

**Part 2A of Form ADV: *Firm Brochure***

***February 03, 2012***

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This brochure provides information about the qualifications and business practices of Trident Investment Management, LLC (hereinafter “Trident”, “the firm” or “we”). If you have any questions about the contents of this brochure, please contact us at 212-350-4710 or email us at [mrees@tridentglobal.com](mailto:mrees@tridentglobal.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority. The firm’s registration with the SEC does not imply any level of skill or training by our firm or employees or that the SEC has endorsed our respective qualifications to provide investment advisory services.

Additional information about Trident is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. The CRD number for Trident is 159185.

THIS FIRM BROCHURE DOES NOT CONSTITUTE AN OFFER OF ANY SECURITIES, WHICH MAY BE MADE ONLY BY MEANS OF A PRIVATE PLACEMENT MEMORANDUM OR SIMILAR MATERIALS WHICH CONTAIN A COMPLETE DESCRIPTION OF MATERIAL TERMS AND RISKS.

## **Item 2 MATERIAL CHANGES**

Pursuant to exemptions that are no longer available, prior to March 2012, Trident was not required to register as an investment adviser with the SEC. As a registered investment adviser, Trident has prepared this Firm Brochure, dated February 03, 2012, in accordance with the SEC's disclosure requirements. As you will see, this document is a narrative providing detailed information regarding our firm, its practices, fees, actual and potential conflicts of interest and key mitigating circumstances, policies and controls.

After our initial filing of this Brochure, this Item 2 will be used to provide our clients and fund investors with a summary of new and/or updated information. We will inform you of the revision(s) based on the nature of the updated information.

Consistent with SEC rules, we will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business fiscal year.

Furthermore, we will provide you with other interim disclosures regarding material changes as necessary.

**Item 3. Table of Contents**

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

Trident is an SEC-registered investment adviser with its principal place of business in New York City, New York. The firm has been in business since 1998. The principal owner of Trident is Krishnamurthy Narayanan, founder and Chief Investment Officer.

Trident provides discretionary investment management services to several pooled investment vehicles, including US and non-US private investment funds and various Canadian-based funds as described below (collectively, “the Funds”). As of December 30, 2011, the firm managed approximately \$527 million in client assets. We do not provide non-discretionary investment management services.

The information provided below merely summarizes the detailed information provided in the appropriate fund offering and organizational documents. Prospective investors in any one or more of the Funds described in this brochure should be aware of additional risks and requirements associated with any fund investment. Prospective investors should refer to the appropriate fund offering and organizational documents for important additional information and considerations.

##### **A. VARDANA PRIVATE INVESTMENT FUNDS**

The Vardana private investment funds (hereinafter collectively “Vardana” funds) include:

- ***Vardana Fund Ltd.***, a Cayman Islands exempted company (hereinafter “Vardana Fund”);
- ***Vardana International Ltd.***, a Cayman Islands exempted company (hereinafter “Vardana International”); and
- ***Vardana Partners LP***, a Delaware limited partnership (hereinafter “Vardana Partners”).

Vardana Fund is Trident’s flagship global macro-economic hedge fund and the master fund in a master feeder structure, with Vardana International as its offshore feeder and Vardana Partners as its on-shore feeder. As such, investment activity of the feeder funds takes place indirectly through an investment of substantially all of the feeder funds’ assets in the Vardana Fund.

Vardana Fund’s objective is to generate superior, risk-adjusted long-term rates of return by investing with a top-down, macro methodology in global markets. The investment approach seeks to exploit the structural mispricings that arise in global markets when important macroeconomic and political changes are under way. Typically, such changes have significant implications for market pricing, but the price adjustments rarely, if at all, occur immediately. Trident believes that with superior analysis, rapid decision-making and strong risk control, the macro-driven price moves in markets can be exploited to generate excellent, risk-adjusted returns. To this end, the Vardana Fund will take positions in the currency, fixed-income, commodity, equity and other markets. Such positions may be initiated to express macro views, to exploit inter-market pricing discrepancies as well as to hedge as needed. The Vardana Fund may also take long and short positions in the markets in which it participates.

We manage the Vardana funds on a discretionary basis in accordance with the terms and conditions of each fund's offering and organizational documents.

## **B. ADDITIONAL INVESTMENT FUNDS**

Trident also provides investment management services to the following pooled investment vehicles. Advice is provided on a discretionary basis.

