

**TIG ADVISORS, LLC**

**March 23, 2012**

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**This brochure provides information about the qualifications and business practices of TIG Advisors, LLC (the “Adviser”), an investment adviser registered with the United States Securities and Exchange Commission (the “SEC”). If you have any questions about the contents of this brochure, please contact us at (212) 759-0340 or [legal@tigfunds.com](mailto:legal@tigfunds.com). This information has not been approved or verified by the SEC or by any state securities authority.**

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

Registration with the SEC or with any state securities authority does not imply a certain level of skill or training.

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#### **Item 4. Advisory Business**

The Adviser is an investment adviser with its principal place of business in New York, New York. The Adviser commenced operations as an investment adviser on January 1, 2006 and has been registered with the SEC since such date. Tiedemann Investment Group, an affiliate of the Adviser, has operated pooled investment vehicles since 1980. Carl H. Tiedemann and Michael G. Tiedemann are the principal owners of the Adviser and Tiedemann Investment Group.

The Adviser provides investment supervisory services on a discretionary and, in certain limited circumstances, non-discretionary basis to its clients, which generally include individuals and institutions with separately managed accounts and pooled investment vehicles intended for sophisticated investors and institutional investors. Additionally, the Adviser serves as sub-adviser to a registered investment company.

The Adviser generally does not tailor advisory services to the individual needs of clients. However, clients who maintain separately managed accounts with the Adviser may, in certain circumstances, impose restrictions on investing in certain securities or certain types of securities.

As of February 29, 2012, the Adviser had approximately \$1,108,223,000 of net client assets under management, which were managed on a discretionary basis and an additional \$4,563,000 of net client assets under management, which were managed on a non-discretionary basis.

## **Item 5. Fees and Compensation**

The Adviser receives an investment management fee from each client (i.e., pooled investment vehicles and separately managed accounts) ranging between 1.0% to 2.0% per annum based on the value of the client's net assets under management.

Investment management fees are charged each quarter or month, as applicable, in arrears based on the total market value of the assets in the client account (including net unrealized appreciation or depreciation of investments) on the last day of the quarter or month, as applicable. If a new client account is established during a quarter or month, as applicable, or a client makes an addition to its account during a quarter or month, as applicable, the investment management fee will be prorated for the number of days remaining in the quarter or month, as applicable. If a client's investment management agreement is terminated or a withdrawal is made from a client account during a quarter or month, as applicable, the fee payable to the Adviser will be calculated based on the value of the assets on the termination date or withdrawal date and prorated for the number of days during the quarter or month, as applicable, in which the investment management arrangement was in effect or such amount was in the account. Please note that the investment management fee for TIG Distressed Opportunities, L.P./Ltd. is paid quarterly in advance.

Generally, the Adviser will also receive performance-based compensation, which is compensation that is based on a share of capital gains on or capital appreciation of the assets of a client (such as a client that is a hedge fund or other pooled investment vehicle). This compensation may be paid or reallocated to the Adviser or to a related person of the Adviser and is generally an amount equal to 20% of a client's net profits. The Adviser does not receive any performance-based compensation with respect to its sub-advisory relationship with any registered investment company.

The Adviser, in its sole discretion, may waive or reduce the investment management fee and/or the performance based compensation with regard to investors that are employees or affiliates of the Adviser, relatives of such persons, and for certain strategic investors.

With respect to clients that are pooled investment vehicles, the administrator deducts the investment management fee from such client accounts and pays the Adviser upon proper instruction from the Adviser to the administrator. With respect to clients that are separately managed accounts, the Adviser does not deduct the investment management fee from client accounts. Rather, the Adviser bills clients.

In addition to paying investment management fees and, if applicable, performance-based compensation, client accounts will also be subject to other investment expenses such as custodial charges, brokerage fees, commissions and related costs; interest expenses; taxes, duties and other governmental charges; fees paid to the advisory board; transfer and registration fees or similar expenses; research expenses; costs associated with foreign exchange transactions; other portfolio expenses; and costs, expenses and fees (including, investment advisory and other fees charged by investment advisers with, or funds in, which the client's account invests) associated with products or services that may be necessary or incidental to such investments or accounts. Assets of Tiedemann Select L.P./Ltd. are invested in affiliated pooled investment vehicles. In these cases, investors in Tiedemann Select L.P./Ltd. will bear their pro rata share of the underlying fund's operating and other expenses including, in addition to those listed above: legal expenses; internal and external accounting, audit and tax preparation expenses; and organizational expenses. Client assets may be invested in money market mutual funds, ETFs or other registered investment companies. In these cases, the client will bear its pro rata share of the investment management fee and other fees of the fund, which are in addition to the investment management fee paid to the Adviser. Client assets may be invested in a master-feeder structure. Feeder funds bear a pro rata share of the expenses associated with the related master fund. In addition, clients will incur brokerage and other transaction costs. Please refer to Item 12 of this Firm Brochure for a discussion of the Adviser's brokerage practices.

The investment management fee for TIG Distressed Opportunities, L.P./Ltd. is paid quarterly in advance. Such fee is prorated for any period that is less than a full month or quarter and the Adviser refunds any unearned portion of such fee if a withdrawal is made from TIG Distressed Opportunities, L.P./Ltd. before the end of the quarter. The Adviser generally determines the amount of the relevant refund on a pro rata basis, based upon the portion of the quarterly period during which it provided services.

