

Part 2A of Form ADV: Firm Brochure

Item 1 Cover Page

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This Brochure provides information about the qualifications and business practices of Empiric Asset Management, LLC (“**Empiric**”, the “**Adviser**” or “**we**”). If you have any questions about the contents of this Brochure, please contact us by telephone at (646) 747-0100 or by email at aperisteris@empiricap.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.

Additional information about Empiric also is available on the SEC’s website at www.adviserinfo.sec.gov.

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

Item 2 Material Changes

Not applicable.

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Item 4**Advisory Business****A. General Description of Advisory Firm**

Empiric Asset Management, LLC (“**Empiric**”, the “**Adviser**” or “**we**”), a limited liability company formed under the laws of the State of Delaware, formed on June 14, 2007, is an investment adviser to privately placed pooled investment vehicles and separately managed accounts (each, an “**SMA**”). As stated on the cover page of this Brochure, registration as an investment adviser does not imply a certain level of skill or training. The Adviser’s principal place of business is in New York, NY. The Adviser is currently 99.5% owned by Jeffrey A. Baehr (“**Baehr**”) and 0.50% owned by Milton E. Baehr.

The Adviser provides investment management services to, and has discretionary investment authority over the assets of, (i) pooled investment vehicles, currently Empiric Market Neutral Fund, LP, a Delaware limited partnership (the “**Partnership**”) and Empiric Market Neutral Offshore Fund, Ltd., a Cayman Islands exempted company (the “**Offshore Fund**”) and together with the Partnership, the “**Funds**”, and the investors therein, the “**Investors**”) and (ii) SMA’s (together with the Funds, the “**Clients**”). Empiric Capital Partners, LLC, a Delaware limited liability company (the “**General Partner**”), is a related person of the Adviser and serves as the general partner to the Partnership. Baehr is the controlling person of the General Partner and the Chief Investment Officer of the Adviser.

B. Description of Advisory Services (including any specializations)

The Adviser provides investment management services to and has discretionary investment authority over the assets of the Clients. Advisory services include, among other things, the provision of advice regarding asset allocation and the selection of investments. The decisions relating to the investment advice are based on analysis of the merits of the security involved and on the investment guidelines and restrictions of the Clients. The Adviser does not hold itself out as specializing in a particular type of advisory service and does not provide investment advice only with respect to limited types of investments.

C. Availability of Tailored Services for Individual Clients

The Adviser tailors its investment strategy and provides advice to its Clients based on specific investment objectives and strategies as described in Item 8(A) and in the relevant offering documents of the Funds. Under certain circumstances, the Adviser may agree to tailor advisory services to the individual needs of the SMA’s. The Adviser will also tailor its advisory services by adhering to the investment restrictions imposed by Clients.

D. Wrap Fee Programs

The Adviser does not currently participate in any wrap fee programs.

E. Client Assets Under Management

The Adviser manages client assets on a discretionary basis in the amount of \$60,000,000 (rounded to the nearest \$100,000) as of February 1, 2012. The Adviser does not manage any client assets on a non-discretionary basis.

Item 5 Fees and Compensation

A. Advisory Fees and Compensation

Generally, the Adviser charges its Clients a management fee (the “**Management Fee**”). The Adviser charges the Partnership and the Offshore Fund a Management Fee equal to 0.50% per quarter (2.00% annually) of each Investor’s Capital Account in the case of the Partnership and of each Investor’s aggregate Series Account balance in the case of the Offshore Fund. The Management Fee is paid quarterly in arrears based on the net asset value of each Capital Account or Series Account, as the case may be, on the last day of the quarter. Investors who invest capital on a date other than the first day of a quarter are charged a prorated Management Fee as to that investment. Management Fees with respect to SMA’s are negotiated between such SMA’s and the Adviser on a case-by-case basis.

Management Fee is negotiable in the sole and absolute discretion of the Adviser. The Adviser may waive all or a portion of the Management Fee as to an Investor (by rebate or otherwise), or may agree with an Investor to other changes in the Management Fee with respect to that Investor.

