

**Item 1 – Cover Page**

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**March 30, 2012**

This brochure (the “Brochure”) provides information about the qualifications and business practices of The Tuckerman Group LLC (“Tuckerman” or the “Adviser”). If you have any questions about the contents of this Brochure, please contact us at (914) 701-4400. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

Tuckerman is a registered investment adviser. Registration of an investment adviser does not imply any level of skill or training. The oral and written communications of an adviser provide you with information about which you determine to hire or retain an adviser.

Additional information about Tuckerman is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Item 2 – Material Changes**

The Tuckerman Group's last annual update of its Brochure was March 30, 2011. There have been no material changes to the Brochure since the last annual update.

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#### **Item 4 – Advisory Business**

As of December 31, 2011, The Tuckerman Group LLC (“Tuckerman”) managed \$7.0 billion in assets on a discretionary basis and \$270 million in assets on a non-discretionary basis.

Tuckerman is an independently managed subsidiary of State Street Global Alliance, LLC (“Global Alliance”). Global Alliance is a joint venture between State Street Global Advisors, Inc. (“SSgA, Inc.”) and Algemeen Burgerlijk Pensioenfonds, a Dutch pension fund. SSgA, Inc. is an indirect, wholly-owned subsidiary of State Street Corporation (“State Street”), a publicly held financial holding company.

Tuckerman manages real estate investment opportunities and provides asset management services to banks, investment companies and pooled investment vehicles. Specifically, Tuckerman manages value-added direct real estate investment programs for institutional investors. Tuckerman also manages funds (“Funds”) and accounts (“Managed Accounts” and, together with the Funds, the “Clients”) which invest in real estate investment trusts (“REITs”) and real estate operating companies (“REOCs”) on both an active fundamental and passive basis.

Tuckerman also provides investors with customized value creation and enhancement strategy consulting services on both a portfolio and property-level basis.

Clients may impose restrictions on investing in certain securities or types of securities.

#### **Item 5 – Fees and Compensation**

All fees are subject to negotiation.

Tuckerman does not have a standard fee schedule. Managed Accounts are subject to individual negotiations between Clients and Tuckerman. For certain Funds, Tuckerman’s fees are disclosed in the relevant offering document. Fees are calculated and billed monthly and generally capped at a fixed percentage of assets under management and paid in arrears. Depending on the negotiated relationship with each Client, Tuckerman may either deduct fees from a Client’s assets or may bill clients directly for fees incurred. For certain Managed Accounts, Tuckerman may also receive other types of fees such as acquisition and/or commitment fees. Additionally, Tuckerman may, if mutually agreed to with an eligible Client, receive a performance fee when the appropriate circumstances exist and there is compliance with the Investment Advisers Act of 1940, as amended (“Advisers Act”) and when applicable, the Investment Company Act of 1940, as amended (the “1940 Act”). Additionally, under certain circumstances, Tuckerman may waive a portion of its fees.

From time to time, Tuckerman may invest Client assets in mutual fund shares. In these instances, the Client may pay the additional management fee charged by the mutual fund.

With regard to certain Funds, upon a vote of a majority of a Fund’s members or shareholders, Tuckerman’s service may be terminated either (i) upon sixty (60) days written notice for any reason or (ii) for cause upon written notice to Tuckerman (subject to certain limitations). Other Funds contain termination provisions as negotiated between each Fund and Tuckerman. With regard to the Managed Accounts, both Tuckerman and the beneficial owner(s) of the Managed Account have the right to terminate service with notice. In all cases, if an agreement is terminated other than at a specified period’s end, fees will be prorated to the termination of the agreement and Tuckerman may be entitled to receive other fees and expenses incurred through the date of termination.

For most Funds, Tuckerman's fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the Fund. Funds may incur certain charges imposed by custodians, brokers, third party investment and other third parties such as fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus.

Such charges, fees and commissions are exclusive of and in addition to Tuckerman's fee, and Tuckerman shall not receive any portion of these commissions, fees, and costs. Tuckerman's fee may include performance fees, disposition fees and carried interests. Managing accounts for performance-based fees creates various conflicts of interest for us and our employees and supervised persons. Please refer to "Performance-Based Fees and Side by Side Management" in this Brochure for a discussion of these conflicts of interest.

The fee table below is representative of the fees Tuckerman may charge Clients. Fees are determined on a client-by-client basis, vary depending on investment strategy and may differ from the fees below:

- Management Fees
  - 0.10 – 0.85% (Managed Accounts)
  - 0.05 – 1.50% (Funds)
- Reimbursement for all approved out of pocket costs (legal, consultant, etc.); and
- Minimum annual fees starting at \$10,000, as negotiated.

Minimum annual fees are determined based on the service level selected by the client, as well as the number of holdings and/or funds for which Tuckerman's services are provided.

Item 12 further describes the factors that Tuckerman considers in selecting or recommending broker-dealers for Client transactions and determining the reasonableness of their compensation (*e.g.*, commissions).

## **Item 6 – Performance-Based Fees and Side-By-Side Management**

In some cases, Tuckerman has entered into performance fee arrangements with qualified Clients. Such fees are subject to individualized negotiation with each such Client. Tuckerman will structure any performance or incentive fee arrangement subject to Section 205(a)(1) of the Advisers Act in accordance with the available exemptions thereunder, including the exemption set forth in Rule 205-3.

Performance based fee arrangements may create an incentive for Tuckerman to recommend investments which may be riskier or more speculative than those which would be recommended under a different fee arrangement. Such fee arrangements also create an incentive to favor higher fee paying accounts over other accounts which have not entered into a performance based fee arrangement with Tuckerman in the allocation of investment opportunities.

