subject to the risk that changes in the general level of interest rates may adversely affect the Funds’ expenses and operating results. There is no restriction on the amount of leverage the Funds may utilize. Any event which adversely affects the value of an investment by the Funds would be magnified to the extent the Funds are leveraged. The cumulative effect of the use of leverage by the Funds in a market that moves adversely to a Fund’s investments could result in a substantial loss to the Funds which would be greater than if it were not leveraged.

Repurchase Agreements

The Funds may borrow by entering into repurchase agreements. Under a repurchase agreement, the Funds sell securities and agree to repurchase them at a mutually agreed date and price. Repurchase agreements may involve the risk that the market value of the securities retained in lieu of sale by the Funds may decline below the price of the securities the Funds have sold but is

obligated to repurchase. In the event the buyer of securities under a repurchase agreement files for bankruptcy or becomes insolvent, such buyer or its trustee or receiver may receive an extension of time to determine whether to enforce a Fund's obligation to repurchase the securities and a Fund's use of the proceeds of the repurchase agreement may effectively be restricted pending such decision. To the extent that, in the meantime, the value of the securities that the Funds have purchased has decreased, the Funds could experience a loss.

Hedging Transactions

The Funds may utilize various financial instruments both for investment purposes and for risk management purposes in order to: (i) protect against possible changes in the market value of a Fund's investment portfolio resulting from fluctuations in the securities markets and/or changes in interest rates; (ii) protect a Fund's unrealized gains in the value of a Fund's investment portfolio; (iii) facilitate the sale of any such investments; (iv) enhance or preserve returns, spreads or gains on any investment in a Fund's portfolio; (v) hedge the interest rate or currency exchange rate on any of a Fund's liabilities or assets; (vi) protect against any increase in the price of any securities the Funds anticipate purchasing at a later date; or (vii) for any other reason that GAM deems appropriate.

The success of a Fund's hedging strategy will be subject to GAM's ability to correctly assess the degree of correlation between the performance of the instruments used in the hedging strategy and the performance of the investments in the portfolio being hedged. Since the characteristics of many securities change as markets change or time passes, the success of a Fund's hedging strategy will also be subject to GAM's ability to continually recalculate, readjust and execute hedges in an efficient and timely manner.

While the Funds may enter into hedging transactions to seek to reduce risk, such transactions may result in a poorer overall performance for the Funds than if it had not engaged in any such hedging transactions.

Short Selling

A Fund's investment program may include short selling. Short selling involves selling securities which may or may not be owned and borrowing the same securities for delivery to the purchaser, with an obligation to replace the borrowed securities at a later date. Short selling allows the investor to profit from declines in market prices to the extent such decline exceeds the transaction costs and the costs of borrowing the securities. The extent to which the Funds engage in short sales will depend upon its investment strategy and GAM'S perception of market direction. A short sale creates the risk of a theoretically unlimited loss, in that the price of the underlying security could theoretically increase without limit, thus increasing the cost to the Funds of buying those securities to cover the short position. There can be no assurance that the securities necessary to cover a short position will be available for purchase. Purchasing securities to close out the short position can itself cause the price of the securities to rise further, thereby exacerbating the loss.

Options

GAM may, on behalf of the Funds, purchase and sell ("write") options on equities on national and international securities exchanges and in the U.S. and international over-the-counter markets. The seller ("writer") of a put option which is covered (e.g., the writer has a short position in the underlying security) assumes the risk of an increase in the market price of the underlying security above the sales price (in establishing the short position) of the underlying security, plus the premium received, and gives up the opportunity for gain on the underlying security below the exercise price of

the option. The seller of an uncovered put option assumes the risk of a decline in the market price of the underlying security below the exercise price of the option. The buyer of a put option assumes the risk of losing its entire investment in the put option.

The writer of a call option which is covered (e.g., the writer holds the underlying security) assumes the risk of a decline in the market price of the underlying security below the value of the underlying security less the premium received, and gives up the opportunity for gain on the underlying security above the exercise price of the option. The seller of an uncovered call option assumes the risk of a theoretically unlimited increase in the market price of the underlying security above the exercise price of the option. The buyer of a call option assumes the risk of losing its entire investment in the call option.

Options may be cash settled, settled by physical delivery or by entering into a closing purchase transaction. In entering into a closing purchase transaction, the Funds may be subject to the risk of loss to the extent that the premium paid for entering into such closing purchase transaction exceeds the premium received when the option was written.

Swap Agreements

The Funds may enter into swap agreements (“Swaps”) as part of its investment program. Swaps are individually negotiated and structured agreements through which the Funds may obtain exposure to particular investment positions or market factors. Swaps may be subject to various types of risk, including market risk, liquidity risk, counterparty credit risk, legal risk and operations risk. In addition, Swaps can involve considerable economic leverage and may, in some cases, involve significant risk of loss.