Generally, the General Partner, with respect to the Partnership, will receive a performance allocation or carried interest (“**Performance Allocation**”) equal to twenty percent (20%) of the net profit allocated to each Investor’s Capital Account (including net investment income and net realized and unrealized gains allocated to the Investor’s Capital Account) at the end of each calendar year, or on an earlier withdrawal of the Investor, as to amounts withdrawn. Generally, the Adviser, with respect to the Offshore Fund, will receive a performance fee or carried interest (the “**Performance Fee**”) equal to twenty percent (20%) of the full increase in the Net Asset Value of each Series of Shares appropriately adjusted for any subscriptions, distributions or redemptions in such period as of the end of each fiscal year of the Fund (December 31), or on an earlier redemption of a Shareholder, as to amounts redeemed.

The Funds generally maintain a loss carryforward account for each Investor (a “**Loss Carryforward Account**”). Each Loss Carryforward Account will be debited with any net loss and credited with any net profit. The General Partner and/or the Adviser will not be allocated any Performance Allocation or Performance Fee, as the case may be, with respect to an Investor until such Investor has recovered all amounts debited to its Loss Carryforward Account (as adjusted for any redemptions) or for any period that there is a Loss Carryforward Account.

Performance Fees with respect to SMA’s are negotiated between such SMA’s and the Adviser on a case-by-case basis.

The Adviser, the General Partner and/or their respective affiliates may, in their sole discretion, elect to reduce, waive or calculate differently the Performance Allocation or the Performance Fee, as the case may be, with respect to any Investor, including, without limitation, an Investor that is a partner, member or employee of the Adviser, the General Partner or their respective affiliates, such person’s family members and trusts or other entities established for the benefit of such person or his or her family members.

B. Payment of Fees

The Adviser deducts the Management Fee and Performance Allocation/Performance Fees (if applicable) from the Client accounts by instructing the Client’s administrator. The Client’s administrator, at the direction of the Adviser, deducts Management Fees from the Partnership and the Offshore Fund on a quarterly basis. Performance Allocation/Performance Fees, if any, are deducted annually (or on an earlier

redemption on an Investor).

SMA's Management Fees and performance fees, if any, are deducted in accordance with the applicable terms agreed to between the Adviser and the SMA, but typically by instructing the SMA's custodian.

C. Other Fees and Expenses

The Funds bear, or reimburse the General Partner and/or the Adviser, as the case may be, for all their respective organizational expenses, which are amortized over a period of sixty (60) months for financial accounting purposes; provided, however, that the Adviser may, in its sole and absolute discretion, reimburse the Funds, for any or all such organizational expenses.

The Partnership bears all costs, fees and expenses incurred by or on behalf of the Partnership in connection with its management and operation, including, without limitation: (i) all costs, fees and expenses of the Partnership relating to Investor and General Partner meetings and the preparation and mailing of reports to Investors; (ii) all fees and disbursements of the Partnership's accountants, administrators, consultants and attorneys (including, without limitation, the General Partner's attorneys performing work benefiting the Partnership); (iii) all filing and recording fees; (iv) all costs, fees and expenses of the Partnership related to the purchase, sale or retention of securities by the Partnership (including, without limitation, all fees and commissions of brokers, administrators, and custodians, all fees and disbursements of attorneys and accountants, all fees and expenses relating to the registration and qualification for sale of such Securities and all transfer taxes); (v) all federal, state and local taxes payable by the Partnership; (vi) the legal and other fees, costs and expenses of the Partnership in connection with any threatened or actual litigation, arbitration, or governmental investigation or proceeding, and the amount of any judgments or settlements paid in connection with such litigation or arbitration or fines or penalties levied as a result of any such proceeding or investigation; (vii) all interest, discount, margin and borrowing expenses of the Partnership, (viii) expenses relating to the offering and sale of the Partnership's Interests and (ix) any other fees, costs or expenses that the General Partner, in its discretion, determines to be extraordinary. The legal and accounting costs incurred in connection with an audit of the Partnership's tax return will also be borne by the Partnership. The cost of any audit of an Investor's tax return will be borne solely by that Investor. The Adviser provides the Partnership with office space, utilities, service contracts for quotation equipment, newswires and other information services, and certain clerical and administrative services.

The Offshore Fund bears the expenses of administering its own business, including, without limitation, auditing, accounting (including third party accounting services) and tax preparation fees and expenses, ongoing legal and bookkeeping expenses, brokerage commissions and other securities transaction costs (including research related travel expenses), Fund-related insurance expenses, Fund-related technology expenses (including risk management systems), custodial fees, administrator expenses (including middle/back office services), governmental fees and taxes, the legal and accounting costs incurred in connection with an audit of its tax return (if any), margin interest or interest on other borrowings, and the expenses of offering and selling Shares. The cost of any audit of a Shareholder's tax return will be borne solely by that Shareholder. The Adviser may, in its sole and absolute discretion, pay or reimburse the Fund, respectively, for any or all such foregoing expenses.

