

Item 1 – Cover Page

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This brochure (this “Brochure”) provides information about the qualifications and business practices of Tiptree Asset Management Company, LLC (“Tiptree Asset Management”) and certain of its affiliates. If you have any questions about the contents of this Brochure, please contact us at (212) 446-1400. 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.

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

Additional information about Tiptree Asset Management and its affiliates also 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 Tiptree Asset Management is 161203.

This Brochure does not constitute an offer to sell or the solicitation of an offer to purchase any securities of any entities described herein. Any such offer or solicitation will be made solely to qualified investors by means of a private placement memorandum.

## **Item 2 – Material Changes**

Tiptree Asset Management is a newly-formed investment adviser and therefore this is the first version of Tiptree Asset Management's Brochure.

Pursuant to SEC rules, we will ensure that you receive a summary of any material changes to this Brochure and subsequent brochures within 120 days of the close of Tiptree Asset Management's fiscal year.

You may request the most recent version of our brochure by contacting Julia Wyatt, Tiptree Asset Management's Chief Compliance Officer, at (212) 758-6692.

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## **Item 4 – Advisory Business**

### **Tiptree Asset Management’s Business**

Tiptree Asset Management provides discretionary portfolio management and advisory services to privately-offered permanent capital vehicles, pooled investment vehicles and separately managed accounts. Tiptree Asset Management may also provide administrative and other services to its clients. Tiptree Capital Management, LLC (“Tiptree Capital”) serves as manager to Tiptree Financial Partners, L.P. (“Tiptree Financial”). Telos Asset Management LLC (“Telos Management”) provides discretionary portfolio management and advisory services to issuers of collateralized loan obligations and privately-offered pooled investment vehicles. Muni Capital Management LLC (“Muni Capital Management”) serves as manager to a domestic limited liability company and provides discretionary portfolio management and advisory services to an issuer of collateralized debt obligations.

Tiptree Asset Management was formed in 2012. Tiptree Financial indirectly owns 99% of Tiptree Asset Management. Tiptree Asset Management owns 100% of Tiptree Capital, Telos Management and Muni Capital Management (collectively with Tiptree Asset Management, “TAMCO”). Accordingly, Tiptree Asset Management, Tiptree Financial, Tiptree Capital, Telos Management and Muni Capital Management may be deemed to be under common control.

### **Advisory Services**

TAMCO serves as investment adviser or manager to a domestic partnership, a domestic limited liability company and several issuers of collateralized debt obligations (the “TAMCO Funds”) as well as investment adviser to separate accounts (collectively, the “Funds” or “Advisory Accounts”).

Each of the TAMCO Funds relies upon an exception from the definition of an “investment company” under the U.S. Investment Company Act of 1940, as amended. TAMCO generally manages the TAMCO Funds in accordance with the investment strategy of the relevant Fund and not based upon the individual needs of the investors in the Fund.

Please see Item 8 for information about the TAMCO Funds’ investment strategies, investments in which those Funds invest, and risk factors associated with those strategies and investments.

### **Client Restrictions**

TAMCO generally permits its clients, including the TAMCO Funds, to impose restrictions on their Advisory Accounts with respect to: (i) the specific types of investments or asset classes that TAMCO will or will not purchase for their Advisory Accounts; (ii) the nature of the issuers of investments that TAMCO will or will not purchase for their Advisory Accounts; and/or (iii) the risk profile of instruments TAMCO will or will not purchase for their Advisory Accounts, or the risk profile of the Advisory Account as a whole.

## **Client Assets**

As of April 1, 2012, TAMCO managed approximately \$1,423,886,402 in client assets on a discretionary basis.

## **Item 5 – Fees and Compensation**

### **Compensation for Advisory Services**

#### Generally

TAMCO generally charges advisory fees to TAMCO's advisory clients based on: (i) client assets under management; and, for some of the TAMCO Funds (ii) the performance of an Advisory Account over a specific time period (such as a year) or when distributions are made through a distribution waterfall.

TAMCO's fees generally depend on the nature of the services to be provided, may or may not be negotiable, and are set forth in each applicable management agreement.

As a general policy and as discussed further below, TAMCO deducts its fees directly from the Advisory Accounts. Pursuant to each management agreement to which TAMCO is a party, TAMCO in general may not be terminated as investment adviser by the TAMCO Funds without cause, but may withdraw as investment adviser with or without cause following the Advisory Account's receipt of written notice. Investment advisory contracts for separate accounts terminate on, or shortly following, one party's receipt of written notice of termination from the other party. Similar advisory services may be available from other investment advisers at lower cost.

#### *Asset-Based Fees*

The asset-based fees (or "management fees") normally are charged at an annual rate of up to 1.50% of the average value of the client's net assets under management. Asset-based fees are generally payable monthly or quarterly in arrears or at the time distributions are made.