***Trident Global Opportunities Fund.*** Trident Global Opportunities Fund is a Canadian, unincorporated, open-end mutual fund created under the laws of the Province of Ontario pursuant to a Declaration of Trust and is sold only in connection with delivery of the fund's confidential offering memorandum. CI Investments Inc. (hereinafter "CI Investments") is the trustee, promoter and manager of the Trident Global Opportunities Fund and has engaged Trident as adviser to the fund. CI Investments is a Canadian wealth management company unaffiliated with Trident. The investment objective of the fund is to generate superior risk adjusted long-term rates of return by investing with a top-down, macro methodology in global markets. The fund seeks to achieve its investment objective by gaining exposure to the returns of Vardana International Ltd. through one or more derivative instruments. Trident Global Opportunities Fund is open to Canadian investors only. Prospective Canadian investors should refer to the fund's confidential offering memorandum for additional information.

***CI Global Opportunities Fund.*** CI Global Opportunities Fund is also a Canadian, unincorporated, open-end mutual fund created under the laws of the Province of Ontario pursuant to a Declaration of Trust. CI Global Opportunities Fund is offered solely to Canadian investors and then only in connection with the delivery of the fund's confidential offering memorandum. CI Investments is the trustee, promoter and the manager of the fund and has engaged Trident as adviser to the fund. CI Global Opportunities Fund is closed to new investors. No new contributions are currently being accepted for this fund. The fund's objective is the same as Trident Global Opportunities Fund, as set forth above. Trident seeks to achieve this objective by investing substantially all of the fund's assets in Trident Global Opportunities Fund.

***Trident Performance Trust.*** The Trident Performance Trust (the "Trust Fund") is a trust formed under the laws of the Province of Ontario pursuant to a Declaration of Trust Fund. CI Investments is the trustee and promoter of the Trust Fund. The Trust Fund and Vardana Fund are managed using substantially the same investment methodology and strategy that are described above. As such, these funds will typically hold most of the same securities in roughly the same percentages subject to cash or underlying security availability as well as tax or regulatory considerations, among other things. The Trust Fund is offered solely to Canadian investors through CI Investments. Prospective Canadian investors should refer to the fund's prospectus for additional information.

***CI Global Managers Corporate Class.*** CI Global Managers Corporate Class, a long-only fund, is a class of shares of CI Corporate Class Limited. CI Corporate Class Limited is incorporated under the laws of the Province of Ontario. CI Global Managers Corporate Class was first offered in February 2000. This fund seeks to obtain maximum long-term capital growth by investing primarily in equity and equity-related securities of companies around the world. The fund uses a multi-manager approach and Trident has been engaged as one of several advisers to the fund by CI Investments, manager, trustee and promoter of the fund. The fund is offered solely to

Canadian investors and only in connection with the delivery of the fund's simplified prospectus. Prospective Canadian investors should refer to the fund's simplified prospectus for additional information.

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

### **A. VARDANA PRIVATE INVESTMENT FUNDS**

**Management Fees.** With respect to Vardana International, Trident generally receives an annual management fee of 2%, payable monthly in arrears based on the investors' equity balances as of each month end. Vardana Partners pays a management fee to the Administrative General Partner equal to 2% of each limited partner's capital in the Partnership (payable monthly in arrears on the first business day of each calendar month based on the Partnership's net asset value at the close of the business on the last business day of the prior month), before taking into account any withdrawals.

**Performance Fees.** Trident receives performance-based fees from Vardana International of generally 20% based on the increase of the net asset value, after recouping prior losses, if any, of the shareholders from the time of each of its respective investments through the end of the calendar period. Vardana Partners pays an incentive allocation to Trident Asset Management, LLC (hereinafter "the Managing General Partner"), a Delaware limited liability company related to Trident through common ownership and control. Such incentive allocation shall equal to 20% of the portion of each limited partner's pro rata share of net gains for each calendar year which exceeds previously un-recouped net losses which have been carried forward from prior fiscal periods. Trident is an affiliate of the Managing General Partner and Trident Fund Management LLC (hereinafter the "Administrative General Partner").

### **B. ADDITIONAL INVESTMENT FUNDS**

With respect to Trident Global Opportunities Fund, CI Global Opportunities Fund, Trident Performance Trust and CI Global Managers, Trident is compensated for its services by the primary adviser or sponsor of these funds based on a percentage of the total assets under Trident's management as well as performance-based fees.

Investors and prospective investors in one or more of these funds should refer to the appropriate offering documents for detailed information regarding the total fees charged, billing practices, and minimum required investments, among other information.