Contracts for Differences

The Funds may enter into contracts for differences. In these transactions, the Funds and another party assume price positions in reference to an underlying security or other financial instrument. The “difference” is determined by comparing each party’s original position with the market price of such securities or financial instruments at a pre-determined closing date. Each party will then either receive or pay the difference, depending on the success of its investment. Financial markets for the securities or instruments which form the subject of a contract for differences can fluctuate significantly. Parties to a contract for differences assume the risk that the markets for the underlying securities will move in a direction unfavorable to their original positions. In addition, these contracts often involve considerable economic leverage. As a result, such contracts can lead to disproportionately large losses as well as gains and relatively small market movements can have large impacts on the value of the investment.

Index Funds

An investment in an index Fund, such as Standard & Poor’s Depositary Receipts, involves risks similar to investing in equity securities traded on national securities exchanges. Equity securities may fluctuate in value in response to many factors, including the activities and financial condition of individual companies, the business market in which individual companies compete, industry market conditions and economic and political developments.

Highly Volatile Markets

The prices of derivative instruments, including option prices, can be highly volatile. Price movements of derivative contracts in which a Fund's assets may be invested are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies. In addition, governments from time to time intervene, directly and by regulation, in certain markets, particularly those in currencies, financial instruments, futures and options. Such intervention often is intended directly to influence prices and may, together with other factors, cause all of such markets to move rapidly in the same direction because of, among other things, interest rate fluctuations. The Funds are also subject to the risk of the failure of any exchanges on which their positions trade or of their clearinghouses.

Futures Contracts

The Funds may trade in futures contracts and options on futures. Futures positions may be illiquid because, for example, most U.S. commodity exchanges limit fluctuations in certain futures contract prices during a single day by regulations referred to as "daily price fluctuation limits" or "daily limits". Under such daily limits, during a single trading day no trades may be executed at prices beyond the 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 future can neither be taken nor liquidated unless traders are willing to effect trades at or within the limit. Futures contract prices on various commodities or financial instruments occasionally have moved the daily limit for several consecutive 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 in such contracts is low. It is also possible that an exchange or a regulator (such as the SEC or the CFTC) may suspend trading in a particular contract, order immediate liquidation and settlement of a particular contract or order that trading in a particular contract be conducted for liquidation only. In addition, the CFTC and various exchanges impose speculative position limits on the number of positions that may be held in particular commodities. Trading in commodity futures contracts and options are highly specialized activities that may entail greater than ordinary investment or trading risks. Furthermore, low margin or premiums normally required in such trading may provide a large amount of leverage, and a relatively small change in the price of a security or contract can produce a disproportionately larger profit or loss.

Forward Contracts

The Funds may enter into forward contracts which, unlike futures contracts, are not traded on exchanges and are not standardized; rather, banks and dealers act as principals in these markets, negotiating each transaction on an individual basis. Forward and "cash" trading is substantially unregulated; there is no limitation on daily price movements and speculative position limits are not applicable. Banks and other dealers with whom the Funds may maintain accounts may require the Funds to deposit margin with respect to such trading, although margin requirements are often minimal or non-existent. A Fund's counterparties are not required to continue to make markets in such contracts. There have been periods during which certain counterparties have refused to continue to quote prices for forward contracts or have quoted prices with unusually wide spreads (the difference between the prices at which the counterparty is prepared to buy and at which it is prepared to sell). Arrangements to trade forward contracts may be made with only one or a few counterparties, and liquidity problems therefore might be greater than if such arrangements were made with numerous counterparties. The imposition of credit controls by governmental authorities

might limit forward trading to less than that which would otherwise be optimal, to the possible detriment of the Funds.

Loans of Portfolio Securities

The Funds may lend its portfolio securities on terms customary in the securities industry, enter into reverse repurchase agreements or enter into other transactions constituting a loan of a Fund's assets. By doing so, the Funds attempt to increase its income through the receipt of interest on the loan. In the event of the bankruptcy of the other party to a securities loan, the Funds could experience delays in recovering the securities it lent. To the extent that the value of the securities the Funds lent has increased, the Funds could experience a loss if such securities are not recovered.

Currencies

The Funds may invest a portion of their assets in the securities of non-U.S. and other instruments denominated in non-U.S. currencies, the prices of which are determined with reference to currencies other than the U.S. Dollar. The Funds, however, values its securities and other assets in U.S. Dollars. GAM may or may not seek to hedge all or any portion of a Fund's non-U.S. currency exposure. To the extent unhedged, the value of a Fund's positions in non-U.S. investments will fluctuate with U.S. Dollar exchange rates as well as the price changes of the investments in the various local markets and currencies. In such cases, an increase in the value of the U.S. Dollar compared to the other currencies in which the Funds make their investments will reduce the effect of any increases and magnify the effect of any decreases in the prices of a Fund's securities in their local markets and may result in a loss to the Funds. Conversely, a decrease in the value of the U.S. Dollar will have the opposite effect on a Fund's non-U.S. Dollar investments.