Tuckerman faces potential conflicts of interest when it advises Clients with similar investment objectives and strategies. Tuckerman sponsors or manages multiple Funds and Managed Accounts and may sponsor additional Funds and Managed Accounts in the future. Certain investment opportunities generated by Tuckerman or which otherwise become available to Tuckerman may be appropriate to multiple of Tuckerman's Funds and Managed Accounts.

In general, investment decisions for each Client are made with specific reference to the individual needs and objectives of each Client. There is no requirement that Tuckerman use the same procedures consistently with respect to all accounts. Different strategies and Client guidelines and restrictions may lead to the use of different methodologies for addressing potential conflicts of interest. In allocating investment opportunities Tuckerman will take into account various factors, including the various investment objectives, the targeted rates of return, available capital commitments and the composition of the various portfolios taken as a whole. In each case, Tuckerman will seek to act in the best interest of each Client and assure that, over the long term, all Clients are treated as fairly and equitably as possible relative to each other. Tuckerman has procedures, including allocation procedures, designed and implemented to ensure that all Clients are treated fairly and equally, and to prevent this conflict from influencing the allocation of investment opportunities among Clients.

## **Item 7 – Types of Clients**

Tuckerman provides portfolio management services to institutional investors, which could include banks, thrift institutions, pension plans, profit sharing plans, corporations and other types of business entities. Investors in certain of the Funds may be subject to certain eligibility requirements, as disclosed in each Fund's offering documents. Managed Fund Clients may be subject to investment minimums, depending on the particular investment strategy.

## **Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss**

Investing in securities involves risk of loss that clients should be prepared to bear.

The methods of analysis used by Tuckerman in implementing its investment strategies are driven by fundamental research derived from both internal and external sources. These sources include, but are not limited to, research provided by institutions and the financial community, internally-generated analysis of potential investment opportunities, industry and trade publications and inspections of corporate activities, as well as internal reviews of annual reports, prospectuses and other filings with the SEC. Other sources of information utilized by Tuckerman in its analysis of investments may include: FACTSET, Bloomberg, Northfield Optimizer, SNL Financial LC, REIS and Real Capital Analytics.

Tuckerman offers advice primarily on investments in exchange-listed equity securities, foreign issues, mutual fund shares and interests in partnerships and other pooled vehicles investing in real estate.

The investment strategies used to implement the investment advice given by Tuckerman to Clients include (a) direct investments or equity joint ventures with operating partners for the ownership, financing, development, re-development and sale of certain real estate projects, (b) acquisition of non-performing or sub-performing whole first-lien loans and/or other subordinate loan positions, secured by such real estate projects and/or pledges in the equity owners of such real estate projects, which are intended to result in eventual ownership of the underlying property, (c) investment primarily in publicly traded securities of REITs and REOCs and (d) investments in the securities comprising a particular Index, in the same proportions as they are represented in the such index.

### **(1) General Risks**

#### *General*

There can be no assurance that a strategy will achieve an investment objective or that Clients will receive any return on, or the return of, their invested capital. Any investment involves certain risks and

considerations which investors should evaluate before making a decision to invest. The following is a brief description of certain factors that, among others, should be considered by Clients. Clients are encouraged to consult with their legal, financial and tax advisors prior to committing to any investment strategy with Tuckerman.

#### *Expedited Investment Decisions*

Investment analyses and decisions by Tuckerman may frequently be required to be undertaken on an expedited basis to take advantage of investment opportunities. In such cases, the information available to Tuckerman at the time of making an investment decision may be limited, and Tuckerman may not have access to complete information regarding the investment, such as physical matters, zoning regulations or other local conditions affecting an investment.

Therefore, no assurance can be given that Tuckerman will have knowledge of all circumstances that may adversely affect an investment. In addition, Tuckerman expects to rely upon specialized expert input by various third party consultants and service providers in connection with its evaluation of proposed investments.

#### *Lack of Diversification*

Tuckerman will seek to limit the impact on financial performance of poorly performing investments by investing in investments in varying locations and with varying degrees of risk. However, there can be no assurance that such diversification will be available on terms acceptable to Tuckerman. Tuckerman may make a relatively limited number of investments and, as a consequence, the aggregate return and performance of a Fund or Managed Account may be substantially adversely affected by the unfavorable performance of even a single investment or market. Also aggregate returns may be adversely affected if Tuckerman does not correctly time its refinancing or disposition strategy.

In addition, to the extent a Fund or a Managed Account concentrates its investments in a limited number of properties, geographic areas or types of geographic areas, such Fund or Managed Account will be subject to certain risks relating to concentrated investments. For example, the Fund or Managed Account's financial condition and results of operations could be adversely affected by conditions affecting the Fund or Managed Account's specific property types. Further, if a Fund or Managed Account concentrates its investments in one or more geographic areas, adverse events or conditions which affect that area particularly could have a more negative effect on the financial condition and operations of the Fund or Managed Account than if its investments were more geographically diverse. Because Funds and Managed Accounts will have only a limited number of investments, adverse events affecting a particular asset could have a significant negative impact on the financial condition and results of operation of each Fund or Managed Account.

#### *Adverse Real Estate Market Conditions*

The value of the each Client's investments may be adversely affected by periods of economic slowdown or recession, which may be accompanied by decreased demand and declining real estate values. Any material decline in real estate values reduces the ability of borrowers of mortgage loans to use equity to support borrowings and increases the loan-to-value ratios of loans previously made, thereby weakening collateral coverage and increasing the possibility of a loss in the event of default.

Delinquencies, foreclosures and losses generally increase during economic slowdowns and recessions. In addition, the prices for investment sales, and the prices, terms and conditions for investment refinancing

may be threatened by unanticipated declines in various economic environments – thereby reducing or extinguishing anticipated returns of capital and internal rates of return.