#### **GENERAL INFORMATION:**

**Personal Investments in Funds:** Certain executive officers and/or other employees of Trident have invested or may invest a portion of their personal net worth in one or more of the Vardana funds.

**Different Fee Schedules:** The management fee, performance fee or incentive allocation, as applicable, may be discounted or waived with respect to any investor for any particular period of time in the sole discretion of Trident or the Administrative General Partner, as applicable.

**Termination:** An investor may withdraw all or any part of its investment from any of the Vardana funds as set forth in the applicable funds' offering documents. Trident or the Managing General Partner, as applicable, may in its sole discretion, waive or modify any of the terms of withdrawals for certain investors who are relatives, employees or affiliates of Trident or the Managing General Partner or its Principals, or for certain large or strategic investors as well as in any other case.

**Other Fees and Expenses:** In addition to fees paid to our firm or the Managing and Administrative General Partner, as appropriate, investors in the Vardana funds generally bear a pro rata portion of all reasonable and necessary expenses related, directly and indirectly, to the Vardana Fund's operations and affairs and its business of investing and trading and other activities including, without limitation, all brokerage commissions, interest on debit balances in margin accounts, short dividends, transfer taxes, custodial fees, administration fees, other interest expenses, registration fees and expenses, taxes, directors and officers insurance and other insurance, legal fees, accounting fees and expenses, filing fees, bank charges and all other expenses determined to be necessary or appropriate in furtherance of the Vardana Fund's affairs. Investors will also bear all offering expenses and organizational costs in connection with the organization of the Vardana funds and indirectly, a pro rata portion of such expenses and costs of the Vardana Fund, which shall be expensed or amortized in accordance with applicable accounting rules (and which may be accelerated in the case of early withdrawals). No expenses normally associated with general overhead will be borne by the Vardana funds. (See Item 12 of this Brochure for additional information).

**Side Letters:** Trident or the Managing General Partner, as appropriate, may waive or modify the terms of investment in the Vardana funds for certain large or strategic investors, in side letters or otherwise, in its sole discretion, including but not necessarily limited to, preferential redemption rights, and/or increased transparency or reporting.

**"Side Pockets":** Although no Funds managed by Trident currently has, nor do we expect it will invest in, illiquid securities or securities that are difficult to value in the near future, a portion of any of the Funds' capital may, from time to time, be invested in private claims and other illiquid securities and instruments. Under these circumstances, Trident has the authority to hold such investments in separate special situation sub-accounts (each, a "Special Situation Sub-Account"). Special Situation Sub-Accounts will generally carry significant or complete restrictions on transfer prior to the occurrence of specified events, which may be outside of our control or that of the Managing Partner or General Partner of the effected fund(s). The funds may be required to hold Special Situation Sub-Accounts for several years before any disposition can be effected.

**Direct Debiting:** Fees are directly debited from each investor's capital account as appropriate.

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

As disclosed in Item 5 of this Brochure, Trident or the Managing General Partner accepts an annual performance-based fee or incentive allocation, as applicable, from the private investment funds.

Investors and prospective investors in one or more of the funds should note that performance-based fees can create an incentive for an adviser such as Trident to recommend investments

which may be riskier or more speculative than those which would be recommended under a different fee arrangement. Also, because the performance fee is calculated on a basis which includes unrealized as well as realized appreciation of assets, it may be greater than if such compensation were based solely on realized gains.

Side-by-side management refers to multiple client relationships whereby an adviser manages more than one advisory client relationship or portfolio on a simultaneous basis. In such circumstances, potential conflicts of interest can arise for the adviser when, for example, some of the firm's clients pay performance-based fees and others do not. Trident provides advisory services to clients that pay performance fees as well as to other clients that do not. As a result, an inherent conflict of interest arises whereby we may have incentive to favor those clients paying performance fees over non-performance-based compensation accounts. In theory, even among two or more clients paying performance fees, we could have incentive to favor a performance fee paying client with significantly greater assets over another with fewer assets. Since we endeavor at all times to put the interest of our clients first as part of our fiduciary duty as a registered investment adviser, we take the following steps to address these conflicts:

- We disclose to investors and prospective clients the existence of material conflicts of interest, including the potential for compensation earned by our firm to differ by account;
- We have implemented written policies and procedures for fair and consistent allocation of investment opportunities among all funds, subject to cash availability, established investment guidelines and applicable tax and regulatory considerations;
- We periodically review portfolio holdings and performance of all accounts with similar strategies to identify significant performance disparities indicative of possible favorable treatment.