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

The Adviser and its investment personnel provide investment management services to multiple portfolios for multiple clients. The Adviser, or its affiliate, is entitled to receive performance-based compensation by its private pooled investment vehicle clients and certain other client accounts. In addition, the Adviser's investment personnel are typically compensated on a basis that includes a performance-based component. Certain client accounts may have higher asset-based fees or more favorable performance-based compensation arrangements than other accounts. When the Adviser and its investment personnel manage more than one client account a potential exists for one client account to be favored over another client account. The Adviser and its investment personnel have a greater incentive to favor client accounts (i) that pay the Adviser (and indirectly the portfolio manager) performance-based compensation or higher fees or (ii) in which the Adviser or its investment personnel have more significant investments.

The Adviser has adopted and implemented policies and procedures intended to address conflicts of interest relating to the management of multiple accounts, including accounts with multiple fee arrangements, and the allocation of investment opportunities. The Adviser reviews investment decisions for the purpose of ensuring that all accounts with substantially similar investment objectives are treated equitably. The performance of similarly managed accounts is also regularly compared to determine whether there are any unexplained significant discrepancies. In addition, the Adviser's procedures relating to the allocation of investment opportunities require that similarly managed accounts participate in investment opportunities pro rata based on asset size or some other method used to ensure fairness to all clients and require that, to the extent orders are aggregated, the client orders are price-averaged (see Items 12 and 16 for further detail). Finally, the Adviser's procedures also require the objective allocation for limited opportunities (such as initial public offerings and private placements) to ensure fair and equitable allocation among accounts. These areas are monitored by the Adviser's Chief Compliance Officer.

## **Item 7. Types of Clients**

The Adviser provides investment advisory services on a discretionary and, in certain limited circumstances, non-discretionary basis to clients, which currently consist of pooled investment vehicles intended for institutional investors and other sophisticated investors and certain separately managed accounts. Additionally, the Adviser serves as a sub-adviser to a registered investment company.

With respect to any client that is a pooled investment vehicle, any initial and additional subscription minimums are disclosed in the offering memorandum for such pooled investment vehicle. With respect to any separately managed account, the Adviser generally requires a minimum of \$25 million to open such account. If the account size falls below the minimum requirement due to market fluctuations only, a client will not be required to invest additional funds with the Adviser to meet the minimum account size.

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

The Adviser utilizes a variety of methods and strategies to make investment decisions and recommendations. The methods of analysis include fundamental research, charting analysis, and cyclical analysis.

Funds of Funds (Tiedemann Select L.P./Ltd.). With respect to investments in other pooled vehicles by Tiedemann Select L.P./Ltd., the Adviser allocates the majority of its assets among other pooled investment vehicles managed by the Adviser. The portfolio is then weighted in accordance to where the portfolio managers see the best risk-adjusted return in the proprietary hedge funds of the Adviser's family of funds. The asset allocation is adjusted periodically in response to changes in global economic conditions. Prospective managers for Tiedemann Select L.P./Ltd. undergo a screening process before they can be included into the portfolio. A manager's investment results are obtained and analyzed for risk/reward characteristics, appropriateness, transparency of security holdings and consistency with regard to the manager's stated style and objectives. Multiple references from the manager are interviewed, with an emphasis on past investors and colleagues of the individual(s).

The Adviser employs the following investment strategies through its family of pooled investment vehicles and separately managed accounts:

Arbitrage Transactions. The Adviser engages in one or more types of arbitrage strategies. Arbitrage strategies attempt to take advantage of perceived price discrepancies of identical or similar financial instruments, on different markets or in other forms. The Adviser engages in the following arbitrage strategies: event-driven arbitrage, merger arbitrage, and capital structure arbitrage.

Buy and Hold. The Adviser engages in a buy and hold investment strategy wherein the Adviser buys securities and holds them for a relatively longer period of time, regardless of short-term factors such as fluctuations in the market or volatility of the stock price.

Equity. The Adviser's equity strategy focuses on a broad range of equity investment styles, including growth, core, and value, as well as portfolios designed to be "style-neutral". Some client accounts focus on specific ranges on the capitalization scale, from micro-cap, through small-cap, mid-cap and large-cap, to mega-cap. Other client accounts will focus on investment opportunities in more than one capitalization category or across all capitalization levels. In addition, the Adviser manages client accounts that are global, multi-national, or focused on particular geographic regions or specific countries.

Fundamental Value. The Adviser engages in a fundamental value investment strategy wherein the Adviser attempts to invest in asset-oriented securities the Adviser believes are undervalued by the market.

Growth. The Adviser engages in a growth investment strategy wherein the Adviser attempts to select securities of a company whose earnings the Adviser expects to grow at an above-average rate compared to the company's specific industry or the overall market.

Hedging. The Adviser utilizes a variety of financial instruments such as derivatives, options, interest rate swaps, caps and floors, futures and forward contracts for risk management purposes.

Leverage. The Adviser's investment program may utilize leverage which involves the borrowing of funds from brokerage firms, banks and other institutions in order to be able to increase the amount of capital available for marketable securities investments.

Option Trading. The Adviser may engage in various option trading investment strategies. Options are investments whose ultimate value is determined from the value of the underlying investment.



Relative Value. The Adviser pursues relative value strategies by taking long positions in securities believed to be undervalued and short positions in securities believed to be overvalued.