#### *Market Risk*

Investments will be affected by general economic conditions such as prevailing economic growth, inflation, and interest rates. For example, when economic growth slows, equity securities tend to decline in value; when interest rates rise, fixed income securities generally decline in value. Even if general economic conditions do not change, the value of your investment could decline if the particular industries, sectors, or companies in which a Fund or Managed Account invests do not perform well or are adversely affected by events.

#### *Illiquidity of Investments*

It is unlikely that there will be a public market for some of Tuckerman's Clients' investments. Clients generally will not be able to sell their investments held in the form of securities publicly unless the sale is registered under applicable federal and state securities laws, or unless an exemption from such registration requirements is available. In some cases, Clients may be prohibited by contract from selling investments for a period of time. In addition, the types of investments held by each Client may be such that they require a substantial length of time to liquidate. In particular, no assurances can be given that all Fund investments will be able to be liquidated prior to the scheduled expiration of the term of the Client's account.

#### *Investments in Partnerships and Other Entities*

Funds and Managed Accounts may make investments in other entities and enter into partnerships or joint ventures with others.

Such investments may involve risks not present in direct property investments, including, for example, the possibility that a co-venturer or partner of the Client might become bankrupt, or may at any time have economic or business interests or goals that are divergent from or contrary to the Client's objectives. In such an event, the Client may not be in a position unilaterally to control such investments or exercise certain rights associated with such investments. In addition, if a co-venturer or partner removes its general partner or manager or terminates prior to the Fund, then the ability of the Fund to exercise certain rights associated with its investments may require the cooperation of a successor general partner or other persons. Furthermore, if the Fund and any co-venturer or partner have the ability to dispose of their interests in the investment separately, a disposition of a large position by a co-venturer or partner may depress the market value of the continuing investment of the Fund or may reduce the price available to the Fund, which may also be disposing of its investment.

In addition, the Fund may be liable for actions of its co-venturers or partners. While the Investment Manager will review the qualifications and previous experience of any proposed co-venturers or partners, it does not expect in all cases to obtain financial information from, or to undertake private investigations with respect to, prospective co-venturers or partners.

#### *Cash Position Risk*

Client accounts may hold a significant portion of its assets in cash or cash equivalents in Tuckerman's discretion. If the account holds a significant cash position for an extended period of time, its investment returns may be adversely affected. The account's cash investments may lose money.

### *Counterparty Risk*

Funds and Managed Accounts will be subject to credit risk with respect to the counterparties with which it enters into derivatives contracts and other transactions such as repurchase agreements and securities lending transactions. If a counterparty becomes insolvent or otherwise fails to perform its obligations, the Fund or Managed Account may experience significant delays in obtaining any recovery in an insolvency, bankruptcy, or other reorganization proceeding. The Fund or Managed Account may obtain only a limited recovery or may obtain no recovery in such circumstances.

### *Custodial Risk*

There are risks involved in dealing with the custodians or brokers who hold or settle a Fund or Managed Account's trades. It is possible that, in the event of the insolvency or bankruptcy of a custodian or broker, the Fund or Managed Account would be delayed or prevented from recovering its assets from the custodian or broker, or its estate, and may have only a general unsecured claim against the custodian or broker for those assets. Tuckman or an affiliate may serve as the custodian of the Funds or Managed Accounts.

### *Derivatives Risk*

The use of derivative instruments involves risks different from, and possibly greater than, the risks associated with investing directly in securities and other more traditional investments. Derivatives are subject to a number of risks, such as potential changes in value in response to interest rate changes or other market developments or as a result of the counterparty's credit quality and the risk that a derivative transaction may not have the effect Tuckman anticipated. Derivatives also involve the risk of mispricing or improper valuation and the risk that changes in the value of a derivative may not correlate perfectly with the asset, rate, or index underlying the derivative. Derivative transactions can create investment leverage and may be highly volatile. Use of derivatives other than for hedging purposes may be considered speculative. When a Client account invests in a derivative instrument, it could lose more than the principal amount invested. Many derivative transactions are entered into "over the counter" (not on an exchange or contract market); as a result, the value of such a derivative transaction will depend on the ability and the willingness of the Client account's counterparty to perform its obligations under the transaction. A liquid secondary market may not always exist for the account's derivative positions at any time. Use of derivatives may increase the amount and timing of taxes payable by shareholders. Although the use of derivatives is intended to enhance a Fund or Managed Account's performance, it may instead reduce returns and increase volatility. Derivatives are subject to a number of risks described elsewhere in this section, such as market risk, credit risk, counterparty risk, leveraging risk, commodities risk, and management risk.

### *Equity Risk*

The market prices of equity securities owned by Client accounts may go up or down, sometimes rapidly or unpredictably. The value of a security may decline for a number of reasons that may directly relate to the issuer, such as management performance, financial leverage, non-compliance with regulatory requirements, and reduced demand for the issuer's goods or services. The values of equity securities also may decline due to general market conditions that are not specifically related to a particular company, such as real or perceived adverse economic conditions, changes in the general outlook for corporate earnings, changes in interest or currency rates, or adverse investor sentiment generally. Client accounts may invest in equity warrants, and the holding of warrants may result in increased volatility of the Client account's net asset value per share. The account may continue to accept new subscriptions and to make

additional investments in equity securities even under general market conditions that Tuckerman views as unfavorable for equity securities.