Foreign Investments

The Funds may invest a portion of their assets in securities of foreign corporations which are traded in non-U.S. markets. Investing in the securities of companies in non-U.S. countries involves certain considerations not usually associated with investing in securities of U.S. companies or U.S. markets, including political and economic considerations, such as greater risks of expropriation and nationalization, confiscatory taxation, the potential difficulty of repatriating Funds, general social, political and economic instability and adverse diplomatic developments; the possibility of imposition of withholding or other taxes on dividends, interest, capital gain or other income; the small size of the securities markets in such countries and the low volume of trading, resulting in potential lack of liquidity and in price volatility; fluctuations in the rate of exchange between currencies and costs associated with currency conversion; and certain government policies that may restrict a Fund's investment opportunities. In addition, accounting and financial reporting standards that prevail in such countries generally are not equivalent to U.S. standards and, consequently, less information is available to investors in companies located in such countries than is available to investors in companies located in the U.S. There is also less regulation, generally, of the securities markets in such countries than there is in the U.S. While GAM will take these factors into consideration in making investment decisions for the Funds, no assurance can be given that the Funds will be able to fully avoid these risks.

Equity Securities

The Funds' investment portfolio may include positions in common stocks, preferred stocks and convertible securities of domestic issuers and non-U.S. issuers. The Funds also may invest in depositary receipts relating to non-U.S. securities. Equity securities fluctuate in value in response to

many factors, including the activities and financial condition of individual companies, the business market in which individual companies compete and industry market conditions and general economic environments.

Micro, Small and Medium Capitalization Companies

The Funds may invest a portion of their assets in the securities of companies with micro- or small- to medium-sized market capitalizations. While GAM believes they often provide significant potential for appreciation, those stocks, particularly micro- and small-capitalization stocks, involve higher risks in some respects than do investments in securities of larger companies. For example, prices of micro- and small-capitalization and even medium-capitalization securities are often more volatile than prices of large-capitalization securities and the risk of bankruptcy or insolvency of many smaller companies (with the attendant losses to investors) is higher than for larger, “blue-chip” companies. In addition, due to thin trading in the securities of some micro- and small-capitalization companies, an investment in those companies may be illiquid.

Bonds and Other Fixed-Income Securities

The Funds may invest a portion of their assets in bonds and other fixed-income securities. The Funds will invest in these securities when they offer opportunities for capital appreciation and may also invest in these securities for temporary defensive purposes and to maintain liquidity.

Fixed-income securities include, among other securities: bonds, notes and debentures issued by corporations; debt securities issued or guaranteed by the U.S. Government or one of its agencies or instrumentalities (“U.S. Government Securities”) or by a foreign government; municipal securities; and mortgage-backed and asset-backed securities. These securities may pay fixed, variable or floating rates of interest, and may include zero coupon obligations. Fixed-income securities are subject to the risk of the issuer’s inability to meet principal and interest payments on its obligations (i.e., credit risk) and are subject to price volatility due to such factors as interest rate sensitivity, market perception of the creditworthiness of the issuer and general market liquidity (i.e., market risk).

High Yield Risk

Investing in high yield debt securities involves risks which are greater than the risks of investing in higher quality debt securities. These risks include: (i) changes in credit status, including weaker overall credit conditions of issuers and risks of default; (ii) industry, market and economic risk; (iii) interest rate fluctuations; and (iv) greater price variability and credit risks of certain high yield securities such as zero coupon and payment-in-kind securities. While these risks provide the opportunity for maximizing return over time, they may result in greater upward and downward movement of the value of the Funds’ portfolio. Furthermore, the value of high yield securities may be more susceptible to real or perceived adverse economic, company or industry conditions than is the case for higher quality securities. Adverse market, credit or economic conditions could make it difficult at certain times to sell certain high yield securities held by the Funds.

Limitation on Socially Responsible Investing

The investment managers will not undertake to research or otherwise investigate the operations of any company on the ‘ineligible’ SRI investment list to ascertain whether such company is engaged in a prohibited activity or is owned by a company that is engaged in a prohibited activity. While the investment managers will use their reasonable efforts to monitor the ineligible SRI investment list to

ensure that the GGI SRI, Ltd. does not participate in an ineligible investment held by that fund's corresponding master fund, the investment managers do not represent or warrant that the ineligible SRI investment list represents a complete list of all companies engaged in the prohibited activities. Moreover, the screening agent is limited by the information available to it and therefore, the ineligible SRI investment list may not include the total universe of securities or term loans. Accordingly, it is possible that the fund may participate in a company held by its master fund that is engaged in a prohibited activity or in a company owned by a company that is engaged in a prohibited activity. The investment managers are entitled to fully rely, and be fully protected in relying on, the ineligible SRI investment list provided to it by the screening agent.