All costs related to an SMA are borne by the SMA.

Please refer to Item 12 in this Brochure for a discussion of the Adviser's brokerage practices, including factors that we consider when selecting brokers and dealers for Client transactions.

D. Prepayment of Fees

Certain fees are deducted in advance as described above and will be reimbursed *pro rata* if the advisory contract is terminated during a calendar quarter (or the relevant fee period).

E. Additional Compensation and Conflicts of Interest

The Adviser and its supervised persons are not paid any compensation for the sale of securities or other investment products.

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

The Adviser and/or its affiliates accept performance-based compensation (e.g., Performance Allocation and Performance Fee) from each Fund and from each relevant SMA, as the case may be. Please refer to Item 5 for a discussion of performance-based compensation paid to the Adviser and/or its affiliates. The fact the Adviser or affiliates of the Adviser are compensated based on the net capital appreciation of a Client may create an incentive for the Adviser to make investments on behalf of the Clients that are riskier or more speculative than would be the case in the absence of such compensation. Since the performance-based compensation will be determined on both realized and unrealized gains, the Adviser or its affiliates may receive a performance-based compensation reflecting unrealized gains at the end of a year that are not subsequently realized by a Client.

The Adviser and its investment personnel provide investment management services to multiple portfolios for multiple Clients. As noted above, the Adviser is entitled to be paid performance-based compensation by the Funds and certain of its SMA's. In addition, the Adviser's investment personnel are typically compensated on a basis that includes a performance-based component. The Adviser and its investment personnel, including investment personnel that share in performance-based compensation, manage both Client accounts that are charged performance-based compensation and accounts that are charged an asset-based fee, which is a non-performance-based fee(s). In addition, 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 that pay the Adviser (and indirectly the portfolio manager) performance-based compensation or higher fees.

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 and require that, to the extent orders are aggregated, the client orders are price-averaged. 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 Risk Control Officer.

Item 7 Types of Clients

The Adviser provides investment management services to Clients, which currently consist of privately placed pooled investment vehicles and separately managed accounts on behalf of individuals and/or institutions. Investors in the Funds are individuals and institutions. The minimum initial investment in each Fund is \$1,000,000, and the minimum subsequent investment is \$100,000 or greater at the discretion of the relevant Fund. In each case, however, the Adviser has sole discretion to accept lesser amounts. The minimum account size for an SMA is negotiated between such SMA and the Adviser.

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

The Adviser seeks to achieve the Client's investment objective by utilizing a quantitative market neutral strategy. The Adviser pursues this strategy primarily by taking long and short positions in publicly traded U.S. equity securities. Notwithstanding the foregoing, there are no restrictions on the investment activities of the Adviser, and the Adviser may make any investment and pursue any investment strategy or technique it determines appropriate to achieve the Client's investment objective, including purchasing, selling, trading and investing in all manner of securities and other financial instruments.

The Adviser employs the following methods of analysis and investment strategies with respect to its Clients:

Based on qualitative analysis of equity securities (and other permissible investments), the Adviser has identified distinctive characteristics that should have strong predictive ability of the security's performance relative to others with similar attributes. The Adviser developed a quantitative model and built a proprietary database to confirm its hypothesis. The model identifies securities with distinctive characteristics and trades them in accordance with anticipated price movements relative to other securities with similar attributes in the near term (several week time horizon).

The Adviser has also identified a number of sectors that, due to their distinctive characteristics, lend themselves to its quantitative evaluation process. Once a sector is identified, the Adviser builds the processes to collect the necessary information in a systematic way, identify the relevant factors, and break each sector into subsectors. The Adviser uses its proprietary sector categorization process for investment and risk management purposes.

Within each sector, the system derives valuation metrics based on proprietary factors and current prices to determine how expensive or cheap securities in the researched universe are relative to other securities in its sector and subsector. These relative valuations are then translated into raw scores. Using the raw scores as inputs, a portfolio optimizer calculates position sizes that maximize expected returns per unit of risk, subject to market neutrality, dollar neutrality, sector neutrality, subsector neutrality, liquidity constraints and position constraints. Because of the neutrality constraints the returns are expected to be uncorrelated to the markets. Valuation metrics are recalculated at the beginning of every day and the optimization process is run real time throughout the day.