### *Mortgage and Asset-Backed Securities Risk*

Mortgage-backed and asset-backed investments tend to increase in value less than other debt securities when interest rates decline, but are subject to similar risk of decline in market value during periods of rising interest rates. In a period of declining interest rates, an account may be required to reinvest more frequent prepayments on mortgage-backed and asset-backed investments in lower-yielding investments. Asset-backed securities in which an account invests may have underlying assets that include motor vehicle installment sales or installment loan contracts, leases of various types of real and personal property, and receivables from credit card agreements. Like mortgages underlying mortgage-backed securities, underlying automobile sales contracts or credit card receivables are subject to prepayment, which may reduce the overall return to asset-backed security holders. Holders may also experience delays in payment on the securities if the full amounts due on underlying sales contracts or receivables are not realized by a trust because of unanticipated legal or administrative costs of enforcing the contracts or because of depreciation or damage to the collateral (usually automobiles) securing certain contracts, or other factors. The values of mortgage-backed securities or asset-backed securities may be substantially dependent on the servicing of the underlying asset pools, and are therefore subject to risks associated with the negligence or malfeasance by their servicers and to the credit risk of their servicers. In certain circumstances, the mishandling of related documentation may also affect the rights of security holders in and to the underlying collateral. The insolvency of entities that generate receivables or that utilize the assets may result in added costs and delays in addition to losses associated with a decline in the value of underlying assets. It is possible that many or all mortgage-backed securities and asset-backed securities will fall out of favor at any time or over time with investors, affecting adversely the values and liquidity of the securities.

## **(2) Risks associated with Direct Investments in Real Estate**

### *Investing in Real Estate*

Investments in real estate and real estate-related entities are subject to various risks, including, for example, adverse changes in national and international economic and geopolitical conditions, local market conditions and the financial conditions of tenants; changes in the number of buyers and sellers of properties; increases in the availability of supply of property relative to demand; changes in availability of financing; increases in interest rates, real estate tax rates, energy prices, and other operating expenses; changes in environmental laws and regulations, zoning laws and other governmental rules and policies; changes in the relative popularity of properties; risks due to dependence on cash flow; risks and operating problems arising out of the presence of certain construction materials, as well as acts of God, uninsurable losses and other factors which are beyond the control of Tuckerman. In addition, real estate is subject to long-term cyclical trends that give rise to significant volatility in real estate values.

### *Risks of Acquisition Activities*

Tuckerman may advise Clients to acquire properties to the extent that they can be acquired on advantageous terms and meet the Client's and Tuckerman's investment criteria. In addition to the general risks associated with investing in real estate noted above, the acquisition activities recommended by Tuckerman may expose Clients to the following risks:

- The Client may be unable to acquire a desired property because of competition from other well-capitalized real estate investors, including both publicly-traded REITs and institutional investment funds;
- Even if the Client enters into an acquisition agreement for a property, such an agreement would typically be subject to customary conditions to closing, including satisfactory completion of due diligence investigations;
- Even if the Client is able to acquire a desired property, competition from other real estate investors may significantly increase the purchase price paid;
- The Client may be unable to finance acquisitions on favorable terms;
- Acquired property may fail to perform as Tuckerman projected when analyzing its investments; and
- Tuckerman's estimates of the costs of repositioning, retenanting or refurbishing acquired properties may be inaccurate.

In addition, Tuckerman may recommend the acquisition of properties subject to known or unknown liabilities and with limited or no recourse. As a result, if liability were asserted against the Client based upon such properties, the Client might have to pay substantial sums to dispute or remedy the matter, which could adversely affect the Client's cash flow. Unknown liabilities with respect to properties acquired could include, for example: liabilities for clean-up of undisclosed environmental contamination; claims by tenants, vendors or other persons relating to the former owners of the properties; liabilities incurred in the ordinary course of business; and claims for indemnification by general partners, directors, officers and others indemnified by the former owners of the properties.

#### *Contingent Liabilities on Disposition of Investments*

In connection with the disposition of an investment recommended by Tuckerman, a Client may be required to make certain representations and warranties about the investment. The Client may also be required to indemnify the purchasers of such investment in case any of the representations and warranties are inaccurate. These arrangements may create contingent liabilities of the Client, for which reserves or escrow accounts may be established.

#### *Development Risks*

Tuckerman may recommend the acquisition of interests in real estate requiring new development. Development activities involve a variety of risks, including, without limitation, those relating to the availability and timely receipt of regulatory approvals, the cost and timely completion of construction (including risks beyond the control of the Client, such as weather or labor conditions or material shortages), lease-up velocity and rent levels, and the availability of both construction and permanent financing on favorable terms. These risks could result in substantial unanticipated delays or expenses and, under certain circumstances, could prevent completion of development activities once undertaken, any of which could have an adverse effect on the investment. Properties under development or properties acquired to be developed generally generate no cash flow from the date of acquisition through the date of completion of development and experience operating deficits for a period after the date of completion.

### *Redevelopment Risks*

Some assets recommended by Tuckerman and acquired by a Client will require redevelopment in order to meet the investment strategy. Redevelopment activities add additional time between the acquisition of an asset and the realization of Tuckerman's investment objectives for such asset. Because of this additional time requirement, an acquired asset may, as a result of changes in real estate market, economic and other conditions prior to the completion of redevelopment activities, become an economically unattractive investment. In addition, redevelopment activities may not be completed within budget or on schedule because of cost overruns, work stoppages, shortages of building materials, the inability of contractors to perform their obligations, defects in plans and specifications or other factors. Any delay in completing the redevelopment of an asset may result in increased interest and costs and the potential loss of previously identified purchasers or tenants.

### *Investment in Distressed Assets*

Please see discussion below regarding Investments in Distressed Assets.