Performance-based fees will only be charged in accordance with the provisions of Rule 205-3 of the Investment Advisers Act of 1940 and/or applicable State regulations.

**Fund investors must understand the performance-based fee method of compensation and its risks prior to subscribing to interests in any of the Funds.**

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

Our firm provides investment management services to several investment funds as disclosed in Item 4 of this Brochure. Except as may have been permitted by us or the Managing General Partner, as applicable, the minimum required initial investment is \$1,000,000 for limited partners investing in Vardana Partners and \$500,000 for investors in Vardana International.

Interests in Vardana Partners will generally be sold only to qualified investors who are "accredited investors" under Rule 501 of Regulation D of the Securities Act of 1933, as amended, and "qualified purchasers" under Section 2(a)(51) of the Investment Company Act of 1940, as amended. The Managing General Partner may, in its sole discretion, decline to accept any initial or additional subscriptions for any other or no reason.

Interests in Vardana International are intended for a limited number of experienced and sophisticated investors. Investors in Vardana International must be either non-U.S. investors or U.S. tax-exempt investors (or entities comprised primarily of U.S. tax-exempt investors). U.S. tax-exempt investors must be "accredited investors," as defined in Regulation D of the Securities Act of 1933, as amended and "qualified purchasers," as defined in Section 2(a)(51) of the Investment Company Act of 1940, as amended. The Board of Directors may, in its sole discretion, decline to accept any initial or additional subscriptions for any or no reason.

Investors or prospective investors in any of the additional funds advised by Trident described in Item 4 of this Brochure, which are directly sponsored by unaffiliated third parties, should refer to the appropriate offering documents for detailed information regarding minimum required qualifications for investment.

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

Trident's methods of analysis and investment strategy can be broken down as follows:

***Opportunity Analysis.*** The aim here is to identify potential macro themes and assess their impact on financial markets. Trident analyzes macroeconomic and political conditions at the global and country levels to understand the broader forces shaping world markets and to develop potential investment themes. Trident further tests these themes by constant observation and analysis of various key variables it has determined to be relevant. Trident then identifies the markets around the world that are most likely to be impacted by its macro themes and assesses the probability of sustained trend moves in these identified sectors or markets.

***Security Selection and Risk-Reward Analysis.*** Once a macro theme is identified, Trident conducts a systematic analysis of the instruments available in the potentially affected markets to determine which provide the best opportunity. The potential upside for the various investment alternatives, as well as the probability of obtaining such upside if the macro theme were to be realized, are both very important here. To determine these, Trident will conduct considerable micro analysis, focusing on relative valuation, historic price movements, earnings changes (to the extent stocks are involved) and other factors as needed. On the risk side, factors considered are the liquidity, suitability, volatility etc. The ultimate goal is to create a strategy that results in the maximum profit with the least volatility. To obtain exposure to the macro view, Trident will consider investments in the currency, fixed income, equity and other markets as long as the expected macro theme is likely to have a significant impact on pricing, and the risks in the markets are quantifiable ex ante.

***Portfolio Construction and Risk Management.*** Trident operates with a risk-management framework that limits the amount of capital at risk in the event that specific investment themes do not materialize. The amount of capital at risk in any one investment theme is determined by careful analysis of risk at the individual instrument, theme and portfolio levels. Instrument-specific events, liquidity, market and industry-wide changes and correlations across macro themes are all factors evaluated in assessing the risk of a position in the context of the overall portfolio. We also consider how correlations across portfolio themes might change under different macro scenarios in constructing the portfolio and determining how much to risk on an idea.

Trident's macro approach works best when Trident can analyze and react to developing trends very quickly on a global basis. Trident has developed a number of sophisticated, decision-support tools that facilitate performing the above-described analysis extremely rapidly. Trident believes that its technology provides the fund with a significant competitive edge. Investing in securities involves risk of loss that clients and investors should be prepared to bear. All investments in securities and other financial instruments risk the loss of invested capital. Trident believes that its investment program and research techniques will moderate this risk through the careful selection of securities and other financial instruments. No guarantee or representation is made that the program will be successful. The investment program may utilize such investment techniques including, but not limited to, leverage, futures, illiquid securities, option transactions, margin transactions, short sales, forward contracts, foreign exchanges, and over-the-counter derivative transactions including swaps, caps, floors and collars. These techniques can, in certain circumstances, increase significantly the adverse consequences to which the fund may be subject.