Effect of the SRI Policy and the SRI Criteria

Gross Global Investors Master Fund, Ltd. may make investments that, at the time of acquisition, are ineligible SRI investments. In such cases, all profits and losses attributable to such investments would be allocable solely to the other (non-GGI SRI, Ltd.) feeder funds. As a result, GGI SRI, Ltd. will receive no return on the portion of the NAV of the master fund attributable to an ineligible SRI investment. Moreover, GGI SRI, Ltd. will not be credited with a use of funds charge with respect to any financings or other exposures attributable to ineligible SRI investments but which are collateralized by the master fund's assets as a whole.

Furthermore, if an update to the SRI criteria causes an investment to become an ineligible SRI investment, the master fund may seek to sell or reallocate, in an orderly fashion, the portion of such investment attributable to the GGI SRI, Ltd. Such sale or reallocation may cause shareholders of that fund to incur losses that would not otherwise be realized in the absence of the SRI mandate. Following such sale, profits and losses of the master fund attributable to the remaining portion, if any, of such investment would be allocable solely to the other (non-GGI SRI, Ltd.) feeder funds.

In addition, the investment managers' risk management may be adversely affected by the need to comply with the SRI mandate as the investment managers may be prevented from making investments that they believe would reduce the risk exposure of the portion of the master fund's portfolio attributable to the GGI SRI, Ltd.

As a result of the SRI mandate, GGI SRI, Ltd. and the other GGI feeder funds may have materially different NAVs per share and investment and risk profiles.

ITEM 9 –Disciplinary Information

GAM, as a SEC-registered investment adviser, is required to disclose all material facts relating to any legal or disciplinary events that would be material to a client or a prospective client's evaluation of GAM or the integrity of individual members of GAM's management. Neither GAM nor any of its employees have been involved in legal or disciplinary events that would be material to an investor's evaluation of GAM or the integrity of its employees.

ITEM 10 - Other Financial Industry Activities and Affiliations

As noted in Item 4, the Managing Members are also the principal owners of Gruss Capital Advisors, LLC, the general partner of the Onshore Funds.

Broker-Dealer Registration Status

GAM and its management persons are not registered as broker-dealers and do not have any application pending to register with the SEC as a broker-dealer or registered representative of a broker-dealer.

Futures Commission Merchant, Commodity Pool Operator or Commodity Trading Adviser Registration Status.

GAM and its management persons are not registered as, and do not have any application to register as, futures commission merchants, commodity pool operators, commodity trading advisors or associated persons of the foregoing entities.

Material Relationships or Arrangements with Industry Participants

As noted in Item 4, GAM and GAM UK share discretionary trading authority with respect to the Funds. GAM UK has its principal place of business in the United Kingdom and is authorized by the U.K. Financial Services Authority to provide investment advisory services. GAM and GAM UK are independently operated, owned and controlled. The Managing Members, along with GAM UK's sole managing member, recently reached an agreement in principle on sharing arrangements in connection with net proceeds from the sale of all or a substantial portion of the assets of the GAM and GAM UK-related management companies. GAM UK uses the "Gruss" mark pursuant to a licensing agreement. As noted in Item 4, GAM HK provides investment advisory services to the Master Funds subject to the policies and oversight of GAM and GAM UK.

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

Internal Compliance Program and Code of Ethics

GAM is committed to fostering an atmosphere of compliance. This commitment is reflected in GAM's internal compliance program, created pursuant to Rule 206(4)-7 of the Advisers Act, and in particular, by GAM's Code of Ethics, created pursuant to Rule 204A-1 of the Advisers Act. The Code of Ethics is designed to ensure employee compliance with federal securities laws and is predicated in large part on the basic principle that GAM owes a fiduciary duty to its clients. GAM's chief compliance officer (its "CCO") is primarily responsible for the implementation of the policies and procedures set forth in its Code of Ethics. Among other provisions, the Code of Ethics contains information on the following topics: (i) personal trading by employees; (ii) insider trading, including proper use of outside consultants; (iii) political and charitable contributions; and (iv) gifts and entertainment. In developing these policies and procedures, the CCO has considered the material risks associated with GAM's day-to-day operations. In addition, GAM has established multiple parameters by which the firm's compliance team reviews the adequacy and effectiveness of the policies and procedures contained the Code of Ethics.

GAM actively encourages its employees to contact the CCO regarding any actual or perceived compliance issues. Employees receive Code of Ethics training and are required, both initially upon the commencement of their employment and on annual basis thereafter, to certify that they have reviewed, understand and will comply with the policies and procedures as set forth in the Code of Ethics. In addition, employees complete a conflicts questionnaire for the purpose of disclosing relationships or issues that may require additional periodic or ongoing review and follow-up by the firm.