## **(3) Risks associated with the Acquisition of Non-Performing or Sub-Performing Loans**

### *Investment in Distressed Assets*

Funds and Managed Accounts may acquire sub-performing or non-performing debt interests which are secured directly or indirectly by real estate. In addition to the risks of borrower default, the collateral may be mismanaged or otherwise decline in value during periods in which Tuckerman is seeking to obtain control of the underlying real estate. It is possible that the Client accounts may find it necessary or desirable to foreclose on collateral securing one or more real estate loans purchased by such accounts. The foreclosure process can be lengthy and expensive. Borrowers often resist foreclosure actions by asserting numerous claims, counterclaims and defenses against the holder of a real estate loan including lender liability claims and defenses, even when such assertions may have no basis in fact, in an effort to prolong the foreclosure action. In some states or countries, foreclosure actions can take up to several years to conclude. At any time during the foreclosure proceedings, the borrower may file for bankruptcy, staying the foreclosure action and further delaying the foreclosure process.

Investments in assets operating in workout modes under Chapter 11 of the Bankruptcy Code, or the equivalent in non-US jurisdictions, are, in certain circumstances, subject to certain additional potential liabilities which may exceed the value of the Client's original investment. Bankruptcy laws may delay the ability of the Client to realize on collateral for loan positions held by it or may adversely affect the priority of such loans through doctrines such as equitable subordination or may result in a restructure of the debt through principles such as the "cramdown" provisions of the bankruptcy laws.

## **(4) Risks Associated with Investing in REITs and REOCs**

To the extent that a Fund or Managed Account invests in REITs and REOCs, it will be subject to the risks associated with owning real estate and with the real estate industry generally. These include difficulties in valuing and disposing of real estate, the possibility of declines in the value of real estate, risks related to general and local economic conditions, the possibility of adverse changes in the climate for real estate, environmental liability risks, the risk of increases in property taxes and operating expenses, possible adverse changes in zoning laws, the risk of casualty or condemnation losses, limitations on rents, and the possibility of adverse changes in interest rates and in the credit markets. It will also be subject to the risk that a REIT or REOC will default on its obligations or go bankrupt. By investing in REITs and REOCs

indirectly through the Fund or Managed Account, a Client will bear not only his or her proportionate share of the expenses of the Fund or Managed Account, but also, indirectly, similar expenses of the REITs and REOCs.

## **(5) Risks Associated with Investing in Securities Comprising a Particular Index**

### *Index Risk*

The ability of a Client account to achieve significant correlation between the performance of the account and an index may be affected by changes in securities markets, changes in the composition of the Index, cash flows into and out of the account, and fees and expenses of the account. Tuckerman will seek to replicate index returns regardless of the current or projected performance of the index or of securities comprising the index. As a result, the performance of Client accounts may be less favorable than that of a portfolio managed using an active investment strategy. The structure and composition of the index will affect the performance, volatility, and risk of the Index (in absolute terms and by comparison with other indices) and the performance, volatility, and risk of the account.

### *Re-Balancing Policy Risk*

Client accounts managed in this strategy may be re-balanced periodically against a benchmark index. During the interim time period between re-balancings, market and underlying pool performance may cause allocations to drift away from stated policy targets, causing portfolio performance tracking error versus the benchmark or other unanticipated performance results.

## **Item 9 – Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of the adviser or the integrity of the adviser's management. Tuckerman has no information applicable to this Item.

We do not believe that there are any legal or disciplinary events with respect to Tuckerman that would be material to a Client's evaluation of Tuckerman or the integrity of Tuckerman's management.

As stated below, Tuckerman is affiliated with State Street Bank and Trust Company ("SSB&T"), a large multinational financial services corporation. As such, in the ordinary course of business, SSB&T and certain of its affiliates are involved in disputes, litigation and regulatory inquiries and investigations, both pending and threatened. These matters, if resolved adversely against SSB&T or such affiliate, may result in monetary damages, fines and penalties or require changes in their business practices. The resolution of these proceedings is inherently difficult to predict. However, we do not believe that the amount of any judgment, settlement or other action arising from any pending proceeding will have a material adverse effect on Tuckerman's financial condition, although the outcome of certain matters could have a material adverse effect on the consolidated results of operations for SSB&T for the period in which such matter is resolved or a reserve is determined to be required. For additional information, please refer to State Street's current quarterly report on Form 10-Q, on file with the Securities and Exchange Commission.

## **Item 10 – Other Financial Industry Activities and Affiliations**

Tuckerman is affiliated with SSB&T, a state chartered bank, which, in accordance with applicable law, provides custody, accounting, securities lending and administrative services to, among others, registered investment companies which are sub-advised by Tuckerman. These registered investment companies, for

which Tuckerman provides investment advisory services, may be deemed “related persons,” pursuant to the investment sub-advisory agreements between Tuckerman and SSB&T or its affiliates that were approved in accordance with applicable law. This relationship may cause Tuckerman to favor the related registered investment companies over other Clients. Tuckerman addresses this conflict by following its best execution policies and procedures.

As part of the larger SSB&T organization, Tuckerman is able to leverage the resources of SSB&T and greatly enhances its capability and operational efficiency. Additionally, Clients benefit from the services provided by SSB&T, such as, for example, the ability to improve trading efficiency and best execution by leveraging the substantial order flows of SSB&T.

SSB&T provides investment advisory services to its clients through its global investment arm, State Street Global Advisors (“SSgA”) (an affiliate of Tuckerman). If Tuckerman determines that it is in the best interest of its Clients, Tuckerman may delegate certain of its duties to SSgA as mutually agreed and may utilize the services of employees of SSgA. From time to time or on a continuous basis, SSgA provides various services to Tuckerman, which may include, among others, marketing, administrative, and back-office supports. Tuckerman does not believe such relationship creates a material conflict of interest between Tuckerman and its Clients.

In addition to the above, among the various services provided by SSgA are trading and trade-support services. Tuckerman believes that the use of SSgA’s trading desk will greatly benefit its Clients, whether in the form of lower overall trading costs, enhanced risk management and control, access to more sources of liquidity or greater order flows for best execution. Tuckerman provides explicit trading instructions and guidelines to SSgA and, working in conjunction with SSgA’s compliance department, conducts regular oversight of the trading activities to ensure compliance with all applicable rules and regulations. Tuckerman does not believe its use of SSgA’s trading and trade-support services creates a material conflict of interest between Tuckerman and its Clients.