The Adviser expects the portfolio to remain market neutral, dollar neutral, sector neutral, and subsector neutral. We expect target leverage to be 180% to 190%, 90% long and 90% short and portfolio turnover to range from 50%-100% per month.

While the Client's assets will generally be fully invested, the Adviser may maintain cash positions pending its identification of investment opportunities meeting the Client's criteria, if any. Additionally, assets of the Clients may, to the extent deemed appropriate by the Adviser, be retained in deposit, call or current accounts or invested in short-term instruments such as commercial paper, Eurodollar time deposits and certificates of deposit.

The investment objective, strategies and methods summarized above represent the Adviser's current intentions. Notwithstanding this investment objective and general policies, the Investment Management Agreement between the Adviser and a Client generally does not limit the Adviser's investment strategy or the types of investments the Adviser may make. The Adviser generally has very wide latitude to invest or trade the Client's assets, to pursue any particular strategy or tactic, to cause the portfolio to be

concentrated or non-diversified, or to change the Client's emphasis, objectives, policies and strategy, all without obtaining the approval of the Clients and/or the Investors. There are generally no limits on the types of securities or other instruments or investments in which the Adviser, on behalf of its Clients, may take positions, the choice of sector or sectors within which it seeks to identify securities, the choice of markets (domestic or foreign) within which the Adviser may invest, the type of positions it may take, the investment or trading strategies it may use, or the concentration of the Adviser's investments. The Adviser has broad discretion to employ any securities trading investment techniques, whether or not contemplated by the expected investment strategies and criteria described above.

The Adviser may invest in all manner of securities and other property, including, but not limited to: (i) equity and equity-related securities of public and private issuers, equity interests in public and private partnerships, bonds, notes and debentures, collateralized debt securities and other asset-backed and asset-backed related securities, unregistered securities, bank loan participations and other evidences of indebtedness, convertible securities, rights, warrants, subscriptions or other contracts to acquire securities, derivative financial instruments such as options, swaps, caps, collars, floors and notional principal contracts, certificates of deposit, letters of credit, bankers' acceptances, repurchase and reverse repurchase agreements, options on securities and securities indices, mortgage-backed securities, money market instruments, mutual funds, obligations of or guaranteed by any government or governmental agency, other personal property, securities of and interests in entities engaged directly or indirectly in any of the foregoing, and any rights or interests pertaining to any of the foregoing, and such other instruments or interests as the Adviser deems appropriate, whether owned directly or indirectly by the Clients; and (ii) over-the-counter-options and other derivative instruments on securities.

Many of the investment techniques and activities described above are high risk activities that could result in substantial losses to the Clients, and Clients must be prepared to bear the loss of their entire investment.

B. Material Risks (Including Significant, or Unusual Risks) Relating to Investment Strategies

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.

Short Selling Risk. The Adviser's investment program includes short selling, which at times may increase activity within the accounts or funds they manage. 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.

Relative Value Risk. In the event that the perceived mispricing 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.

Lack of Diversification. Client accounts will not be diversified among a wide range of types of securities,

countries, regions, securities, industries, or sectors, and client accounts, at times, may expect to hold a relatively small number of securities positions, each representing a relatively large portion of the account's capital. Losses incurred in those positions could have a material adverse effect on a Client account's overall financial condition. When investments are concentrated in several relatively large security positions or industries relative to the capital of a client account, a loss in any one position or a downturn in a sector in which such account is invested could materially reduce the account's performance.

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

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. For the most part, the Adviser does not employ hedging strategies as part of their overall investment strategies.

Frequent Trading. The Adviser's primary strategy uses frequent trading which results in significantly higher commissions and charges to client accounts due to increased brokerage, which will offset client profits.

