

**FORM ADV****Part 2A****Uniform Application for Investment Adviser Registration**

Name of Investment Adviser: <b>Amber Partners Ltd.</b>					Date of form: <b>December 31, 2011</b>	
Address: (Number and Street) (City) (Country) (Zip Code) <b>Suite 306, Commerce Building, Hamilton Bermuda HM 12 1 Chancery Lane</b>				Telephone <b>+1 441 296 8777</b>	Website: <b>www.amberpartners.com</b>	

This brochure provides information about the qualifications and business practices of Amber Partners Ltd. If you have any questions about the contents of this brochure, please contact us at +1 441 296 8777.

The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

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

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## **2. Material changes**

There have been no material changes since our previous version of Form ADV Part 2A dated December 31, 2010.

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#### **4. Advisory business**

- A. Amber Partners Ltd. ("Amber" or "the Company") was incorporated in 2004 and commenced business in November 2005. The Company's principal owner is Amber Holdings Ltd. Reiko Nahum is the principal owner of Amber Holdings Ltd.
- B. Amber provides operational certifications to hedge funds and consulting services related to hedge fund operational risk. Amber makes its certifications available to its hedge fund clients and other eligible persons through electronic and print formats. Amber does not issue ratings on securities or interests offered by hedge funds, nor does it provide "investment advice".
- C. Amber does not provide "investment advice".
- D. Amber does not participate in "wrap fee programs".
- E. Amber does not manage client assets.

## **5. Fees and compensation**

- A. Amber receives fees pursuant to written agreements with each of its clients to provide either operational risk certifications or consulting services related to hedge fund operational risk. These fees may be fixed or based upon hourly charges, and are subject to negotiation between the parties.
- B. Amber does not manage client assets. Amber's billing and the timing of billing is in accordance with written agreements.
- C. Amber does not manage client assets. Amber's billing is in accordance with written agreements.
- D. Amber's billing is in accordance with written agreements.
- E. Amber does not sell securities or other investment products.

## **6. Performance based fees and side-by-side management**

Amber does not receive performance based fees.

## **7. Types of clients**

Amber does not provide “investment advice”.

Amber has the following types of clients:

- (1) Pooled investment vehicles (e.g. hedge funds) (approximately 85%); and
- (2) Banking institutions and other corporations (approximately 15%).

## 8. Methods of analysis, investment strategies and risk of loss

A. Amber's analytical approach may be characterized as operational risk analysis. Broadly, Amber's review of a hedge fund and its manager incorporates a comprehensive analysis of the present conditions of the operational risk of a hedge fund and its manager. Amber's operational risk assessment of a hedge fund and its manager focuses on six areas:

- (1) Manager overview;
- (2) Fund structure;
- (3) Governance and oversight;
- (4) Custody of assets and trading relationships;
- (5) Trading, operations and accounting; and
- (6) Valuation.

Amber does not issue rating on securities or interests offered by hedge funds, nor does it provide "investment advice".

B. Amber follows a "due diligence" methodology for each hedge fund under review. Amber's Certification Committee then determines whether a hedge fund is eligible to be certified by Amber. The achievement of certification indicates that, in Amber's opinion, sufficient procedures have been implemented to reduce operational risk to acceptable levels in light of Amber's opinion as to current industry practices and benchmarks. The achievement of certification does not, however, suggest that operational risk has been eliminated or guarantee that investors in a certified hedge fund have no risk of loss as a result of fraud, theft or other operational failure.

Given the diversity of the hedge fund industry, Amber does not use a rigid formula to assign certifications. Amber instead assesses the quality of overall processes and procedures relative to the operational complexity of each hedge fund and its manager, the degree of valuation subjectivity in the hedge fund and any mitigating processes or procedures.

In its due diligence, Amber uses the following as source information:

- (1) Information provided by each hedge fund manager, such as corporate documentation, including prospectuses, financial statements and marketing materials;
- (2) Information obtained through on-site visits with managers and their key personnel; and
- (3) Information obtained through communications with a hedge fund's administrator.

C. Amber does not provide "investment advice" or recommend or use "investment strategies." Amber provides a hedge fund, its manager, its investors and potential investors with Amber's assessment of the operational risk of the hedge fund and its manager based upon an assessment of the factors described above in 8A. Amber does this through its certifications, which are by their nature impersonal, and not through specific "buy-sell" recommendations.