#### *Performance-Based Fees*

TAMCO's performance-based fee<sup>1</sup> normally ranges from 0% to 25% of either (i) the increase in the net asset value of an Advisory Account ("net appreciation") or (ii) principal and interest proceeds for the relevant time period, which may be subject to a performance measure (for example, a high water mark, hurdle rate, loss carry forward or other adjustment) (each a "Performance Measure"). A performance fee is generally payable quarterly in arrears or at the time distributions are made.

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<sup>1</sup> Please note that certain performance-based compensation is in the form of an allocation (to Tricadia or its affiliate), instead of a fee. For purposes of this Brochure, any reference to the payment of a performance-based fee will also include, as applicable, the allocation of a performance-based allocation.

The performance-based fee may be paid to a TAMCO affiliate. Investors directly invested in TAMCO Funds are subject to the management and performance fees of the applicable Fund, as described in that Fund's offering documents.

#### Fund-Specific Compensation

The following chart provides the fees payable to TAMCO by the TAMCO Funds. Unless otherwise noted, asset-based fees are presented as an annual rate and are based on the average net asset value of the relevant Fund's assets during the course of a year. Unless otherwise noted, performance-based fees are based on the net appreciation of the Fund's assets during the relevant time period (usually during the course of a year).

<b>Name of Fund</b>	<b>Collateral Manager</b>	<b>Asset-Based Fee</b>	<b>Performance-Based Fee</b>
Tiptree Financial Partners, L.P.	Tiptree Capital	1.50%	25% (subject to a Performance Measure)
Telos CLO 2006-1, Ltd.	Telos Asset Management	Up to 0.625%	20% (subject to a Performance Measure)
Telos CLO 2007-2, Ltd.	Telos Asset Management	Up to 0.65%	20% (subject to a Performance Measure)
Non-Profit Preferred Funding Trust I	Muni Capital Management	Up to 0.45%	None

#### Separate Account Compensation

In addition, TAMCO manages separate accounts for institutional investors. Terms applicable to these separate accounts are negotiated (including applicable investment restrictions) and vary from those applicable to the TAMCO Funds.

#### **Additional Expenses**

TAMCO's fees are exclusive of, as applicable, brokerage commissions, transaction fees, origination fees, back office costs, administration fees and other related costs and expenses, which are the clients' responsibility. Custodians, broker-dealers, any third party investment advisers and other third parties may impose fees on TAMCO's clients, such as management fees, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus. These charges, fees and commissions are generally exclusive of and in addition to TAMCO's fees.

The TAMCO Funds also generally will bear legal, administration fees, internal and external accounting expenses incurred in preparing, printing and delivering all reports (including such expenses incurred in connection with any fund document), insurance premiums and all filing costs and fees, as well as the cost of any fees related to the monitoring or purchase of assets, including, without limitation, the cost of any research software, pricing facilities or credit databases used by TAMCO. The TAMCO Funds will also pay any extraordinary expenses they may incur, including any litigation expenses.

Item 12 below further describes the factors that TAMCO considers in selecting broker-dealers for client transactions and determining the reasonableness of their compensation (for example, commissions).

### **Compensation-Based Conflicts**

#### *No Arm's Length Negotiation between TAMCO and the TAMCO Funds*

The fee arrangements between TAMCO and some of the TAMCO Funds were not the product of an arm's-length negotiation with a third party. Where applicable, TAMCO discloses this conflict in the relevant offering documents to potential investors in the TAMCO Funds.

#### *Incentive for TAMCO to favor clients that pay higher fees*

Management fees paid by certain TAMCO clients may be higher than those paid by other TAMCO clients, which could lead to a tendency for TAMCO to favor its clients that pay higher fees, for example, in the allocation of scarce investment opportunities or investment decisions. Please see Item 10 below for information regarding TAMCO's trade allocation and aggregation of trade policies, and Item 11 below for information regarding TAMCO's Code of Ethics.

#### *TAMCO may be incentivized to originate or acquire an investment in order to earn an origination fee*

A TAMCO Fund may pay TAMCO or its affiliate an "origination fee" or "servicing fee" in connection with an investment that TAMCO or its affiliate originates on behalf of that Fund. Those fees will be payable from the issuer/borrower involved in the investment and will be payable in respect of the additional due diligence, underwriting and other investment services to be performed by TAMCO or its affiliate in connection with that investment. As a result, TAMCO or its affiliate, as applicable, will have an interest in originating those investments and performing those services, and will be compensated in connection with those investments even if they are not successful or otherwise do not perform as expected.

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

#### Generally

As described in Item 5 above, some of TAMCO's clients pay performance-based fees. As set forth in Item 5, performance-based fees generally range from 0% to 25% of the principal and interest proceeds or "net appreciation" for the relevant time period, which are generally subject to a Performance Measure.