Short Selling. The Adviser engages in short selling strategies. In a short sale transaction, the Adviser sells a security it does not own in anticipation that the market price of that security will decline. The Adviser makes short sales (i) as a form of hedging to offset potential declines in long positions in similar securities, (ii) in order to maintain flexibility and, (iii) for profit.

Short-Term Market Timing. The Adviser engages in a short-term market timing investment strategy wherein the Adviser attempts to anticipate the market price of a stock before the stock's price reacts to market forces by analyzing macroeconomic and market trends, and then sells the stock shortly after the stock's price is influenced by market movements.

These methods, strategies and investments involve(s) risk of loss to clients and clients must be prepared to bear the loss of their entire investment.

Investing in securities involves significant risks, including the risk of loss of some or all of an investment. Prospective investors should speak with their legal, tax, and financial advisors prior to making an investment with the Adviser. The following summary identifies the material risks related to the Adviser's significant investment strategies and should be carefully evaluated before making investment with the Adviser; however, the following does not intend to identify all possible risks of an investment with the Adviser or provide a full description of the identified risks.

Arbitrage Transaction Risks. If the requisite elements of an arbitrage strategy are not properly analyzed, or unexpected events or price movements intervene, losses can occur which can be magnified to the extent the Adviser is employing leverage. Moreover, arbitrage strategies often depend upon identifying favorable "spreads", which can also be identified, reduced or eliminated by other market participants.

Short Selling Risk. The Adviser's investment program includes a significant amount of short selling. Short selling transactions expose the Adviser to the risk of loss in an amount greater than the initial investment, and such losses can increase rapidly and without effective limit. There is the risk that the securities borrowed by the Adviser in connection with a short sale would need to be returned to the securities lender on short notice. If such request for return of securities occurs at a time when other short sellers of the subject security are receiving similar requests, a "short squeeze" can occur, wherein the Adviser might be compelled, at the most disadvantageous time, to replace the borrowed securities previously sold short with purchases on the open market, possibly at prices significantly in excess of the proceeds received earlier.

Distressed Situation Risk. Investment in distressed situations exposes the client to significant risks, including: the difficulty in obtaining information as to the issuer's true condition; regulatory risk, including laws relating to fraudulent conveyances, voidable preferences, lender liability and bankruptcy; litigation risk; liquidity risk; and collection risk (especially, when dealing with sovereign debt). Moreover, to the extent client accounts are invested in sovereign debt obligations, those investments will be subject to additional risks and considerations not present in private distressed situations, including the uncertainties involved in enforcing and collecting debt obligations against sovereign nations, which are affected by world events, changes in U.S. foreign policy and other factors outside of the control of the Adviser.

Hedging. There can be no assurances that a particular hedge is appropriate, or that certain risk is measured properly. Further, while the Adviser may enter into hedging transactions to seek to reduce risk, such transactions may result in poorer overall performance and increased (rather than reduced) risk for the Adviser's investment portfolios than if the Adviser did not engage in any such hedging transactions.

Interest Rate Risks. Generally, the value of fixed-income securities changes inversely with changes in interest rates. As interest rates rise, the market value of fixed-income securities tends to decrease. Conversely, as interest rates fall, the market value of fixed-income securities tends to increase. This risk is greater for long-term securities than for short-term securities.

Issuer-Specific Changes. Changes in the financial condition of an issuer or counterparty, changes in specific economic or political conditions that affect a particular type of security or issuer, and changes in general economic or political conditions can increase the risk of default by an issuer or counterparty, which can affect a security's or instrument's value. The value of securities of smaller, less well-known issuers can be more volatile than that of larger issuers. Smaller issuers can have more limited product lines, markets, or financial resources.

Lack of Diversification. Client accounts will not be diversified among a wide range of types of securities, countries or industry sectors. Accordingly, client portfolios are subject to more rapid change in value than would be the case if the Adviser were required to maintain a wider diversification among types of securities and other instruments.

Leverage. Performance may be more volatile if a client's account employs leverage.

Relative Value Risk. In the event that the perceived mispricings underlying the Adviser's relative value trading positions were to fail to converge toward, or were to diverge further from, relationships expected by the Adviser, client accounts may incur a loss.

Commodities. Commodity investments are affected by business, financial market or legal uncertainties. There can be no assurance that the Adviser will correctly evaluate the nature and magnitude of the various factors that could affect the value of and return on its commodity investments. Prices of commodity investments may be volatile, and a variety of factors that are inherently difficult to predict, such as domestic or international economic and political developments, may significantly affect the results of the Adviser's portfolio and the value of its investments. In addition, the value of the Adviser's portfolio may fluctuate as the general level of interest rates fluctuates.

Portfolio Turnover. Some of the Adviser's strategies and/or pooled investment vehicles use frequent trading which result in significantly higher commissions and charges to client accounts due to increased brokerage, which can offset client profits.

Equity Securities. The value of equity securities fluctuates in response to issuer, political, market, and economic developments. Fluctuations can be dramatic over the short as well as long term, and different parts of the market and different types of equity securities can react differently to these developments. For example, large cap stocks can react differently from small cap stocks, and "growth" stocks can react differently from "value" stocks. Issuer, political, or economic developments can affect a single issuer, issuers within an industry or economic sector or geographic region, or the market as a whole. Changes in the financial condition of a single issuer can impact the market as a whole. Terrorism and related geopolitical risks have led, and may in the future lead, to increased short-term market volatility and may have adverse long-term effects on world economies and markets generally.