Reliance on a Quantitative Model. The Adviser's trading strategy relies substantially on one or more sophisticated, proprietary and quantitative trading models and other intellectual property (collectively, the "**Model**"). Such models require continual monitoring and adjustment and may become dysfunctional or obsolete if adjustments are ineffective. Implementation of quantitative strategies requires disciplined application of the relevant Model, including through trading windows and cycles when Model-driven trades run contra to market or Shareholder sentiment. There can be no assurance that the Adviser will correctly identify or anticipate developments that require adjustment to the Model or that the Model will be successful in current or future market environments. If the Adviser changed its Model, which it may do in its sole discretion, the securities selected may have a substantially different profile from the securities held at the commencement of operations or immediately prior to the change.

Concentration of Investments. The Client's Investment Management Agreement with the Adviser generally does not impose any limits on the concentration of the Clients investments in particular countries, regions, securities, industries, or sectors, and the Client, expects to hold a relatively small number of securities positions, each representing a relatively large portion of a Client's capital. When investments are concentrated in several relatively large security positions or few industries, a loss in any one position or a downturn in a sector in which the Client is invested could have a material adverse effect on the Client's performance.

C. Risks Associated with Types of Securities that are Primarily Recommended

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.

Master Limited Partnerships. The Adviser directly invests in shares of master limited partnerships (“**MLPs**”). MLPs are exchange-traded public partnerships that seek to generate profits from investments in underlying income generating businesses. MLPs are subject to many risks which include regulatory risks, event risks such as terrorism or environmental incidents, destruction of demand for MLPs, and inadequate supply of capital to the sector to fund growth. Most MLPs generate income from energy, timber or real estate investing. There can be no assurance that MLPs in which the Clients invest will, in fact, generate profits. In addition, MLPs that invest in resource-based businesses face the risks that the resource base becomes depleted, or further exploitation of the resource becomes non-viable, and no additional resources are acquired to replace the depleted resource. Profits from investing in resource-based businesses are sensitive to commodity price fluctuations and the underlying businesses are often leveraged, making profits vulnerable to fluctuations in the cost and availability of capital.

Small Capitalization Companies. Micro-, small- and mid-cap companies in which the Adviser may invest are often more vulnerable than larger companies to adverse business or market developments, have limited markets and financial resources. These companies may lack experienced management, have a limited operating history, may be operating at a loss or with substantial variations in operating results from period to period and may require substantial additional capital to support expansion or to achieve or maintain a competitive position. These investments may include venture capital, special situations and, to a limited extent, private investments. Although these investments may offer opportunities for significant gains, these investments generally involve a very high degree of business and financial risk and can result in substantial losses. The securities of small-cap companies tend to be less seasoned, and more susceptible to volatility in valuation and performance, than larger and more seasoned companies. In addition, small- and medium-sized companies often are not as well known to the investing public, in part, because relatively few of them are followed by traditional Wall Street security analysts, and information about them may be more difficult to obtain and may be less reliable and more subjective than information about larger public companies.

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.

Exchange Traded Funds. Because ETFs are, by definition, portfolios of securities, the Adviser believes that the unsystematic risk associated with investments in ETFs is generally very low relative to investments in ordinary securities of individual issuers. However, there are events that can trigger sharp and sometimes adverse price movements in ETFs that are not related to movements of the market in general. Not limited to, but among these, are surprise dividends, changes to regular dividend amounts, announcements of rights offerings and possible surprise revisions to net asset values of the ETF. In addition, the Investment Company Act places certain restrictions on the percentage of ownership that a private investment fund, such as the Partnership, may have in an ETF. The Adviser may invest in small and/or unseasoned ETFs with small market capitalization. While smaller ETFs generally have potential for rapid growth, they often involve higher risks because they may lack the management experience,

financial resources, product diversification, and competitive strength of larger ETFs. In addition, in many instances, the frequency and volume of their trading may be substantially less than is typical of larger ETFs. As a result, the securities of smaller ETFs may be subject to wider price fluctuations.

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

Not applicable.

Item 10 Other Financial Industry Activities and Affiliations

A. Broker-Dealer Registration Status

Not applicable.

B. Commodities-Related Registration Status

Not applicable.