## 9. Disciplinary information

- A. Amber and its management persons have not, in a criminal or civil action in a domestic, foreign or military court of competent jurisdiction:
- (1) been convicted of, or pled guilty or nolo contendere ("no contest") to (a) any felony; (b) a misdemeanor that involved investments or an investment-related business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, or extortion; or (c) conspiracy to commit any of these offenses;
  - (2) been a named subject of a pending criminal proceeding that involves an investment-related business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, extortion, or a conspiracy to commit any of these offenses;
  - (3) been found to have been involved in a violation of an investment-related statute or regulation; or
  - (4) been the subject of any order, judgment, or decree permanently or temporarily enjoining, or otherwise limiting, Amber or a management person from engaging in any investment-related activity, or from violating any investment-related statute, rule, or order.
- B. Amber and its management persons have not, in an administrative proceeding before the SEC, any other federal regulatory agency, any state regulatory agency or any foreign financial regulatory authority:
- (1) been found to have caused an investment-related business to lose its authorization to do business; or
  - (2) been found to have been involved in a violation of an investment-related statute or regulation and have not been the subject of any order by any agency or authority:
    - (a) denying, suspending, or revoking the authorization of Amber or a management person to act in an investment-related business;
    - (b) barring or suspending Amber or a management person's association with an investment-related business;
    - (c) otherwise significantly limiting Amber or a management person's investment related activities; or
    - (d) imposing a civil money penalty of more than \$2,500 on Amber or a management person.
- C. Amber and its management persons have not been involved in any self-regulatory organization (SRO) proceeding where they:
- (1) were found to have caused an investment-related business to lose its authorization to do business; or
  - (2) were found to have been involved in a violation of the SRO's rules and were: (i) barred or suspended from membership or from association with other members, or were expelled from membership; (ii) otherwise significantly limited from investment-related activities; or (iii) fined more than \$2,500.

## **10. Other financial industry activities and affiliations**

- A. None of Amber's management persons are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.
- B. None of Amber's management persons are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.
- C. Amber has no relationship or arrangement that is material to its advisory business or to its clients.
- D. Amber does not provide "investment advice". Amber has no business relationship with any other investment advisers.

## **11. Code of ethics, participation or interest in client transactions and personal trading**

- A. Amber recognizes and believes that (i) high ethical standards are essential for its success and to maintain the confidence of its clients; (ii) its long-term business interests are best served by adherence to the principle that the interests of clients come first; and (iii) it has a fiduciary duty to its clients to act solely for their benefit. All personnel of Amber must put the interests of Amber's clients before their own personal interests and must act honestly and fairly in all respects in dealings with clients. All personnel of Amber must also comply with all U.S. federal securities laws.

Amber has implemented a policy whereby all officers and employees of Amber are prohibited from owning direct interests in hedge funds that are clients of Amber. Officers and employees may own investments in "fund of funds" which could include client hedge funds within their portfolios, provided that officers and employees have no discretion or influence of any kind related to the selection of underlying investments by the fund of funds.

In addition:

- (1) Non-executive directors of Amber may hold beneficial interests in hedge funds and fund of funds that Amber certifies;
- (2) Shareholders of Amber may present affiliated funds and/or fund of funds for a certification review (a conflict of interest disclosure is included in any such certification report);
- (3) Investors in Amber may provide services to hedge funds and fund of funds that Amber certifies; and
- (4) Investors in Amber may hold beneficial interests in hedge funds and fund of funds that Amber certifies.

In order to maintain independence in appearance and fact, neither non-executive directors of Amber nor shareholders of Amber (other than officers of Amber) have any involvement in the performance of Amber's due diligence, nor are they members of Amber's Certification Committee. In addition, Amber has adopted policies and procedures to ensure that its activities related to hedge fund certifications are kept confidential.

Clients or prospective clients may obtain a copy of the Code of Ethics by contacting Jamie Jared Donnelly (Chief Compliance Officer) by email at [jjaredonnelly@amberpartners.com](mailto:jjaredonnelly@amberpartners.com) or by telephone at +1-441-296-8777.