Non-U.S. Securities. Foreign securities, foreign currencies, and securities issued by U.S. entities with substantial foreign operations can involve additional risks relating to political, economic, or regulatory conditions in foreign countries. These risks include fluctuations in foreign currencies; withholding or other taxes; trading, settlement, custodial, and other operational risks; and the less stringent investor protection and disclosure standards of some foreign markets. All of these factors can make foreign investments, especially those in emerging markets, more volatile and potentially less liquid than U.S. investments. In addition, foreign markets can perform differently from the U.S. market.

Risk Arbitrage Securities. A merger, other restructuring, tender, or exchange offer proposed at the time the Adviser invests in risk arbitrage securities may not be completed on the terms or within the time frame contemplated, resulting in losses.

Emerging Markets. The risks of foreign investments typically are greater in less developed countries, sometimes referred to as emerging markets. For example, political and economic structures in these countries may be less established and may change rapidly. These countries also are more likely to experience high levels of inflation, deflation, or currency devaluation, which can harm their economies

and securities markets and increase volatility. Restrictions on currency trading that may be imposed by emerging market countries will have an adverse effect on the value of the securities of companies that trade or operate in such countries.

Distressed Securities. Investments in unrated or low grade debt securities of distressed companies are subject to greater risk of loss of principal and interest than higher-rated debt securities. Also, securities of distressed companies are generally more likely to become worthless than the securities of more financially stable companies. In addition, evaluating credit risk for foreign debt securities involves greater uncertainty because credit rating agencies throughout the world have different standards, making comparison across countries difficult.

Fixed-Income and Debt Securities. Investment in fixed-income and debt securities such as bonds, notes and asset-backed securities, subject a client's portfolios to the risk that the value of these securities overall will decline because of rising interest rates. Similarly, portfolios that hold such securities are subject to the risk that the portfolio's income will decline because of falling interest rates. Investments in these types of securities will also be subject to the credit risk created when a debt issuer fails to pay interest and principal in a timely manner, or that negative perceptions of the issuer's ability to make such payments will cause the price of that debt to decline. Lastly, investments in debt securities will also subject the investments to the risk that the securities may fluctuate more in price, and are less liquid than higher-rated securities because issuers of such lower-rated debt securities are not as strong financially, and are more likely to encounter financial difficulties and be more vulnerable to adverse changes in the economy.

Commodity Futures and Options. Commodity futures markets are highly volatile and are influenced by factors such as changing supply and demand relationships, governmental programs and policies, national and international political and economic events and changes in interest rates. In addition, because of the low margin deposits normally required in commodity futures trading, a high degree of leverage may be typical of a pooled investment vehicle engaging in commodity futures trading. As a result, a relatively small price movement in a commodity futures contract may result in substantial losses to such a pooled investment vehicle. Commodity options, like commodity futures contracts, are speculative, and their use involves risk. Specific market movements of the cash commodity or futures contract underlying an option cannot be predicted, and no assurance can be given that a liquid offset market will exist for any particular futures option at any particular time.

Derivatives. Swaps, and certain options and other custom derivative or synthetic instruments are subject to the risk of nonperformance by the counterparty to such instrument, including risks relating to the financial soundness and creditworthiness of the counterparty. In addition, investments in derivative instruments require a high degree of leverage, meaning the overall contract value (and, accordingly, the potential for profits or losses in that value) is much greater than the modest deposit used to buy the position in the derivative contract. Derivative securities can also be highly volatile. The prices of derivative instruments and the investments underlying the derivative instruments may fluctuate rapidly and over wide ranges and may reflect unforeseeable events or changes in conditions, none of which can be controlled by the client or the Adviser. Further, transactions in derivative instruments are not undertaken on recognized exchanges, and will expose the client's account to greater risks than regulated exchange transactions that provide greater liquidity and more accurate valuation of securities.

Hard Assets. The production and marketing of hard assets may be affected by actions and changes in governments. In addition, hard assets and hard asset securities may be cyclical in nature. During periods of economic or financial instability, hard asset securities may be subject to broad price fluctuations, reflecting volatility of energy and basic materials prices and possible instability of supply of various hard assets. In addition, hard asset companies may also be subject to the risks associated with extraction of natural resources as well as the risks of the hazards associated with natural resources, such as fire, drought, and increased regulatory and environmental costs. Hard asset securities may also experience greater price fluctuations than the relevant hard asset.

Illiquid Instruments. Certain instruments may have no readily available market or third-party pricing. Reduced liquidity may have an adverse impact on market price and the Adviser's ability to sell particular securities when necessary to meet liquidity needs or in response to a specific economic event, such as the deterioration of creditworthiness of an issuer. Reduced liquidity in the secondary market for certain securities may also make it more difficult for the Adviser to obtain market quotations based on actual trades for the purpose of valuing a fund's portfolio.

Security Futures and Options. In connection with the use of futures contracts and options, there may be an imperfect correlation between the change in market value of a security and the prices of the futures contracts and options in the client's account. In addition, the Adviser's investments in security futures and options may encounter a lack of a liquid secondary market for a futures contract and the resulting inability to close a futures position prior to its maturity date.

**Item 9. Disciplinary Information**

This Item is inapplicable.

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

The Adviser is affiliated with Tiedemann Wealth Management, LLC, a Delaware limited liability company that is registered as an investment adviser with the SEC. Tiedemann Wealth Management, LLC acts as investment adviser to private investment funds.