### **Risks Associated with Methods of Analysis and Investment Strategy**

The investment strategies utilized by Trident involve substantial risks, including, but not limited to, the following:

***Emerging Markets Risks.*** The investments in emerging-market securities involve certain risk factors not typically associated with investing in U.S. securities, including risks relating to: (i) currency exchange matters, including blocking of currency conversions, fluctuations in the rate of exchange between the U.S. Dollar and various non-U.S. currencies to the extent portfolio securities are denominated in local currencies, and the costs associated with conversion of investment principal and income from one currency into another; (ii) differences between the nature of the markets for emerging-market securities and for U.S. securities, including significantly greater price volatility in and relative illiquidity of some non-U.S. securities markets, the absence of uniform accounting, auditing and financial reporting standards, principles, practices and disclosure requirements and less government supervision and regulation; and (iii) certain economic and political risks, including exchange-control regulations, expropriation or nationalization of assets, restrictions on foreign investment and repatriation of investment income and capital, and labor and facility shortages.

Countries such as those in which the Funds may invest have historically experienced, and may continue to experience, high rates of inflation, high interest rates, exchange rate fluctuations and currency depreciation, large amounts of external debt, balance of payments and trade difficulties, political uncertainty and instability and extreme poverty and unemployment, each of which may have a negative impact on the Funds' performance.

***Suspensions of Trading.*** For all securities traded on public exchanges, each exchange typically has the right to suspend or limit trading in all securities that it lists. Such a suspension could render it impossible to liquidate its positions and thereby expose the fund to losses. In addition, there is no guarantee that non-exchange markets will remain liquid enough to close out positions.

***Derivatives Generally.*** Derivative instruments, or "derivatives," include options, swaps, futures, structured securities and other instruments and contracts that are derived from or the value of which is related to one or more underlying securities, financial benchmarks, currencies or indices. Derivatives allow an investor to hedge or speculate upon the price movements of a

particular security, financial benchmark currency or index at a fraction of the cost of investing in the underlying asset. There is no assurance that derivatives that Trident wishes to acquire will be available at any particular times upon satisfactory terms or at all.

The value of a derivative is frequently difficult to determine and depends largely upon price movements in the underlying asset. Therefore, many of the risks applicable to trading the underlying asset are also applicable to derivatives of such asset. However, there are a number of other risks associated with derivatives trading. For example, because many derivatives are “leveraged,” and thus provide significantly more market exposure than the money paid or deposited when the transaction is entered into, a relatively small adverse market movement can not only result in the loss of the entire investment, but may also expose the fund to the possibility of a loss exceeding the original amount invested. Over-the-counter derivatives generally are not assignable except by agreement between the parties concerned, and no party or purchaser has any obligation to permit such assignments. The over-the-counter market for derivatives is relatively illiquid.

A prime broker or other counterparty to a derivatives contract may at any time decide to restrict the amount of credit previously granted or otherwise available to the Funds, either for business purposes or due to its own financial difficulties. The imposition of such restrictions could compel Trident to liquidate all or a part of its holdings at disadvantageous prices.

**Commodity Trading.** The prices of commodities contracts and all derivative instruments, including futures and options prices, are highly volatile. Price movements of commodities, futures and option contracts are influenced by, among other things, changing supply and demand relationships, domestic and foreign governmental programs and policies, national and international political and economic events, interest rates, and monetary and exchange control programs and policies of governments.

Moreover, commodity exchanges limit fluctuations in commodity futures contract prices during a single day by regulations referred to as “daily price fluctuation limits” or “daily limits.” During a single trading day no trades may be executed at prices beyond the daily limit. Commodity futures prices have occasionally moved the daily limit for several consecutive days with little or no trading. Similar occurrences could prevent Trident from promptly liquidating unfavorable positions and subject the Funds to substantial losses.

**Forward Trading.** Forward contracts (including foreign exchange) and options thereon, unlike futures contracts, are not traded on exchanges and are not standardized; rather banks and dealers act as principals in these markets, negotiating each transaction on an individual basis. Forward and “cash” trading is substantially unregulated; there is no limitation on daily price movements and speculative position limits are not applicable. The principals who deal in the forward market are not required to continue to make markets in the currencies or commodities they trade and these markets can experience periods of illiquidity, sometimes of significant duration. Disruptions can occur in any market traded by the Funds due to unusually high trading volume, political intervention or other factors. Market illiquidity or disruption could result in major losses to the Funds.