C. Material Relationships or Arrangements with Industry Participants and Material Conflicts of Interest Relating to Other Investment Advisers

Each Fund has and may in the future enter into agreements, or “side letters,” with certain prospective or existing Investors whereby such Investors may be subject to terms and conditions that are more advantageous than those set forth in the offering memorandum for the particular Fund. For example, such terms and conditions may provide for special rights to make future investments in the Fund; special redemption rights, relating to frequency or notice; a waiver or rebate in fees or redemption penalties to be paid by the Investor and/or other terms; rights to receive reports from the Adviser on a more frequent basis or that include information not provided to other Investors (including, without limitation, more detailed information regarding portfolio positions) and such other rights as may be negotiated by the Adviser, on behalf of itself and/or the Fund, and such Investors. The modifications are solely at the discretion of the Adviser and may, among other things, be based on the size of the Investor’s investment in the Fund or affiliated investment entity, an agreement by an Investor to maintain such investment in the Fund for a significant period of time, or other similar commitment by an Investor to the Fund.

The Adviser shares employees and supervised persons with ARIS Capital Management, LLC (referred to herein as the “**ARIS Capital**”). ARIS Capital is also a federally registered investment adviser (note that such registration does not imply a certain level of skill or training). Investment personnel may have conflicts in allocating their time and services. These conflicts of interest are discussed in Item 6, above.

D. Other Investment Advisers

The Adviser does not recommend or select other investment advisers for its Clients.

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

A. Code of Ethics

The Adviser has adopted a Code of Ethics (the “**Code**”) that obligates the Adviser and its related persons to put the interests of the 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 will be required to comply with applicable federal securities laws. Clients or prospective Clients may obtain a copy of the Code by contacting Apostolos Peristeris (Chief Compliance Officer) by telephone at (646) 747-0100 or by email at aperisteris@empiriccap.com. See below for further provisions of the Code as they relate to the pre-clearing and reporting of securities transactions by related persons.

The Adviser, in the course of its investment management and other activities (*e.g.*, board or creditor committee service), 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 will enforce 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.

B. Client Transactions in Securities where Adviser has a Material Financial Interest

Not applicable.

C. Investing in Securities Recommended to Clients

The Adviser permits employees and those of related persons to engage in personal account trading subject to adherence to written policies and procedures contained in its Code. All employees are required to pre-clear personal securities transactions (unless such transaction(s) is exempt from the pre-clearance and reporting obligations of the policy) prior to effecting them and to report transactions and holdings periodically. Employees may personally invest in the same securities that are purchased for Clients and may own securities that are subsequently purchased for Clients. However, the Adviser will act consistent with its fiduciary duties in determining whether to allow an employee to trade for his or her personal account. The Adviser’s legal and compliance personnel monitor and enforce these policies through receipt of pre-clearance requests and quarterly statements received from brokers and internal reporting obligations of all employees.

D. Conflicts of Interest Created by Contemporaneous Trading

See [Item 11.C](#) above.

Item 12 Brokerage Practices

A. Factors Considered in Selecting or Recommending Broker-Dealers for Client Transactions

All orders for the purchase and sale of securities for the Clients will be placed in such markets and through such brokers as in the Adviser's best judgment offer the most favorable price and market for the execution of each transaction under the circumstances. In selecting a broker or dealer for any transaction or series of transactions, the Adviser may consider a number of factors, including, for example, net price, reputation, financial strength and stability, efficiency of execution, block trading and block positioning capabilities, willingness to execute related or unrelated difficult transactions in the future, research services provided to the Adviser, and other matters ordinarily involved in the receipt of brokerage services generally. In no event shall the Adviser be under any duty to obtain the lowest commission or best net price for a Client on any particular transaction, nor is the Adviser under any duty to execute any order in a fashion either preferential to a Client relative to other like accounts managed by the Adviser or otherwise materially adverse to such other accounts. The commissions charged to a Client may differ from those charged to other Clients because of those Clients' specific brokerage account arrangements. 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.

1. Research and Other Soft Dollar Benefits

The Adviser may receive 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, as amended ("**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 will periodically 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.

Where a particular service or product that a broker or dealer is willing to provide for soft dollars has not

only a “research” application, but it is also useful to the Adviser for non-“research” purposes, the Adviser may allocate the cost of the product or service between its “research and non-“research” uses and pay only the “research” portion with soft dollars. The Adviser’s interest in making such an allocation may differ from Clients’ interests in that the Adviser has an incentive to designate as great a portion of the cost to “research” as possible in order to permit payment with soft dollars. Where a particular service or product provides benefits to the Adviser’s Clients and/or the Adviser itself, the Adviser may allocate the cost among the various persons who receive benefits.

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.

The Adviser may participate in “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.