Furthermore, the Adviser is affiliated with Tiedemann Trust Company, a Delaware limited purpose trust company that provides trust and investment management services to high net worth individuals and families, endowments and foundations.

Each of the private funds for which the Adviser or its related person serves as general partner or investment manager has and may in the future enter into agreements, or “side letters,” with certain prospective or existing limited partners or shareholders whereby such limited partners or shareholders may be subject to terms and conditions that are more advantageous than those set forth in the offering memorandum for the partnership or fund. For example, such terms and conditions may provide for special rights to make future investments in the partnership, other investment vehicles or managed accounts; special redemption rights, relating to frequency or notice; a waiver or rebate in fees or redemption penalties to be paid by the limited partner or shareholder and/or other terms; rights to receive reports from the partnership on a more frequent basis or that include information not provided to other limited partners or shareholders (including, without limitation, more detailed information regarding portfolio positions) and such other rights as may be negotiated by the partnership or fund and such limited partners or shareholders. The modifications are solely at the discretion of the partnership or fund and may, among other things, be based on the size of the limited partner's or shareholder's investment in the partnership or fund or affiliated investment entity, an agreement by a limited partner or shareholder to maintain such investment in the partnership or fund for a significant period of time, or other similar commitment by a limited partner or shareholder to the partnership or fund.

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

The Adviser has adopted a Code of Ethics (the "Code") that obligates the Adviser and its related persons to put the interests of the Adviser's clients before their own interests and to act honestly and fairly in all respects in their dealings with clients. All of the Adviser's personnel are also required to comply with applicable federal securities laws. Clients or prospective clients may obtain a copy of the Code by contacting Michael Fastert (General Counsel & Chief Compliance Officer) by email at mfastert@tigfunds.com, or by telephone at (212) 396-8698. See below for further provisions of the Code as they relate to the preclearing and reporting of securities transactions by related persons.

The Adviser, in the course of its investment management and other activities, may come into possession of confidential or material nonpublic information about issuers, including issuers in which the Adviser or its related persons have invested or seek to invest on behalf of clients. The Adviser is prohibited from improperly disclosing or using such information for its own benefit or for the benefit of any other person, regardless of whether such other person is a client. The Adviser maintains and enforces written policies and procedures that prohibit the communication of such information to persons who do not have a legitimate need to know such information and to assure that the Adviser is meeting its obligations to clients and remains in compliance with applicable law. In certain circumstances, the Adviser may possess certain confidential or material, nonpublic information that, if disclosed, might be material to a decision to buy, sell or hold a security, but the Adviser will be prohibited from communicating such information to the client or using such information for the client's benefit. In such circumstances, the Adviser will have no responsibility or liability to the client for not disclosing such information to the client (or the fact that the Adviser possesses such information), or not using such information for the client's benefit, as a result of following the Adviser's policies and procedures designed to provide reasonable assurances that it is complying with applicable law.

The Adviser or its related persons act(s) as a general partner in a partnership in which the Adviser solicits client investments and, with respect to Tiedemann Select L.P./Ltd., may invest client assets in one or more investment companies (and offshore investment vehicles for non-US clients) for which the Adviser acts as investment adviser.

These practices create a conflict of interest because the Adviser or related person has an incentive to recommend securities to (or sell securities to) clients based on its own financial interests, rather than solely the interests of a client.

The Adviser addresses the conflict of interest created by investing the assets of Tiedemann Select L.P./Ltd. in pooled investment vehicles managed by the Adviser by not charging a fee with respect to Tiedemann Select L.P./Ltd. Fees are charged only at the underlying fund level.

In addition, the Adviser or its related persons may invest in the same securities that the Adviser or a related person recommends to clients. Such practices present a conflict where, because of the information an Adviser has, the Adviser or its related person are in a position to trade in a manner that could adversely affect clients (e.g., place their own trades before or after client trades are executed in order to benefit from any price movements due to the clients' trades). In addition to affecting the Adviser's or its related person's objectivity, these practices by the Adviser or its related persons may also harm clients by adversely affecting the price at which the clients' trades are executed. The Adviser has adopted the following procedures in an effort to minimize such conflicts:

The Adviser, subject to certain limited exceptions, does not allow its related persons to purchase any "Reportable Securities" at any time during their employment with the Adviser. "Reportable Securities" are all securities, except (i) direct obligations of the Government of the United States, (ii) bankers' acceptances, bank certificates of deposit, commercial paper and high quality short-term debt instruments, including repurchase agreements, (iii) shares issued by money market funds, (iv) shares issued by registered open-end funds other than registered funds managed by the Adviser or registered funds whose

adviser or principal underwriter controls the Adviser, is controlled by the Adviser, or is under common control with the Adviser, (v) shares of registered exchange traded funds or closed-end mutual funds, (vi) option positions on major indices, and (vii) shares issued by unit investment trusts that are invested exclusively in one or more registered open-end funds, none of which are reportable funds. If a related person of the Adviser desires to sell a pre-existing Reportable Security, he/she must preclear such sale with the Chief Compliance Officer, who may deny permission to execute the transaction if such transaction is in a security held by a client of the Adviser and traded within the past seven (7) days. Furthermore, all of the Adviser's related persons are required to disclose their securities holdings on an annual basis. All of the Adviser's related persons are also required to provide broker confirmations of each transaction in which they engage and a monthly or quarterly brokerage statement detailing such transactions. Trading in employee accounts will be reviewed by the Chief Compliance Officer to ensure that no violations of the Adviser's Code of Ethics have occurred.