**Call Options.** There are risks associated with the sale and purchase of call options. The seller (writer) of a call option which is covered (e.g., the writer holds the underlying security) assumes the risk of a decline in the market price of the underlying security below the purchase price of the underlying security less the premium received, and gives up the opportunity for gain on the

underlying security above the exercise price of the option. If the seller of the call option owns a call option covering an equivalent number of shares with an exercise price equal to or less than the exercise price of the call written, the position is “fully hedged” if the option owned expires at the same time or later than the option written. The seller of an uncovered call option assumes the risk of a theoretically unlimited increase in the market price of the underlying security above the exercise price of the option. The buyer of a call option assumes the risk of losing his entire investment in the call option.

**Put Options.** There are risks associated with the sale and purchase of put options. The seller (writer) of a put option which is covered (e.g., the writer has a short position in the underlying security) assumes the risk of an increase in the market price of the underlying security above the sales price (in establishing the short position) of the underlying security plus the premium received, and gives up the opportunity for gain on the underlying security below the exercise price of the option. If the seller of the put option owns a put option covering an equivalent number of shares with an exercise price equal to or greater than the exercise price of the put written, the position is “fully hedged” if the option owned expires at the same time or later than the option written. The seller of an uncovered put option assumes the risk of a decline in the market price of the underlying security below the exercise price of the option. The buyer of a put option assumes the risk of losing its entire investment in the put option.

**Options on Futures.** Trading options on futures involves a high degree of risk. The risks of trading options on futures are similar to the risks of trading securities options, but often involve even greater leverage and risks. In addition, if the purchaser of an option on a futures contract exercises the option, the holder will, in effect, be buying or selling the underlying futures contract, and will then be subject to the same risks as are attendant to futures trading.

**Leverage; Interest Rate Risk.** Trident may borrow substantial amounts of money in the course of its investment operations, using as collateral the securities that it owns from time to time. Leverage may also be obtained through other means including the use of forwards and futures and, in effect, through the entry into repurchase agreements. Thus, the Funds may be in a highly leveraged position and the amount of borrowing that the Funds may have outstanding at any one time may be large in relation to its capital. Consequently, the level of interest rates generally, and the rates at which the fund, in particular, is able to borrow, may strongly affect the Funds’ operating results. As in the case of other leveraged investments, losses may result that exceed the amount of capital or assets.

Trident’s anticipated use of short-term margin borrowings may result in certain additional risks to the fund. For example, should the securities pledged to brokers to secure the Funds’ margin accounts decline in value, the Funds could be subject to a “margin call” pursuant to which the Funds would either have to deposit additional funds with the broker or suffer mandatory liquidation of the pledged securities to compensate for the decline in value. In the event of a sudden precipitous drop in the value of the Funds’ assets, Trident might not be able to liquidate assets quickly enough to pay off its margin debt and may therefore also suffer additional significant losses as a result of its default.

**Financial Failure of Intermediaries.** There is always the possibility that the institutions, including brokerage firms, banks and futures commission merchants, with which the fund does business, or to which securities have been entrusted for custodial purposes, will encounter financial difficulties that may impair their operational capabilities or result in losses to the Company.

**Short Sales.** A short sale involves the sale of a security that the fund does not own in the expectation of purchasing the same security (or a security exchangeable therefor) at a later date at a lower price. A short sale involves the risk of a theoretically unlimited increase in the market price of the security. In addition, a short sale involves the risk that borrowed securities will have to be returned to the lender at a time when such securities cannot be borrowed from other sources, potentially requiring the fund to close a short sale transaction at an inopportune time or under disadvantageous circumstances.

**Illiquid Securities.** A portion of the fund's capital may be invested in private claims and other illiquid securities and instruments. In the case of emerging markets, it is common to have illiquid markets where securities are not publicly traded and where the market for these securities (*i.e.*, the difference between the bid and the ask price) may fluctuate greatly. In addition, in certain cases, such as during the delay in the settlement or registration of a security where actual physical delivery is involved, an illiquidity risk may be created.

**Sovereign Risk.** The fund may invest in sovereign debt, and may invest in securities and instruments of developing or emerging market issuers which are or may become non-performing and/or where the issuer is in default, at the time of purchase, of principal repayment obligations. The foreign debt securities in which the fund may invest may be subject to restructuring arrangements, which may adversely affect the value of such investments. If a foreign sovereign defaults on its foreign debt, the fund may have limited legal recourse against the issuer and/or guarantor.

**Risks in General.** Investments in securities and other financial instruments are not guaranteed and an investor in one or more of the funds may lose money.