As discussed above, Tuckerman uses the trading and trade support services of SSgA. SSgA may place trades for securities of Tuckerman Clients with an affiliated broker-dealer, State Street Global Markets LLC (“SSGM”), when it reasonably believes that such use will result in the best price and execution for Clients and when authorized by Clients or applicable law to do so. This relationship creates a potential conflict of interests because it could create an incentive to use SSGM in order to benefit our affiliates. However, SSgA has policies and procedures in place to address this conflict, including SSgA’s best execution policy. This policy requires that, in selecting a broker-dealer for any particular transaction, the trading desk seeks to consider the capabilities of the broker-dealer to provide best execution, without regard to the value of services the broker-dealer may provide. In selecting a broker-dealer, SSgA’s trading desk considers multiple factors, none of which include any benefit to SSgA or its affiliates. Additionally, the broker selection and allocation process is overseen by SSgA’s Trade Management Oversight Committee to ensure that the selection of broker-dealers is being done in accordance with SSgA’s policies.

Tuckerman is fully responsible for the performance of duties delegated to SSgA, including compliance with all applicable rules and regulations. Tuckerman would not delegate its investment management duties to SSgA or another affiliate without the explicit written consent of its Clients.

Tuckerman is also affiliated with a number of investment advisers that are registered with the SEC or are exempt from SEC registration. In some instances, one or more of these advisers may assist Tuckerman in the management of a Client portfolio. To the extent Tuckerman provides investment advice that would lead a Client to dispose of a security, and to the extent that an account managed by an affiliated adviser

was simultaneously attempting to dispose of the same security, a conflict of interest may arise. Tuckerman addresses this conflict of interest by keeping its decision making processes entirely separate from the decision making processes of its affiliated advisers.

## **Item 11 – Code of Ethics**

### *Code of Ethics.*

To help prevent conflicts of interest, all employees must comply with Tuckerman's Code of Ethics, which imposes restrictions on the purchase or sale of securities for their own accounts and the accounts of certain affiliated persons. Among other things, the Code of Ethics and related policies and procedures include provisions relating to the confidentiality of Client information, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures. In addition, Tuckerman has adopted certain policies and procedures concerning the misuse of material non-public information that are designed to prevent insider trading by its officers or employees. A copy of Tuckerman's Code of Ethics shall be provided to any Client or prospective Client upon request.

### *Participation or Interest in Client Transactions.*

Tuckerman anticipates that, in appropriate circumstances, consistent with Clients' investment objectives, it will cause accounts over which it has management authority to effect, and will recommend to investment advisory Clients, the purchase of securities in which Tuckerman or a related person of Tuckerman may have an ownership position; alternatively, a related person of Tuckerman may purchase a security that is held in a Client account. Tuckerman's employees and persons associated with Tuckerman are required to follow the policies and procedures set forth in Tuckerman's Code of Ethics with regard to such transactions.

### *Personal Trading*

Tuckerman does not purchase or sell securities for itself that it also recommends to Clients. However, subject to satisfying this policy and applicable laws, officers, directors and employees of Tuckerman and its affiliates may trade for their own accounts in securities which are recommended to and/or purchased for Tuckerman's Clients. The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of Tuckerman's employees will not interfere with (i) making decisions in the best interest of advisory Clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Under the Code certain classes of securities have been designated as exempt transactions, based upon a determination that these would materially not interfere with the best interest of Tuckerman's Clients. In addition, the Code requires pre-clearance of many transactions, and restricts trading in close proximity to Client trading activity. Nonetheless, because the Code of Ethics in some circumstances would permit employees to invest in the same securities as Clients, there is a possibility that employees might benefit from market activity by a Client in a security held by an employee. Employee trading is continually monitored under the Code of Ethics, and to reasonably prevent conflicts of interest between Tuckerman and its Clients.

Certain affiliated accounts may trade in the same securities with Client accounts on an aggregated basis when consistent with Tuckerman's obligation of best execution. As Tuckerman utilizes SSgA's trading services, as discussed above, Tuckerman follows SSgA's policy with regard to allocation; the following is a summary of SSgA's allocation policy.

It is the policy of SSgA and Tuckerman to ensure that all investments are allocated in a manner that treats clients fairly and equitably over time according to procedures established prior to the execution of trades with respect to such investments and in a manner consistent with disclosure provided to investors. In the course of managing multiple accounts, SSgA and/or Tuckerman may identify investment transactions that are appropriate for a number of Clients. If an aggregated investment transaction is consistent with Tuckerman's duties to each such Client and permitted by applicable laws and regulations, advisory contracts and investment objectives, then SSgA will attempt to acquire or sell a sufficient amount of securities to satisfy all such Client accounts. When a trade for the same security is placed for more than one Client account, which also may include client accounts of advisory affiliates, it is SSgA's normal practice that such trades will be placed as a block. As a general rule, allocations among participating accounts will be made pro rata based on the total assets in each account. Any other allocations, including any post-execution allocations, shall be made in accordance with Tuckerman's allocation policies and procedures.

Tuckerman may effect cross trades between Client accounts. An agency cross transaction is defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser, acts as broker for both the advisory Client and for another person on the other side of the transaction. Agency cross transactions may arise where an adviser is dually registered as a broker-dealer or has an affiliated broker-dealer. Such cross transactions create actual or potential conflicts of interest for Tuckerman and its affiliates. For example, it is possible that trades could conceivably be effected for an account merely to create a market to aid the selling account or that the price at which the trade is executed does not represent the reasonable market value for either the selling or buying account. Tuckerman and our affiliates have policies and procedures in place which we believe are reasonably designed to ensure that any cross trades are completed in accordance with applicable law and to address any actual or potential conflicts of interest that arise in connection with cross trades.