### Conflicts

#### *Side-by-Side Management*

TAMCO faces conflicts related to the side-by-side management of accounts which either (i) pay differing levels of performance-based fees or (ii) do not pay performance-based fees, along with accounts managed by Tricadia Capital Management, LLC and Tricadia CDO Management, LLC that do. (See Item 10 below for further information on Tricadia Capital Management, LLC and Tricadia CDO Management, LLC).

#### *Performance-based fees may incentivize riskier investment behavior*

TAMCO's (or its affiliate's) receipt of performance-based fees may incentivize TAMCO to make investments that are riskier or more speculative than TAMCO would make if TAMCO (or its affiliate) did not receive performance-based fees. Further, "net appreciation," which is the basis for certain performance-based fees applicable to certain Advisory Accounts, includes unrealized appreciation of client assets, and may result in TAMCO receiving greater performance-based fees than would be the case if net appreciation was based only on realized gains. Where applicable, TAMCO discloses this conflict in the relevant offering documents to potential investors in the TAMCO Funds.

## **Item 7 – Types of Clients**

As noted in Item 4 above, TAMCO provides discretionary portfolio management and advisory services to the TAMCO Funds and privately-offered pooled investment vehicles (which may be organized as domestic or foreign partnerships, corporate or other incorporated or unincorporated entities) and institutional investors.

Investors that directly invest in TAMCO Funds will generally be subject to minimum investment amounts as described in the Funds' offering documents. Those minimum investment amounts for Fund investors may be modified, depending on the investor relationship and in accordance with the Fund documents.



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

The following is a summary of (i) the strategies and methods TAMCO uses in formulating advice or managing assets (and their material risks) and (ii) the material risks associated with the types of securities that TAMCO primarily recommends to its clients. Clients and prospective clients should refer to a separate disclosure document that the client has or will receive that sets out a more detailed explanation of the material risks of investment strategies or methods of analysis that are or will be used to manage the client's account. Investors in the TAMCO Funds should refer to the offering documents of the Funds for more detailed explanations of the material risks of investment strategies or methods of analysis that are or will be used to manage the Funds.

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**Fund:** Tiptree Financial Partners, L.P.

### **Fund strategies and related risks:**

#### **-Fundamental**

- *Description:* This strategy involves measuring the intrinsic value of a security by looking at economic and financial factors (including the overall economy, industry conditions, and the financial condition and management of the company itself) to acquire a diversified portfolio consisting primarily of controlling positions in financial services-related companies, along with interests in structured credit products, equities and derivative instruments.
- *Risks:* Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the stock.

### **Types of investments and related risks:**

#### **-Real Estate-related assets**

- *Related risks:*
  - Certain of the Fund's investments include direct interests in real property or credit assets that are directly or indirectly secured by a lien on real property (or the equity interests in an entity that owns real property) that, upon the occurrence of a default on the loan, could result in such investment acquiring ownership of the property. In either case, investments in real property or real property-related assets are subject to varying degrees of risk. The value of each property is affected significantly by its ability to generate cash flow and net income, which in turn depends on the amount of income that can be generated net of expenses required to be incurred with

respect to the property. The income from these properties may be adversely affected by a number of risks, including (i) acts of God, including hurricanes, earthquakes, floods and other natural disasters, which may result in uninsured losses; (ii) acts of war or terrorism, including the consequences of terrorist attacks; (iii) adverse changes in national and local economic and real estate conditions (including business layoffs or downsizing, industry slowdowns, changing demographics); (iv) an oversupply of (or a reduction in demand for) space in properties in geographic areas where the assets are concentrated and the attractiveness of particular properties to prospective tenants; (v) changes in governmental laws and regulations, fiscal policies and zoning ordinances and the related costs of compliance therewith and the potential for liability under applicable laws; and (vi) costs of remediation and liabilities associated with environmental conditions such as indoor mold; and the potential for uninsured or underinsured property losses.