## **Item 12. Brokerage Practices**

The Adviser considers a number of factors in selecting a broker-dealer to execute transactions (or series of transactions) and determining the reasonableness of the broker-dealer's compensation. Such factors include, but are not limited to, net price, reputation, financial strength and stability, efficiency of execution and error resolution, offering to the Adviser on-line access to computerized data regarding a client's accounts. In selecting a broker-dealer to execute transactions (or series of transactions) and determining the reasonableness of the broker-dealer's compensation, the Adviser need not solicit competitive bids and does not have an obligation to seek the lowest available commission cost. It is not the Adviser's practice to negotiate "execution only" commission rates, thus a client may be deemed to be paying for research, brokerage or other services provided by a broker-dealer which are included in the commission rate. The Chief Compliance Officer reviews the broker-dealers used by the Adviser to execute client trades using the foregoing factors on an annual basis.

The Adviser, receives research or other products or services other than execution from a broker-dealer and/or a third party in connection with client securities transactions. This is known as a "soft dollar" relationship. The Adviser will limit the use of "soft dollars" to obtain research and brokerage services to services that constitute research and brokerage within the meaning of Section 28(e) of the Securities Exchange Act of 1934 ("Section 28(e)"). Research services within Section 28(e) may include, but are not limited to, research reports (including market research); certain financial newsletters and trade journals; software providing analysis of securities portfolios; corporate governance research and rating services; attendance at certain seminars and conferences; discussions with research analysts; meetings with corporate executives; consultants' advice on portfolio strategy; data services (including services providing market data, company financial data and economic data); advice from broker-dealers on order execution; and certain proxy services. Brokerage services within Section 28(e) may include, but are not limited to, services related to the execution, clearing and settlement of securities transactions and functions incidental thereto (i.e., connectivity services between an adviser and a broker-dealer and other relevant parties such as custodians); trading software operated by a broker-dealer to route orders; software that provides trade analytics and trading strategies; software used to transmit orders; clearance and settlement in connection with a trade; electronic communication of allocation instructions; routing settlement instructions; post trade matching of trade information; and services required by the SEC or a self regulatory organization such as comparison services, electronic confirms or trade affirmations.

When the Adviser uses client commissions to obtain Section 28(e) eligible research and brokerage products and services, the Chief Compliance Officer and traders meet review and evaluate the Adviser's soft dollar practices to determine in good faith whether, with respect to any research or other products or services received from a broker-dealer, the commissions used to obtain those products and services were reasonable in relation to the value of the brokerage, research or other products or services provided by the broker-dealer. This determination will be viewed in terms of either the specific transaction or the Adviser's overall responsibilities to the accounts or portfolios over which the Adviser exercises investment discretion.

The use of client commissions (or markups or markdowns) to obtain research and brokerage products and services raises conflicts of interest. For example, the Adviser will not have to pay for the products and services itself. This creates an incentive for the Adviser to select or recommend a broker-dealer based on its interest in receiving those products and services.

The Adviser may cause clients to pay commissions (or markups or markdowns) higher than those charged by other broker-dealers in return for soft dollar benefits (known as paying-up), resulting in higher transaction costs for clients.

Research and brokerage services obtained by the use of commissions arising from a client's portfolio transactions may be used by the Adviser in its other investment activities, including, for the benefit of

other client accounts. The Adviser does not seek to allocate soft dollar benefits to client accounts proportionately to the soft dollar credits the accounts generate.

During the Adviser's last fiscal year, as a result of client brokerage commissions (or markups or markdowns), the Adviser and/or its related persons acquired research reports, financial newsletters and trade journals, data services, connectivity services and certain software used for research.

In determining whether to direct client brokerage transactions to particular broker-dealers, the Adviser's Chief Compliance Officer periodically reviews and evaluates the soft dollar practices of the Adviser and to determine in good faith whether, with respect to any research or other products or services received from a broker-dealer, the commissions used to obtain those products and services were reasonable in relation to the value of the brokerage, research or other products or services provided by the broker-dealer.

The Adviser has entered into "client commission arrangements" pursuant to which the Adviser may execute transactions through a broker-dealer and request that the broker-dealer allocate a portion of the commissions or commission credits to another firm that provides research and other products to the Adviser. The Adviser excludes from use under these arrangements those products and services that are not eligible under Section 28(e) and applicable regulatory interpretations.

In some instances, the Adviser obtains a product or service that is used, in part, by the Adviser for Section 28(e) eligible purposes and, in part, for other purposes. In such instances, the Adviser will make a good faith effort to determine the relative proportion of the product or service used to assist the Adviser in carrying out its investment decision-making responsibilities and the relative proportion used for administrative or other purposes outside Section 28(e). Such determination will be based on the actual use of the product or service by the Adviser's personnel. The proportion of the product or service attributable to assisting the Adviser in carrying out its investment decision-making responsibilities will be paid through brokerage commissions generated by client transactions and the proportion attributable to administrative or other purposes outside Section 28(e) will be paid for by the Adviser from its own resources. The determination of the appropriate allocation of "mixed use" products and services creates a potential conflict of interest between the Adviser and clients.