## **Item 12 – Brokerage Practices**

Tuckerman generally selects the broker/dealers that it believes provide the best execution of portfolio transactions. As mentioned above, if Tuckerman determines that it is in the best interest of a Client, Tuckerman may utilize the services of SSGM, an affiliated registered broker-dealer, subject to compliance with applicable law and client requirements.

A Client may, in writing, direct Tuckerman to use a particular broker/dealer to execute portfolio transactions for its account or request that certain types of securities not be purchased for its account. If a Client directs the use of a particular broker/dealer, Tuckerman asks that the Client also specify in writing: (i) general types of securities for which the designated firm should be used; and (ii) whether the designated firm should be used for all transactions, even though Tuckerman might be able to obtain a more favorable net price and execution from another broker/dealer in particular transactions.

A Client who designates the use of a particular broker/dealer should understand that it may lose: (i) the possible advantage that non-designating Clients derive from aggregation of orders for several Clients as a single transaction for the purchase or sale of a particular security; and (ii) the ability of Tuckerman to effectively negotiate the commission rate. Such a Client's trades may be effected after the trades of Clients that have not designated a particular broker/dealer.

Tuckerman owes a duty to its Clients to provide best execution on trades effected. In selecting a broker/dealer for each specific transaction, Tuckerman chooses the broker/dealer deemed most capable of providing the services necessary to obtain the most favorable execution and does not take the sales of any

mutual fund shares into account when making this decision. Best execution is generally understood to mean the most favorable total cost or net proceeds reasonably obtainable under the circumstances. The full range of brokerage services applicable to a particular transaction may be considered when making this judgment, which may include, but is not limited to liquidity, price, commission, timing, research, aggregated trades, capable floor brokers or traders, competent block trading coverage, ability to position, capital strength and stability, reliable and accurate communications and settlement processing, use of automation, knowledge of other buyers or sellers, arbitrage skills, administrative ability, underwriting and provision of information on the particular security or market in which the transaction is to occur. The specific criteria will vary depending upon the nature of the transaction, the market in which it is executed, and the extent to which it is possible to select from among multiple broker/dealers.

Accordingly, in recognition of the value of these factors, transactions may not always be executed at the lowest available commission rate. Negotiated commission rates will reflect overall execution requirements of the transaction without regard to whether the broker may provide other services in addition to execution.

For any Client registered under the 1940 Act, any commission, fee or other remuneration paid to an affiliated broker/dealer is paid in compliance with such Client's procedures adopted in accordance with Rule 17e-1 of the 1940 Act.

If Tuckerman deems it to be in the best interest of a Client, Tuckerman, to the extent permitted by applicable laws, regulations and advisory contracts, may aggregate purchases and sales with clients of SSgA or an advisory affiliate, provided that, in the opinion of Tuckerman, all accounts of Tuckerman are treated equitably and fairly. Tuckerman will not permit a Client to participate in an aggregated transaction with a client of SSgA unless the allocation of the securities purchased or sold, as well as the expenses incurred in the transaction, is made in a manner Tuckerman considers to be the most equitable and consistent with its fiduciary obligations to Tuckerman's Clients participating in such transaction.

Tuckerman considers its allocation policy to be fair and equitable because it allocates trades to Clients generally on a pro-rata basis where Clients receive the average price and commission when more than one trade is executed or more than one broker is used to execute the transactions.

#### *Soft Dollar Arrangements*

Tuckerman participates in soft dollar arrangements, and may aggregate its Clients' trades with the trades of SSgA's clients, with the exception of registered fund Clients Tuckerman advises or sub-advises, to generate soft dollar credits. Such soft dollar arrangements may give Tuckerman an incentive to select or recommend a broker-dealer based on Tuckerman's interest in receiving the research or other products or services. Tuckerman's Clients' commissions may be used for soft dollars, and Tuckerman's Clients may also benefit from the soft dollar products/services received by SSgA.

It is possible that SSgA/Tuckerman could receive products or services, which are used for both research and other purposes, such as for administration or marketing. In such cases, SSgA/Tuckerman makes a good faith effort to determine the relative proportions of such products or services, which may be attributed to research. The portion attributable to research may be paid through Client brokerage commissions and the non-research portion will be paid in cash by SSgA/Tuckerman.

Research services furnished or paid for by brokers through whom SSgA/Tuckerman effects transactions for a particular account may be used by SSgA/Tuckerman in servicing its other accounts and not all such services may be used for the benefit of the Client who pays the brokerage commission which results in the

receipt of such research services. Commissions paid to brokers providing research services may be higher than those charged by brokers not providing such services.

In accordance with Section 28(e) of the Securities and Exchange Act of 1934, as amended (“Exchange Act”), Tuckerman may pay higher commissions to brokerage firms that provide it with investment and research information than to firms which do not provide such services if Tuckerman determines that such commissions are reasonable in relation to the overall services provided. Tuckerman may also effect transactions with brokers which pay for research services provided by third parties in accordance with Section 28(e) of the Exchange Act. Section 28(e) permits an investment adviser, under certain circumstances to cause an account to pay a commission to a member of an exchange, broker, or dealer who supplies brokerage and research services in excess of the amount of commission another member of the exchange, broker or dealer would have charged for effecting the transaction. Brokerage and research services include: (a) furnishing advice as to the value of the securities, the advisability of investing, purchasing or selling securities, and the availability of securities or purchasers and sellers of securities, (b) furnishing analyses and reports concerning issues, industries, securities, economic factors and trends, portfolio strategy, and the performance of accounts, and (c) effecting securities transactions and performing functions incidental thereto (such as clearance, settlement and custody).