Investors and potential investors may request a copy of the Code of Ethics by contacting the Investment Adviser at the address or telephone number listed on the first page of this document.

Cross Trades

Subject to applicable law, the Funds may, from time to time, engage in cross transactions with other Funds managed by GAM or its affiliate, provided that such transaction is deemed to be fair and appropriate for each such Fund and consistent with the investment objectives of each such Fund. If any such transaction constitutes a principal transaction as contemplated by Section 206(3) of the Advisers Act, such transaction will require the consent of the independent directors of each such Fund or the approval of an independent representative (or committee of independent representatives) of investors in each such Fund appointed by GAM or its affiliates. GAM may also periodically rebalance the holdings of the Funds based on relative capital flows into or out of such Funds. Any rebalancing transactions will also comply with the provisions of Section 206(3) of the Advisers Act. GAM and/or its affiliates may have differing economic interests in the Funds participating in such cross transactions.

Principal Transactions

GAM does not intend to participate in principal transactions (including principal cross trades); however, if GAM engages in a principal trade, GAM will endeavor to ensure that adequate disclosure is made to and consent is received from the applicable parties (e.g. client, Funds' board of directors, or an independent representative that has been appointed by the majority of a Fund's limited partners/shareholders).

Personal Trading

With respect to GAM's policy on personal trading by employees, GAM requires its employees to obtain preclearance from the CCO or his designee for transactions in certain classes of instruments. Under the Code of Ethics, transactions in certain other classes of instruments have been deemed to be exempt from this preclearance requirement due to the fact that trading in these instruments would not materially interfere with GAM's fiduciary duty to its clients (e.g., transactions in direct obligations of the U.S. government, open-ended mutual funds, shares issued by money market funds).

As a general rule, employees will be limited in their ability to create a new position, long or short, either in line with or opposite to one maintained by GAM. Employees may, however, maintain a legacy "opposite" position (i.e., an "opposite" position created before becoming an employee or one created before GAM entered its own position), or, with proper approval, reduce any such legacy position. Employees will, however, be generally prevented from increasing a position opposite to one held by GAM. There are three limited exceptions to this policy: (i) if GAM begins to accumulate shares where an employee is already long, subject to the other rules and restrictions described herein, the employee will not generally be prohibited from selling out of his or her position; (ii) in situations in which GAM is long and short a security across different strategies, subject to the other rules and restrictions described herein, the employee will not generally be prohibited with respect to the direction of his or her personal securities transactions in such security; and (iii) subject to the other rules and restrictions described herein, an employee will not generally be prohibited from executing personal securities transactions in indices in a direction opposite to one held by GAM. Under limited circumstances, the firm may allow for a case-by-case exception from the requirements of the personal trading policy, provided that the CCO concludes that granting an exception would not harm investors, violate the principles set forth in the Code of Ethics or cause GAM to compromise its fiduciary duty to any client.

Employees must have written pre-clearance for personal transactions in private placements and IPOs. Employees are permitted to open and maintain managed accounts with independent third-party money managers, investment advisers or registered representatives of a broker-dealer so long as GAM receives certification from the third party manager that the employee exercises no direct or indirect influence or control over the accounts.

The firm's policies prohibit employees from trading on the basis of material non-public information, self dealing for personal benefit and front running GAM transactions, among other conduct. Employees are subject to formalized quarterly and annual reporting protocols.

Personal trading by employees is monitored by the firm's in-house compliance professionals on an ongoing basis so as to reasonably address conflicts of interest between GAM and its clients. Personal trading is also reviewed for purposes of detecting frequent and/or short term trading and front running of client accounts.

Additional Considerations

From time to time, various potential and actual conflicts of interest may arise from the overall advisory, investment and other activities of GAM its affiliates and its personnel (each an "Advisory Affiliate" and, collectively, the "Advisory Affiliates"). GAM has established policies and procedures to monitor and resolve conflicts and will endeavor to resolve conflicts with respect to investment

opportunities in a manner it deems equitable to the extent possible under the prevailing facts and circumstances.

In addition, GAM may give advice or take action with respect to the investments of one or more Funds that may not be given or taken with respect to other Funds with similar investment programs, objectives, and strategies. Accordingly, although the Funds have similar strategies, they may not hold the same securities or instruments or achieve the same performance. These activities also may adversely affect the prices and availability of other securities or instruments held by or potentially considered for one or more Funds.

The Advisory Affiliates may also have ongoing relationships with companies whose securities are in or are being considered for the Funds. GAM recognizes that conflicts may arise under such circumstances and will endeavor to treat all Funds fairly and equitably.