In addition, the Adviser may use a "step-out" trade mechanism. A "step-out" trade occurs when the executing broker-dealer agrees to "step-out" a portion of a bunched execution, and that "stepped-out" portion is cleared through another broker-dealer. The client is assessed a commission only by the broker-dealer who clears the transaction. The Adviser may "step out" trades to broker-dealers for "soft dollars" credits. A "step-out" trade for "soft dollars" occurs when the executing broker-dealer agrees to "step-out" a portion of a bunched execution, and that "stepped-out" portion is cleared through the "soft dollar" broker-dealer. The executing broker-dealer receives compensation in the form of commission from the portion of the bunched execution that was not "stepped-out" to other brokers. "Step-out" trades will be executed so as to conform to the rules of the applicable exchange on which the trade occurs.

From time to time, the Adviser may participate in capital introduction programs arranged by broker-dealers, including firms that serve as prime brokers to a private fund managed by the Adviser or recommend these private funds as an investment to clients. The Adviser may place client portfolio transactions with firms who have made such recommendations or provided capital introduction opportunities, if the Adviser determines that it is otherwise consistent with seeking best execution. In no event will the Adviser select a broker-dealer as a means of remuneration for recommending the Adviser or any other product managed by the Adviser (or an affiliate) or affording the Adviser with the opportunity to participate in capital introduction programs.

From time to time, it may be appropriate for the Adviser to aggregate client orders for the purchase or sale of securities. The Adviser will generally follow the guidelines set forth below (the "Aggregation Policy") in aggregating client orders for securities, including any orders placed for private investment vehicles:

- no investment advisory client will be favored over any other investment advisory client;
- the Adviser will generally aggregate client orders placed on the same day only among clients that are managed by the same portfolio manager;
- orders with respect to clients that utilize the TIG Trading Desk, the Adviser's centralized trading desk (the "Desk"), but have different fund managers will generally only be aggregated if (i) such orders were placed at the same time or (ii) all or a portion of an earlier order of one client had not been fulfilled prior to the placement of a subsequent order by another client;
- each client that participates in an aggregated order will generally participate at the average share price for all the transactions conducted by a particular fund manager and/or trader in that security on a given business day and transaction costs will be shared pro rata based on each client's participation in the transaction;
- if the aggregated order is filled in its entirety, it will be allocated among clients in accordance with the Adviser's general policy described herein; and
- if the aggregated order is partially filled, it will be allocated among clients pro rata.

Notwithstanding the foregoing, an aggregated order may be allocated on a basis different from that specified in the Aggregation Policy. Reasons for allocation on a basis different from that specified in the allocation statement may include: A client's investment guidelines and restrictions; available cash; timing of trade orders; liquidity requirements; legal or regulatory reasons; or to avoid odd lots. In addition, the Aggregation Policy will be reviewed at least annually by the Compliance Officer to ensure that the procedures set forth in the Aggregation Policy are adequate. Brokerage commission rates are not reduced as a result of such aggregation. In some instances, average pricing may result in higher or lower execution prices than otherwise obtainable by a single client.

**Item 13. Review of Accounts**

Client account holdings are monitored on an ongoing basis by their respective portfolio manager, in light of trading activity, significant corporate developments and other activities, which may dictate a change in portfolio positions. In addition, client accounts are reviewed periodically from the standpoint of the specific investment objectives of the client and as particular situations may dictate by the President, Chief Operating Officer, Risk Committee and General Counsel & Chief Compliance Officer of the Adviser.

A client's investors receive reports from the client pursuant to the terms of each client's offering memoranda or as otherwise described in the offering document of the client.

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

The Adviser receives certain research or other products or services from broker-dealers through “soft-dollar” arrangements. These “soft-dollar” arrangements create an incentive for the Adviser to select or recommend broker-dealers based on the Adviser’s interest in receiving the research or other products or services and may result in the selection of a broker-dealer on the basis of considerations that are not limited to the lowest commission rates and may result in higher transaction costs than would otherwise be obtainable by the Adviser on behalf of its clients. Please see Item 12 for further information on the Adviser’s “soft-dollar” practices, including the Adviser’s procedures for addressing conflicts of interest that arise from such practices.

The Adviser may make cash payments to third-party solicitors for client referrals, provided that, to the extent required, each such solicitor has entered into a written agreement with the Adviser pursuant to which the solicitor will provide each prospective client with a copy of the Adviser’s Form ADV Part 2, and a disclosure document setting forth the terms of the solicitation arrangement, including the nature of the relationship between the solicitor and Adviser and any fees to be paid to the solicitor. Where applicable, cash payments for client solicitations will be structured to comply fully with the requirements of Rule 206(4)-3 under the Advisers Act and related SEC staff interpretations, to the extent applicable.

**Item 15. Custody**

This item is not applicable.

## **Item 16. Investment Discretion**

The Adviser provides investment advisory services on a discretionary, and in certain limited circumstances, a non-discretionary basis to clients. Please see Item 4 for a description of any limitations clients may place on the Adviser's discretionary authority.

Prior to assuming discretion in managing a client's assets, the Adviser enters into an investment management agreement or other agreement that sets forth the scope of the Adviser's discretion.