2. Brokerage for Client Referrals

In selecting or recommending broker-dealers, the Adviser may consider whether the Adviser or a related person receives client referrals from a broker-dealer or third party. The Adviser may have an incentive to select or recommend a broker-dealer based on its interests to receive client referrals rather than on the Client’s interests to receive most favorable execution. To address this conflict of interest, the Adviser will execute client trades through broker-dealers that refer Clients to the Adviser only if it is determined by the Chief Compliance Officer that client trades with such broker-dealers are otherwise consistent with seeking best execution.

3. Directed Brokerage

Under certain circumstances, the Adviser may ask Clients to direct the Adviser to execute the Client’s trades with a specified broker-dealer. When a Client directs the Adviser to use a specified broker-dealer to execute all or a portion of the Client’s securities transactions, the Adviser treats the Client’s direction as a decision by the Client to retain, to the extent of the direction, the discretion the Adviser would otherwise have in selecting broker-dealers to effect transactions and in negotiating commissions for the Client’s account. Although the Adviser attempts to effect such transactions in a manner consistent with its policy of seeking best execution, there may be occasions where it is unable to do so, in which case the Adviser will continue to comply with the Client’s instructions. Transactions in the same security for accounts that have directed the use of the same broker will be aggregated. When the directed broker-dealer is unable to execute a trade, the Adviser will select broker-dealers other than the directed broker-dealer to affect client securities transactions. A Client who directs the Adviser to use a particular broker-

dealer to affect transactions should consider whether such direction may result in certain costs or disadvantages to the Client. Such costs may include higher brokerage commissions (because the Adviser may not be able to aggregate orders to reduce transaction costs), less favorable execution of transactions, and the potential of exclusion from the Client's portfolio of certain foreign ordinary shares and/or small capitalization or illiquid securities due to the inability of the particular broker-dealer in question to provide adequate price and execution of all types of securities transactions. By permitting a Client to direct the Adviser to execute the Client's trades through a specified broker-dealer, the Adviser will make no attempt to negotiate commissions on behalf of the Client and, as a result, in some transactions such Clients may pay materially disparate commissions depending on their commission arrangement with the specified broker-dealer and upon other factors such as number of shares, round and odd lots and the market for the security. The commissions charged to Clients that direct the Adviser to execute the Client's trades through a specified broker-dealer may in some transactions be materially different than those of Clients who do not direct the execution of their trades. Clients that direct the Adviser to execute the Client's trades through a specified broker-dealer may also lose the ability to negotiate volume commission discounts on batched transactions that may otherwise be available to other Clients of the Adviser. Not all advisers require Clients to direct the Adviser to execute client trades with a specific broker-dealer.

B. Trade Allocation and Order Aggregation

The Adviser may aggregate sale and purchase orders of securities held by the Clients with similar orders being made simultaneously for other accounts managed by the Adviser or in which it or its principals have an economic interest if, in the Adviser's judgment, such aggregation is reasonably likely to result in an overall economic benefit to the Clients based on an evaluation that the Clients are benefited by relatively better purchase or sale prices, lower commission expenses or beneficial timing of transactions, or a combination of these and other factors. When it does, the Adviser will allocate the securities or proceeds arising out of those transactions (and the related transaction expenses) on an average price basis among the various participants. The Adviser believes combining orders in this way will, over time, be advantageous to all participants. However, the average price could be less advantageous to a Client than if the Client had been the only account effecting the transaction or had completed its transaction before the other participants. Because of the Adviser's interest in the Funds, there may be circumstances in which the Funds' transactions may not, under certain laws and regulations, be combined with those of some of the Adviser's and its affiliates' other Clients, and the Funds may obtain less advantageous execution than such other Clients. There may be circumstances where the Adviser is unable to obtain sufficient quantities of a particular security due to market conditions, but may be able to obtain additional quantities of that security later in the trading period. Under such circumstances, the Adviser would allocate the quantities of the securities obtained in accordance with its trade allocation procedures.

Notwithstanding the above, aggregation of orders will not occur unless the Clients in question are executing the same order based on the same rationale as a result of a similar methodology or technique used. For example, a Client may employ buy or sell signals for securities purchased or sold that are materially different from other Clients managed by the Adviser based on any number of factors, including methodology, risk-management, or risk-tolerance, for example; hence orders for the same security could be entered into at different prices and at different times during the day depending on the intra-day behavior of the security being considered for purchase or sale and would not be executed as an aggregate order.