Tuckerman/SSgA’s trading desk may take into account, among other factors, the desirability of proprietary research or brokerage or other services provided by various broker-dealers in determining whether a particular broker-dealer is likely to provide best execution for a particular transaction. The process by which broker-dealers are selected is designed to limit consideration of the value of any third-party services that Tuckerman and SSgA may receive from broker-dealers.

Tuckerman does not consider whether it or a related person receives client referrals from a broker-dealer or third party in selecting or recommending broker-dealers. Tuckerman may use broker-dealers that invest, or whose clients invest, in pooled vehicles sponsored or advised by Tuckerman or its affiliates, or may provide other consideration to those broker-dealers

### **Item 13 – Review of Accounts**

All accounts are reviewed regularly by the portfolio manager to ensure continued compliance with Tuckerman’s investment methodology and the investment guidelines set forth in the investment management agreement or Fund prospectus.

Tuckerman provides Clients with reports and information as agreed to in the investment management agreement. The frequency of these reports (e.g. daily, monthly, or quarterly) is also determined by the investment management agreement. Some Clients also receive reports for their boards of directors/trustees. Reports may include data relating to purchases and sales, performance information, account holdings, market values and sector/country exposures. Reports and information provided vary from Client to Client and are most often provided in a format requested by the Client.

### **Item 14 – Client Referrals and Other Compensation**

Tuckerman participates in a revenue sharing arrangement with SSB&T and other affiliated companies for client referrals received. SSB&T has various internal referral programs for employees who introduce clients. These programs may be extended to SSB&T employees who introduce clients for Tuckerman. Referral awards are typically based on first year fees. Awards will only be granted for referrals that meet program and regulatory requirements.

Pursuant to the requirements of the Advisers Act, Tuckerman may utilize the services of unaffiliated SEC registered investment advisers to refer clients for its products. Tuckerman compensates such firms for client referrals that result in the provision of investment advisory services by Tuckerman. This compensation may be paid directly or indirectly by a Client through an offset to the management fees otherwise payable by the Client. Compensation under these solicitation arrangements is determined by means of an asset-based fee. Such fees do not result in additional costs to the investors. From time to time, Tuckerman may enter into additional solicitation arrangements and may compensate persons for client referrals. All such payments will comply with Rule 206(4)-3 of the Advisers Act.

### **Item 15 – Custody**

Clients should receive at least quarterly statements from the broker dealer, bank or other qualified custodian that holds and maintains Client's investment assets. Tuckerman urges you to carefully review such statements and compare such official custodial records to the account statements that we may provide to you. Our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

### **Item 16 – Investment Discretion**

Tuckerman usually receives discretionary authority from the Client at the outset of an advisory relationship to select the identity and amount of securities to be bought or sold. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular Client account.

When selecting securities and determining amounts, Tuckerman observes the investment policies, limitations and restrictions of the Clients which it advises. For registered investment companies, Tuckerman's authority to trade securities may also be limited by certain federal securities and tax laws that require diversification of investments and favor the holding of investments once made.

Investment guidelines and restrictions must be provided to Tuckerman in writing.

### **Item 17 – Voting Client Securities**

Tuckerman delegates its duties of voting proxies for Client portfolios to SSgA. Pursuant to this delegation, below is a summary description of the proxy voting policy:

Oversight of the proxy voting process is the responsibility of the SSgA Investment Committee. SSgA's Investment Committee reviews and approves amendments to the Proxy Voting Policy and delegates authority to vote in accordance with this policy to Proxy Voting Services. SSgA retains the final authority and responsibility for voting. In addition to voting proxies, SSgA:

- matches proxies received with holdings as of record date;
- reconciles holdings as of record date and rectify any discrepancies;
- applies the proxy voting policy consistently (except as discussed below) and keep records of votes for each client in order to verify the consistency of such voting; and
- documents the reason(s) for voting for all non-routine items; and keeps records of such proxy voting available for inspection by the client or governmental agencies for legally specified time

frames, both to determine whether votes were consistent with policy and to determine whether all proxies were voted.

In order to facilitate this proxy voting process, SSgA retains a firm with expertise in the proxy voting and corporate governance fields to assist in the due diligence process.

Though SSgA follows general voting guidelines, SSgA recognizes the need to review all votes on a case-by-case basis. SSgA also endeavors to show sensitivity to local market practices when voting the agenda of non-U.S. companies. If, after reviewing a company, our proxy specialists and consultant firms determine that there are no unusual circumstances relating to that company, SSgA votes according to our guidelines. If SSgA discovers areas of concern, SSgA examines each of that company's issues in detail, and votes in the best interest of the Clients.

Pursuant to the individual arrangements with each of its Clients, Tuckerman either has the discretion to vote all of the securities in the Client's account or does not vote proxies at all for the Client. Clients may not direct Tuckerman's vote in particular or specific solicitations. A copy of the policies and procedures and/or information regarding how your specific securities were voted is available by contacting Tuckerman.

Tuckerman will review a proxy which may present a potential conflict of interest. As a fiduciary to its clients, Tuckerman takes these potential conflicts very seriously. While Tuckerman's only goal in addressing any such potential conflict is to ensure that proxy votes are cast in the clients' best interests and are not affected by Tuckerman's potential conflict, there are a number of courses Tuckerman may take.

Information about how Tuckerman voted proxies during the most recent 12-month period ended June 30 may be obtained by contacting Tuckerman at the telephone number listed above.

#### **Item 18 – Financial Information**

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about their financial conditions. Tuckerman has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to Clients, and has not been the subject of a bankruptcy proceeding.

#### **Item 19 – Requirements for State-Registered Advisers**

Not applicable.