ITEM 12 - Brokerage Practices

Trading and Execution

Pursuant to its fiduciary duties, GAM seeks to obtain best execution of the Funds' respective securities transactions. Consistent with this policy, GAM places orders for the purchase and sale of securities with brokers and dealers based upon its evaluation of such factors as the ability of the broker or dealer to execute orders in a prompt and effective manner, the nature and quality of the brokerage services it provides, the size and breadth of the market for the security, the reliability, integrity and financial condition of the firm, the size and difficulty of effecting the order and the best price. There are many instances when, in the judgment of GAM, more than one firm can offer comparable brokerage services to the Funds. In selecting among such firms, consideration may be given to those firms which provide research services to the Funds, GAM and its affiliates and related accounts. A Fund may pay higher commissions to a broker because it has supplied such services. The Funds generally do not enter into commitments to direct a specified amount of commissions to any broker to obtain research services. From time to time, prime brokers may assist the Funds in raising capital from investors or provide business planning and consultancy services to GAM. While such services may influence GAM in deciding whether to use such prime broker in connection with brokerage, financing and other activities of a Fund, GAM does not commit to allocate a particular amount of brokerage to a prime broker in any such situation.

The firm reviews its best execution practices. These reviews typically include various analyses of commission and/or order flow data, as well as comparisons versus the gift and entertainment logs. In addition, the firm may evaluate such data in light of potential conflicts of interest, including those actual dynamics previously identified as well as those notional dynamics that are areas of potential exposure for all investment advisers. GAM may occasionally effect transactions or otherwise utilize broker-dealers that have, or whose affiliates have, referred or recommended investors to it and broker-dealers or registered representatives of broker-dealers that personally or through related persons or family members have investments in Funds managed by GAM. The existence of these relationships may give rise to potential conflicts of interest as it may create an incentive for GAM to direct more business to these broker-dealers in order to generate future referrals or additional affiliated investments.

Designated employees of Gruss Management, LLC, general partner to GAM, review daily the transactions entered into by GAM on behalf of the Funds and determine that correct entries have been made. Designated employees of Gruss Management, LLC also periodically review each Fund's respective portfolio.

Authorized Traders: GAM trading is performed by the firm's head trader. Other GAM employees who are permitted to execute securities transactions for Clients include GAM's CIO, the trading assistant and certain analysts.

Gruss Family Office: The Gruss Family Office oversees the personal interests of the Martin D. Gruss family and its partners, including many of its investment and philanthropic endeavors. Martin Gruss, GAM's Chairman Emeritus, Howard Guberman, GAM's COO, and Joshua Gruss, a member of Gruss Management, LLC, are each officers of the Gruss Family Office. Trading by the Family Office is typically executed by GAM's head trader or the trading assistant. In addition to reviewing GAM employee personal trading, on a daily basis the firm's compliance personnel review the Family Office trading blotter against all GAM trading.

Allocation and Aggregation

GAM's allocation procedures seek to allocate investment opportunities among clients in the fairest possible way taking into account clients' best interests. Orders for the same security entered on behalf of more than one client will generally be aggregated subject to the aggregation being in the best interests of all participating clients. All Clients participating in each aggregated order will receive the average price and, subject to minimum ticket charges (if applicable), pay a pro rata portion of commissions.

At the beginning of each month, asset allocation formulas are re-set in GAM's trading system to account for subscriptions and redemptions in Funds. GAM formulates allocations by entering proposed orders into GAM's trading system. If an entire order is filled, clients receive their portion of the allocation specified on the initial allocation. In the event an order is "partially filled," the allocation is made in the best interests of all the clients in the order, taking into account all relevant factors, including, but not limited to, the size of each Client's allocation, clients' liquidity needs and previous allocations. GAM typically allocates partially filled orders on a pro rata basis among all participating clients. GAM reserves the right, in its sole discretion, to allocate transactions other than on a pro rata basis as long as its decision is in the best interest of GAM clients over time.

The firm's compliance and operations teams review the allocation of trades to GAM's clients on a daily basis and discuss any issues with GAM's Chief Financial Officer, Chief Investment Officer and/or head trader as necessary.

Trade Errors

Pursuant to the exculpation and indemnification provisions contained in the Investment Management Agreement or the Limited Partnership Agreement with each Fund, GAM and its affiliates and personnel will generally not be liable to any Fund for any act or omission, absent bad faith, wilful misconduct or gross negligence, and the applicable Fund will generally be required to indemnify such persons against any losses it may incur by reason of any act or omission related to the Fund, absent bad faith, wilful misconduct or gross negligence. As a result of these provisions, the Fund (and not GAM or its affiliates or personnel) will be responsible for any losses resulting from trading errors and similar human errors except for losses resulting from bad faith, wilful misconduct or gross negligence of GAM, its affiliates and personnel. Trading errors might include, for example, keystroke errors that occur when entering trades into an electronic trading system or typographical or drafting errors related to derivatives contracts or similar agreements.