Investors or prospective investors should carefully review the offering documents for any Funds managed by Trident for a detailed explanation of many of the risks associated with investment.

#### **Item 9. Disciplinary Information**

We are required to disclose any legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management. As a matter of best practice, we seek to provide this same information to investors and prospective investors.

Neither our firm nor our management personnel have reportable disciplinary events to disclose.

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

Trident Asset Management, LLC (hereinafter the "Managing General Partner"), a Delaware limited liability company affiliated with us through common ownership and control, is the Managing General Partner to Vardana Partners. Trident Fund Management, LLC (hereinafter the "Administrative General Partner"), a Delaware limited liability company affiliated with us through common ownership and control, is the Administrative General Partner to Vardana Partners.

Krishnamurthy Narayanan, founder and Chief Investment Officer, is also the Managing Member of the Managing General Partner and the Administrative General Partner. In addition, Mr. Narayanan serves on the Board of Directors for Vardana International and Vardana Fund along with Mason Rees, the Chief Operating Officer and Chief Compliance Officer of Trident.

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

Trident has adopted a Code of Ethics which sets forth high ethical standards of business conduct that we require of our employees, including compliance with applicable federal securities laws. Our Code of Ethics includes policies and procedures for the review of quarterly securities transactions reports as well as initial and annual securities holdings reports that must be submitted by the firm's access persons. Among other things, our Code of Ethics also requires the prior approval of any acquisition of securities in a limited offering (e.g., private placement) or an initial public offering. Our Code provides for oversight, enforcement and recordkeeping. A copy of our Code of Ethics is available to our advisory clients and prospective clients upon request to the Chief Compliance Officer via email at [mrees@tridentglobal.com](mailto:mrees@tridentglobal.com), by phone at 212-350-4710, or by mailing your request to the firm's principal office address.

As disclosed at Item 5 of this Brochure, certain executive officers and/or other employees of Trident have invested or may invest a portion of their personal net worth in the Vardana funds.

As these situations represent a conflict of interest, we have established the following restrictions in order to ensure our fiduciary responsibilities:

- No officer or employee of our firm may prefer his or her own interest to that of an advisory client.
- All of our principals and employees must act in accordance with applicable Federal and State regulations governing registered investment advisory practices.
- Any individual not in observance of the above may be subject to disciplinary action up to and including termination.

Our Code of Ethics further includes the firm's policy prohibiting the use of material non-public information. While we do not believe that we have any particular access to non-public information, all employees are reminded that such information may not be used in a personal or professional capacity.

The Investment Advisers Act of 1940 makes it unlawful for any investment adviser, directly or indirectly, acting as principal for its own account, to knowingly sell any security to, or purchase any security from, a client without disclosing to the client in writing the capacity in which the adviser is acting and obtaining the client's consent to the transaction. This rule may apply to certain transactions involving accounts in which investment advisers have interests, such as private fund investments by the firm's owners, principals, or employees. The SEC has indicated that when an investment adviser and/or its controlling persons own more than 25% of a fund's outstanding securities, it would be effectively treated as a principal transaction if such an account were to engage in a trade with another client account or fund.

Trident has adopted specific policies and procedures for monitoring the level of proprietary ownership in each fund it manages and for obtaining the requisite consent before engaging in a transaction that would be considered a principal transaction under applicable SEC interpretations.

## **Item 12. Brokerage Practices**

Brokerage transactions are executed by brokers and dealers generally selected on the basis of obtaining the best overall terms available based on a variety of factors, including the following: the ability to achieve prompt and reliable executions at favorable prices; the operational efficiency with which transactions are effected; the financial strength, integrity and stability of the broker, the quality and comprehensiveness of related services considered to be of value; and the competitiveness of commission rates in comparison with other brokers satisfying other selection criteria.

Subject to seeking the best execution, Trident may also consider referrals of potential investors as a factor in the selection of brokers. Trident will not make commitments to any broker or dealer to compensate that broker or dealer through brokerage or dealer transactions in exchange for investor referrals; however, clients and investors should note that a potential conflict of interest can arise between our duty to seek best price and execution and our interest in receiving future referrals.

Trident may pay a broker a commission in excess of that which another broker might have charged for effecting the same transaction in recognition of the value of the brokerage and other services provided by the broker. Accordingly, if Trident determines in good faith that the amount of commissions charged by a broker is reasonable in relation to the value of the brokerage and other products or services provided by such broker, the Funds may pay commissions to such broker in an amount greater than the amount another broker might charge.