Unless otherwise instructed or directed by a discretionary client, the Adviser has the authority to determine (i) the securities to be purchased and sold for the client account (subject to restrictions on its activities set forth in the applicable investment management agreement and any written investment guidelines) (ii) the amount of securities to be purchased or sold for the client account. Because of the differences in client investment objectives and strategies, risk tolerances, tax status and other criteria, there may be differences among clients in invested positions and securities held. The Adviser may consider the following factors, among others, in allocating securities among clients: (i) client investment objectives and strategies; (ii) client risk profiles; (iii) tax status and restrictions placed on a client's portfolio by the client or by applicable law; (iv) size of the client account; (v) nature and liquidity of the security to be allocated; (vi) size of available position; (vii) current market conditions; and (viii) account liquidity, account requirements for liquidity and timing of cash flows. Although it is the Adviser's policy to allocate investment opportunities to (i) client accounts with the same portfolio manager or, (ii) in certain circumstances, client accounts that utilize the Desk (see Item 12 for more specific information) on a pro rata basis (based on the value of the assets of each participating account relative to the value of the assets of all participating accounts), these factors may lead the Adviser to allocate securities to client accounts in varying amounts.

With respect to client accounts with the same portfolio manager, allocations will be made among such client accounts eligible to participate in initial public offerings (IPOs), limited offerings and secondary offerings on a pro rata basis, except when the Adviser determines in its discretion that a pro rata allocation is not appropriate, which may include a client's investment guidelines explicitly prohibiting participation in IPOs or secondary offerings and a client's status as a "restricted person" under applicable regulations.

With respect to client accounts that utilize the Desk but have different portfolio managers, securities acquired through initial public offerings (IPOs), limited offerings and secondary offerings will be allocated as follows: (i) if the Adviser receives a full allocation of securities in an IPO, the securities will be allocated by the Head Trader of the Desk to participating client accounts in accordance with the proposed allocations provided to the Head Trader by each portfolio manager, or (ii) if the Adviser receives less than a full allocation of securities in an IPO, the securities will be allocated by the Head Trader to participating client accounts based upon the account size or order size, as applicable, of each participating account. The Adviser will determine the proposed allocations of IPO securities after considering the factors described above with respect to general allocations of securities. Only those client accounts that have established their eligibility to participate in IPOs with the Adviser can participate in IPO allocations.

The Adviser may effect cross transactions between discretionary client accounts sharing the same portfolio manager, except as otherwise noted below. Cross transactions enable the Adviser to effect a trade between two clients for the same security at a set price, thereby possibly avoiding an unfavorable price movement that may be created through entrance into the market and saving commission costs for both accounts. Cross transactions include rebalancing transactions that are undertaken so that, after withdrawals or contributions have occurred, the portfolio compositions of similarly managed accounts remain substantially similar. The Adviser has a potentially conflicting division of loyalties and responsibilities regarding both parties to cross transactions. Cross transactions between client accounts are not permitted if they would constitute principal trades unless client consent has been obtained based upon written disclosure to the client of the capacity in which the Adviser or its affiliates will act. In

addition, cross transactions are not permitted for benefit plan or other similar accounts that are subject to ERISA. It should be noted that cross transactions are not permitted between client accounts that utilize the Desk, but have different portfolio managers.

If it appears that a trade error has occurred, the Adviser will review the relevant facts and circumstances to determine an appropriate course of action. To the extent that trade errors and breaches of investment guidelines and restrictions occur, the Adviser's error correction procedure is to ensure that clients are treated fairly. The Adviser has discretion to resolve a particular error in any appropriate manner that is consistent with the above stated policy. In the event that a client account incurs a trade error as a result of the Adviser's gross negligence, willful misconduct, or fraud, trade errors will be corrected by the Adviser as soon as practicable, in a manner such that the client incurs no loss. Trade errors that result other than by breach of the standard of care above may, in the Adviser's sole discretion, be borne by the client account.



## **Item 17. Voting Client Securities**

The Adviser has entered into an agreement with Broadridge (the "Proxy Voting Service"), an independent third party, for the Proxy Voting Service to provide the Adviser with data on proxies and to facilitate the electronic voting of proxies.

The Adviser has adopted Proxy Voting Policies and Procedures (the "Procedures") that are designed to ensure that in cases where the Adviser votes proxies with respect to client securities, such proxies are voted in the best interests of its clients. The Procedures also require that the Adviser identify and address conflicts of interest between the Adviser and its clients. If a material conflict of interest exists, the Adviser will determine whether voting in accordance with the guidelines set forth in the Procedures is in the best interests of the client or take some other appropriate action. It is the Adviser's general policy not to vote proxies for securities, which are not held in a client's account at the time such proxy is received by the Adviser. In voting proxies, the Adviser generally votes in favor of routine corporate housekeeping proposals, including election of directors (where no corporate governance issues are implicated). Generally, the Adviser will vote against proposals that make it more difficult to replace members of a board of directors. For all other proposals, the Adviser will determine whether a proposal is in the best interests of its clients and may take into account the following factors, among others: (i) whether the proposal was recommended by management and Adviser's opinion of management; (ii) whether the proposal acts to entrench existing management; and (iii) whether the proposal fairly compensates management for past and future performance.

The Adviser's clients are not permitted to direct their votes in a particular solicitation.

Clients may obtain a copy of the Adviser's proxy voting policies and procedures and information about how the Adviser voted a client's proxies by contacting Michael Fastert (Chief Compliance Officer) by email at [mfastert@tigfunds.com](mailto:mfastert@tigfunds.com) or by telephone at (212) 396-8698.

**Item 18. Financial Information**

This Item is not applicable.

## **Appendix: Item 2. Material Changes**

This Item is not applicable.