Soft Dollars

GAM does not maintain any formal third-party soft dollar arrangements; however, GAM executes securities transactions with multiple executing brokers and three prime brokers, Deutsche Bank, JP Morgan and UBS, through which most trades clear. Many of these broker-dealers provide GAM with access to proprietary research reports (such as standard investment research) which are used for all accounts at GAM. The research services furnished by brokers may include research reports on particular industries and companies, economic surveys and analyses, recommendations as to specific securities and other services providing lawful and appropriate assistance to GAM in the performance of its investment decision making responsibilities on behalf of the Funds. The Funds need not directly benefit from the research services acquired by GAM as a result of the Funds' brokerage transactions in all cases. Commissions or "soft dollars" generated by a Fund are generally used to pay for research products or services falling within the safe harbor created by Section 28(e) of the Securities Exchange Act of 1934, as amended. To the best of GAM's knowledge, these and other

products and services are generally made available to all institutional investors doing business with such broker-dealers. These bundled services are made available to GAM on an unsolicited basis and without regard to the rates of commissions charged or paid by GAM or the volume of business GAM directs to such broker-dealers. Since these products and services are merely made available by broker-dealers as part of a bundled business package to GAM, who may or may not use them, it is GAM's understanding that such broker-dealers do not set discrete prices for such products and services. Accordingly, GAM does not separately compensate such broker-dealers for the provision of such services and does not believe that it "pays-up" for such broker-dealers' services due to the difficulty associated with the broker-dealers not breaking out the costs for such services.

Additional Brokerage Considerations

From time to time, brokers (including prime brokers such as UBS Securities, LLC, JPMorgan and Deutsche Bank AG) may assist the Funds in raising additional funds from investors, and representatives of GAM may speak at conferences and programs sponsored by such brokers for investors interested in investing in hedge funds. Through such "capital introduction" events, prospective investors in the Funds would have the opportunity to meet with representatives of GAM. Currently, neither GAM nor the Funds compensate any broker for organizing such events or for any investments ultimately made by prospective investors attending such events, nor do they anticipate doing so in the future. The Funds may accept subscriptions from investors who also provide services to the Funds, including brokers and their affiliates. Relationships such as these could be viewed as creating a conflict of interest that potentially could affect GAM's ability to seek best execution. While our relationship with brokers may influence GAM in deciding whether to use such broker in connection with brokerage, financing and other activities of the Funds, GAM will not commit to allocate a particular amount of brokerage to a broker in any such situation. Furthermore, GAM conducts periodic best execution reviews in an effort to identify and mitigate compliance risks associated with brokerage relationships, and to determine that GAM is obtaining best execution for clients' accounts.

ITEM 13 - Review of Accounts

On a daily basis, designated employees of Gruss Management, LLC, general partner of GAM, review transactions entered into by GAM on behalf of the Funds. Designated employees also periodically review the portfolio of the Funds. This review may include the use of modeling and other analyses to track portfolio characteristics. Limited partners and shareholders of the Arbitrage Funds, Global Investors Funds and the Global Investors Enhanced Funds have access to weekly and monthly unaudited estimated performance data, monthly unaudited capital statements, transparency reports (which typically include information on liquidity, pricing, instrument types, as well as breakdowns by strategy, sector and geography), and quarterly letters with commentary on investment and operational activities. Limited partners and shareholders of the Funds also receive annual audited financial statements. See also, Item 4 above.

ITEM 14 - Client Referrals and Other Compensation

GAM does not receive economic benefits from non-clients for providing investment advice and other advisory services.

GAM has entered into solicitation arrangements with unaffiliated solicitors relating to the introduction of investors to the Arbitrage Funds, the Global Investors Funds and the Global Investors Enhanced Funds. Current solicitation arrangements are with broker-dealers soliciting investors outside the United States. In consideration for solicitation activities which result in persons investing in a Fund, GAM, GAM UK and/or Gruss Capital Advisors LLC compensate the solicitor by paying it a portion of the management and/or incentive compensation received from each investor referred by such solicitor. GAM and Gruss Capital Advisors LLC have previously entered into such arrangements with unaffiliated solicitors in which fees are still owed.

GAM will endeavor to disclose of the terms of such solicitation arrangements to the relevant prospective Fund investors, including but not limited to: (i) the name of the solicitor, (ii) the nature of the relationship, including any affiliation between the solicitor and GAM, (iii) a statement that the solicitor will be compensated for his solicitation services by GAM, (iv) the terms of such compensation arrangement, and (v) the amount, if any, for the cost of obtaining his account the investor will be charged in addition to GAM's advisory and incentive compensation, and the differential, if any, among investors with respect to the amount or level of advisory fees charged by GAM if such differential is attributable to the existence of any arrangement pursuant to which GAM has agreed to compensate the solicitor for soliciting investors for, or referring investors to, GAM.

ITEM 15 – Custody

GAM is deemed to have custody of client funds and securities because it has the authority to obtain client funds or securities, for example, by deducting advisory fees from a client's account or otherwise withdrawing funds from a client's account. Account statements related to the clients are sent by qualified custodians to GAM.