The use of commission or “soft” dollars to pay for research products or services falls within the safe harbor for soft dollars created by Section 28(e) of the Exchange Act. Under Section 28(e), research obtained with soft dollars generated by the Funds may be used by Trident to service accounts other than the Funds.

Brokers sometimes suggest a level of business they would like to receive in return for the various services they provide. Actual brokerage business received by any broker may be less than the suggested allocations, but can (and often does) exceed the suggestions, because total brokerage is allocated on the basis of all the considerations described above. A broker is not excluded from receiving business because it has not been identified as providing research services. The investment information received from other brokers may be used by Trident in servicing all its accounts and not all such information may be used by Trident in connection with the Funds. Nonetheless, Trident believes that such investment information provides the Funds with benefits by supplementing the research otherwise available.

**Trade Aggregation.** We typically will aggregate trades when doing so is advantageous to the Funds. Mostly, we will batch client transactions to receive volume discounts and to obtain better and more uniform pricing across all funds participating in the blocked transaction. If we determine that aggregation of trades in a certain situation will be beneficial to the Funds, transactions will be averaged as to price and will be allocated among the Funds in proportion to the purchase and sale orders placed from each client account on any given day. Any exceptions from the pro-rata allocation procedure will be carefully explained and documented. Such exceptions may occur due to varying cash availability across accounts, divergent investment objectives and existing concentrations, tax considerations, investment restrictions, performance

relative to the applicable benchmark, performance relative to other accounts in the same strategy, and desire to avoid “odd lots” (an amount of a security that is less than the normal unit of trading for that particular security).

**Item 13. Review of Accounts**

Trident continuously monitors the underlying investments in fund accounts and reviews these positions on a daily basis. Fund positions will be reviewed in the overall context of the Funds’ investment objectives and guidelines as well as geopolitical and macroeconomic events. All reviews are conducted by Mr. Narayanan and his investment team.

Fund investors will receive unaudited monthly performance reports in accordance with the agreements and offering documents of the particular fund or as otherwise separately agreed.

Vardana funds’ investors will receive, as soon as practicable after the end of each taxable year (or as otherwise required by law), annual reports containing financial statements audited by the Vardana funds’ independent auditors, as well as such tax information as is necessary for each investor to complete federal and state income tax or information returns, along with any other tax information required by law.

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

Trident has entered into an agreement, and may in the future, subject to its sole discretion, enter into additional such agreements, with certain non-affiliated third-parties to act as non-exclusive placement agents for the interests of certain of the funds managed by Trident. Compensation paid for these services is based on a percentage of the management fee charged on assets gathered.

**Item 15. Custody**

Because we act as investment adviser to the Funds and have an affiliated party who acts as Managing General Partner to certain of those Funds, we are deemed to have custody of client assets under current applicable regulatory interpretations. As an adviser with custody, we seek to have each of the Vardana funds audited on an annual basis by an independent public accountant that is both registered with and subject to regular inspection by the Public Company Accounting Oversight Board (PCAOB). It is our policy to seek to send these audited financials to each fund investor, as appropriate, within 120 days of the applicable fund’s fiscal year end.

**Item 16. Investment Discretion**

As investment adviser to the Funds, Trident is granted the discretionary authority in the relevant organizational documents and/or separate advisory agreements to determine which securities and the amounts of securities that are bought or sold for the funds.

**Item 17. Voting Client Securities**

Trident is granted the authority and responsibility in the relevant organizational documents and/or advisory agreements to vote proxies solicited by the issuers of securities held by the Funds. As a matter of policy and practice, Trident will vote proxies in the best interest of the Funds, typically with the goal of maximizing value for the Funds and the investors in the Funds. To that end, Trident endeavors to vote proxies in the manner that it determines in good faith will be the most likely to cause the Funds' investments to increase the most or decline the least in value. Consideration is given to both the short and long-term implications of the proposal to be voted on when considering the optimal vote. Trident's complete proxy voting policy and procedures are included in our Code of Ethics and is available for investors to review upon request of the Chief Compliance Officer via email at [mrees@tridentglobal.com](mailto:mrees@tridentglobal.com), by phone at 212-350-4710, or by mailing your request to the firm's principal office address.

**Item 18. Financial Information**

Under no circumstances will we collect fees in excess of \$1,200 more than six months in advance of services rendered, and as such, we are not required to include a financial statement with this Brochure.

Trident Investment management, LLC has not been the subject of a bankruptcy petition at any time during the past ten years.