## **12. Brokerage practices**

Not applicable to Amber Partners Ltd.

### **13. Review of accounts**

Not applicable to Amber Partners Ltd.

## **14. Client referrals and other compensation**

Not applicable to Amber Partners Ltd.

## **15. Custody**

Not applicable to Amber Partners Ltd.

## **16. Investment discretion**

Not applicable to Amber Partners Ltd.

## **17. Voting client securities**

Not applicable to Amber Partners Ltd.

## **18. Financial information**

- A. Amber does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance.
- B. Amber does not provide “investment advice” and accordingly does not have discretionary authority or custody of client funds or securities.
- C. Amber has not been the subject of a bankruptcy petition at any time since incorporation of the Company.

## 19. Requirements for state-registered advisers

A. Amber's principal executive officers are:

**Reiko Nahum, CA** (DOB: June 1969) is the Chief Executive Officer of Amber.

Mrs. Nahum founded Amber Partners in 2005 and launched Amber Partners' Operational Certification services in November 2005. Mrs. Nahum is widely acknowledged to be a market leader in Operational Risk due diligence across the hedge fund sector, advising investors and hedge fund managers globally on operational best practice issues. She is also a frequent speaker on operational risk issues at industry conferences.

Prior to founding Amber, Mrs. Nahum was President and Director of UBP Asset Management (Bermuda) Limited and a Member of Senior Management of Union Bancaire Privée. As global head of UBP's Operational Risk due diligence function, Mrs. Nahum was responsible for the creation and development of UBP's Operational Risk group, leading a team of Operational Risk analysts based in Bermuda and New York. At UBPAM, Mrs. Nahum was also responsible for overseeing investment management, compliance, accounting, registrar and transfer agency, corporate secretarial and other administrative services to investment vehicles under UBPAM's management, which had assets in excess of \$2bn. Mrs. Nahum has served as a director of numerous UBP sponsored funds, including the bank's flagship Dinvest products.

Mrs. Nahum began her career with Ernst & Young and holds a Bachelor of Commerce degree with Distinction from the University of Alberta and is a member of the Canadian Institute of Chartered Accountants, the Institute of Chartered Accountants of Alberta and the Institute of Chartered Accountants of Bermuda.

**Jamie Jared Donnelly, CA, CFA** (DOB: July 1969) is the Chief Compliance Officer and Managing Director of Amber.

Ms. Jared Donnelly joined Amber Partners in August 2005. As Technical Managing Director, her role includes the delivery of Amber's Operational Certification and Investor Due Diligence services globally, oversight of Amber's Operational Certification Methodology, and quality assurance. Ms. Jared Donnelly has spent in excess of 15 years working in the hedge fund industry, in both audit and fund administration.

Ms. Jared Donnelly was previously a Vice President of Fund Administration at BISYS, where she was responsible for a team of 45 professionals and oversaw 60 alternative investment vehicles. Her responsibilities included net asset value calculations, accounting, compliance, registrar and transfer agency, corporate secretarial and other administrative services. Ms. Jared Donnelly initially joined BISYS as Vice President of Training and Quality Assurance to establish their fund administration training program, which included developing and implementing policies and procedures for best practice in relation to security valuation, anti-money laundering checks and shareholder services. Preceding her work at BISYS, Jamie Jared Donnelly worked as a Manager in the investment focus group of Ernst and Young in Bermuda, where she was responsible for a portfolio of hedge fund audit engagements.

Ms. Jared Donnelly holds a Bachelor of Commerce degree from the University of Alberta, Canada, is a member of both the Canadian and Bermudian Institutes of Chartered Accountants, as well as being a CFA (Chartered Financial Analyst) charterholder. Ms. Jared Donnelly has also served on the Board of Directors of the Bermuda Society of Financial Analysts.

- B. Amber provides operational certifications to hedge funds and consulting services related to hedge fund operational risk.
- C. Amber does not receive performance-based fees.
- D. Amber and its management persons have not been involved in any arbitration claims or civil, self-regulatory organization, or administrative proceedings.
- E. Two of Amber's non-controlling shareholders, LabMorgan Investment Corporation and BNP Paribas Arbitrage SNC, are subsidiaries of issuers of securities. Certain of Amber's Directors are employees of issuers of securities.