GAM is subject to Rule 206(4)-2 under the Advisers Act (the "Custody Rule"); however, it is not required to comply (or is deemed to have complied) with certain requirements of the Custody Rule with respect to each Fund because it complies with the provisions of the so-called "Pooled Vehicle Annual Audit Exception", which, among other things, requires that each Fund be subject to audit at least annually by an independent public accountant that is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board, and requires that each Fund distribute its audited financial statements to all investors within 120 days of the end of its fiscal year.

ITEM 16 - Investment Discretion

GAM has discretionary authority to manage the Funds, including authority to make decisions with respect to which securities are bought and sold, the amount and price of those securities, the brokers or dealers to be used for a particular transaction, and commissions or markups and markdowns paid. GAM's authority is limited by its own internal policies and procedures and each Fund's investment guidelines. Investment advisory services are provided directly to the Funds, and not to the Funds' investors individually. GAM makes investments for each of the Master Funds based on their respective investment programs. As detailed in Item 4 and Item 10 above, GAM shares such discretionary trading authority with GAM UK. GAM HK has discretionary authority subject to the policies and oversight of GAM and GAM UK.

ITEM 17 - Voting Client Securities

GAM has created policies and procedures pursuant to Rule 206(4)-6 regarding the voting of proxy proposals, amendments, consents and/or resolutions (collectively, “proxies”). The general policy is to vote proxy proposals, amendments, consents or resolutions relating to any of the Funds’ securities in a manner that serves the best interests of each such Fund, as determined by GAM in its discretion, taking into account the following factors: (i) the impact on the value of the securities; (ii) the anticipated costs and benefits associated with the proposal; (iii) the effect on liquidity; and (iv) the customary industry and business practices. The policies also address how GAM will vote proxies with regard to specific matters, such as voting rights, mergers or acquisitions, the election of board members and determination and handling of potential conflicts of interest or other issues. Copies of the policies and the proxy voting records relating to each Fund may be obtained by contacting GAM. Trading, investment and compliance personnel will consider whether GAM is subject to any material conflict of interest in connection with each proxy vote. Personnel are tasked with notifying the CCO if they are aware of any potential material conflict of interest associated with a proxy vote.

ITEM 18 - Financial Information

GAM is not aware of any financial condition that is reasonably likely to impair its ability to meet contractual commitments to its clients, and has not been the subject of a bankruptcy petition at any time during the past ten years.

GAM does not need to provide a balance sheet since it does not solicit prepayment of more than \$1,200 in fees per client, six months or more in advance.

ITEM 1 - Cover Page

Part 2B of Form ADV: Brochure Supplement

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667 Madison Avenue, 3rd Floor
New York, NY 10065
212.688.1500
www.gruss.com

Sean Thomas Dany

March 2, 2012

This Brochure Supplement provides information about Sean Thomas Dany that supplements the information set forth in Gruss Asset Management, L.P.'s ("GAM") ADV Part 2A (the "Brochure"). If you have any questions about the contents of this Brochure Supplement, or you have not received a copy of GAM's Brochure, please contact Michael Monticciolo (the "CCO") at 212.688.1500.

ITEM 2 - Educational Background and Business Experience

Sean Thomas Dany, GAM's Chief Investment Officer ("CIO"), b. 1971: Mr. Dany originally joined the firm in 1995 as an analyst and later held the position of portfolio manager. Mr. Dany began his career at Oppenheimer & Co as an arbitrage research liaison and broker associate. Mr. Dany received a B.A. from Vanderbilt University.

ITEM 3 - Disciplinary Information

Mr. Dany has not been involved in any legal or disciplinary events that would be material to a client's or prospective client's evaluation of Mr. Dany or GAM.

ITEM 4 - Other Business Activities

Mr Dany is a managing member of Gruss Management, LLC, the general partner of GAM, and a managing member of Gruss Capital Advisors, LLC, general partner to the Onshore Funds (as described in Item 4 of GAM's ADV 2.A). Mr. Dany is not engaged in any other investment-related business, nor does he receive compensation in connection with any other business activity.

ITEM 5 - Additional Compensation

Mr. Dany does not currently receive economic benefit from any person or entity other than GAM, Gruss Management, LLC or Gruss Capital Advisors, LLC in connection with the provision of investment advice to clients.

ITEM 6 - Supervision

Mr. Dany is responsible for security selection and risk management of the Americas portion of all GAM-managed portfolios and shares responsibility for overseeing investment activities in Asia. Designated employees, including members of the firm's investment committee, review and evaluate the portfolios of the GAM-managed funds. On a daily basis, designated employees of Gruss Management, LLC, general partner to GAM, including the CCO or his designee, review transactions entered into by GAM on behalf of the funds.

Please contact the CCO at 212.688.1500 if you have any questions regarding Mr. Dany.