Item 13 Review of Accounts

A. Frequency and Nature of Review

Each client account is reviewed by Jeffrey Baehr and Dr. Jason Papastavrou, the Adviser's Risk Manager, or their designee on a periodic basis (generally daily) to determine whether securities positions should be maintained in view of current market conditions. Matters reviewed include specific securities held, adherence to investment guidelines and the performance of each client account.

B. Factors Prompting a Non-Periodic Review of Accounts

Significant market events affecting the prices of one or more securities in client accounts, changes in the investment objectives or guidelines of a particular Client, or specific arrangements with particular Clients may trigger reviews of client accounts on other than a periodic basis.

C. Content and Frequency of Regular Account Report

Each SMA will receive monthly statements and trade confirmations from the Client's broker-dealer and will receive annual reports from the Adviser. The reports will include a summary of assets, realized and unrealized capital gains and losses, performance measured against an appropriate index, and anticipated and actual income generated by the portfolio. Such reports may be delivered electronically to the Client in accordance with the Client's agreement with the Adviser.

Investors will receive reports from the Funds pursuant to the terms of the relevant Fund's offering memoranda or as otherwise described in the offering document of such Fund.

Item 14 Client Referrals and Other Compensation

A. Economic Benefits Received from Non-Clients for Providing Services to Clients

The Adviser may receive 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.

B. Compensation to Non-Supervised Persons for Client Referrals

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 Investment Advisers Act of 1940, as amended, and related SEC staff interpretations.

Item 15 Custody

The Adviser is deemed to have “custody” of client assets for purposes of Rule 206(4)-2 under the Investment Advisers Act of 1940, as amended.

The Adviser maintains client funds and securities at qualified custodians. In the event that Clients and/or Investors receive statements or reports directly from the custodian (or administrator), such Clients and/or Investors are urged to compare such statements to any statements that may be sent directly by the Adviser. In addition, the Adviser’s auditor sends annual audited financial statements, prepared in compliance with U.S. generally accepted accounting principles, to Investors within 120 days after the relevant Fund’s calendar year end.

Item 16 Investment Discretion

The Adviser provides investment advisory services on a 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 full 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 submits an allocation statement to the Adviser's trading desk describing the allocation of securities to (or from) client accounts for each trade/order submitted. 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 eligible client accounts on a *pro rata* basis (based on the value of the assets of each participating account relative to value of the assets of all participating accounts), these factors may lead the Adviser to allocate securities to client accounts in varying amounts. Even client accounts that are typically managed on a *pari passu* basis may from time to time receive differing allocations of securities based on total assets of each account eligible to invest in the particular investment type (*e.g.*, equities) divided by the total assets of all accounts eligible to invest in the particular investment.

Securities acquired by the Adviser for its Clients through a limited offering will be allocated pursuant to the procedures set forth in the Adviser's allocation policy. The policy provides that the Adviser will determine the proposed allocation of limited offering securities after considering the factors described above with respect to general allocations of securities and determining those client accounts eligible to hold such securities. Eligibility will be based on the legal status of the Clients and the Client's investment objectives and strategies.

The Adviser may affect cross transactions between discretionary client accounts, except as otherwise noted below. Cross transactions enable the Adviser to affect 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 or trades for which the Adviser or its affiliates are compensated as a broker 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.

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 and, following error correction, are in the same position they would have been if the error had not occurred. 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 are borne by the client account.

Item 17 Voting Client Securities

To the extent the Adviser has been delegated proxy voting authority on behalf of its Clients (such as in the case of the Funds), the Adviser complies with its proxy voting policies and 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. In voting proxies, the Adviser votes in favor of routine corporate housekeeping proposals, including election of directors (where no corporate governance issues are implicated), selection of auditors and increases in or reclassification in common stock. 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 the 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.

If a material conflict of interest between the Adviser and a Client exists, the Adviser will determine whether voting in accordance with the guidelines set forth in the proxy voting policies and procedures is in the best interests of the Client or take some other appropriate action. The Adviser does not make any qualitative judgment regarding its Clients' investments.

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 Apostolos Peristeris (Chief Compliance Officer) by email at aperisteris@empiriccap.com or by telephone at (646) 747-0100.

Item 18 Financial Information

Not applicable.

Item 19 Requirements for State-Registered Advisers

Not applicable.