- Many expenditures associated with properties (such as operating expenses and capital expenditures) cannot be reduced when there is a reduction in income from the properties. Adverse changes in these factors may have a material adverse effect on the ability of the borrowers to pay their loans, as well as on the value that our applicable operating subsidiaries can realize from properties they own or acquire, and may reduce or eliminate their ability to make distributions to shareholders.
- There are certain types of losses, generally of a catastrophic nature, such as earthquakes, floods, hurricanes, terrorism or acts of war that may be uninsurable or not economically insurable. Inflation, changes in building codes and ordinances, environmental considerations and other factors, including terrorism or acts of war, also might make the insurance proceeds insufficient to repair or replace a property if it is damaged or destroyed. Under such circumstances, the insurance proceeds received might not be adequate to restore their economic positions with respect to the affected real property. Any uninsured loss could result in both loss of cash flow and a reduction in asset value.
- Real estate investments generally cannot be sold quickly. The Fund may not be able to vary its owned real estate portfolio promptly in response to changes in the real estate market. This inability to respond to changes in the performance of the Fund's owned real estate investments could adversely affect its ability to service its debt. The real estate market is affected by many factors that are beyond the Fund's control, including: (i) •adverse changes in national and local economic and market conditions; (ii) changes in interest rates and in the availability, costs and terms of financing; (iii) changes in governmental laws and regulations, fiscal policies and zoning and other ordinances and costs of compliance with laws and regulations; (iv) the ongoing need for capital improvements, particularly in older structures; (v) changes in operating expenses; and (vi) civil unrest, acts of war and natural disasters, including earthquakes and floods, which may result in uninsured and underinsured losses.

#### -Insurance

- *Related Risks.*

- As of the date hereof, the Fund holds a controlling position in a provider of private placement insurance and annuity products for ultra-high net worth individuals and institutional investors. An insurance company is exposed to the performance of the

debt and equity markets, which have been materially and adversely affected by economic developments since 2007. These adverse conditions include, but are not limited to, a lack of buyers for certain assets, volatility, credit spread changes and benchmark interest rate changes. Each of these factors has and may continue to impact the liquidity and value of the insurance company's investments. Poor performance of the debt and equity markets diminishes the entity's fee revenues by reducing the value of the assets the insurance company manages within its variable annuity and variable life products. Significant accounting estimates may be materially affected by the equity and debt markets and their impact on the insurance company's customers' behavior. For example, in setting amortization schedules for its deferred policy acquisition costs, the company makes assumptions about future market performance and policyholder behavior. Also, the insurance company analyzes its ability to utilize deferred tax assets based on projected financial results which reflect the impact of financial markets on its business.

- In periods of increasing interest rates, life insurance policy loans, surrenders and withdrawals could increase as policyholders seek investments with higher returns. This could require an insurance company to sell invested assets at a time when their prices are depressed by the increase in interest rates, which could cause it to realize investment losses. Conversely, during periods of declining interest rates, an insurance company could experience increased premium payments on products with flexible premium features, repayment of policy loans and increased percentages of policies remaining in force. An insurance company would obtain lower returns on investments made with these cash flows. As a consequence of these factors, an insurance company could experience a decrease in the spread between the returns on its investment portfolio and amounts credited to policyholders and contract owners, which could adversely affect its results of operations.
- Rating agencies assign an insurance company financial strength ratings, and assign it debt ratings, based in each case on their opinions of the insurance company's ability to meet its financial obligations. The insurance company's ratings relative to other companies in the industry affect its competitive position. Downgrades can adversely affect an insurance company's reputation and, hence, its ability to distribute its products through unaffiliated third parties. These downgrades in ratings may materially and adversely affect new sales of its products and the persistency of existing customers, as well as the insurance company's ability to borrow. Any rating downgrades may also result in a lack of access to or increased interest costs in connection with future borrowings. Such an increase would decrease the insurance company's earnings and could reduce its ability to finance its future growth and may require the company to reduce its operations.
- An insurance company sets prices for many of its insurance and annuity products based upon expected investment returns, claims, expected persistency of these policies and the expected level and pattern of premium payments into these policies. The company uses assumptions for equity market returns, investment portfolio yields, and mortality rates, or likelihood of death, of its policyholders in pricing its products. Pricing also incorporates the expected persistency of these products, which is the probability that a policy or contract will remain in force from one period to the next, as well as the assumed level and pattern of premium payments and the cost the insurance company incurs to acquire and administer policies.

Deviations in actual experience from the insurance company's pricing assumptions may have an adverse effect on the profitability of certain insurance products.

- An insurance company may utilize reinsurance to reduce the severity and incidence of claims costs, and to provide relief with regard to certain reserves. Under these reinsurance arrangements, other insurers assume a portion of its losses and related expenses; however, the insurance company remains liable as the direct insurer on all risks reinsured. Consequently, reinsurance arrangements do not eliminate its obligation to pay claims and it assumes credit risk with respect to its ability to recover amounts due from its reinsurers.
- Management of risk requires, among other things, policies and procedures to record properly and verify a large number of transactions and events. An insurance company's methods for managing risk and exposures may be based upon the use of observed historical market behavior or statistics based on historical models. As a result, these methods may not fully predict future exposures, which can be significantly greater than its historical measures indicate. Other risk management methods depend upon the evaluation of information regarding markets, clients, catastrophe occurrence or other matters that is publicly available or otherwise accessible to the company. This information may not always be accurate, complete, up-to-date or properly evaluated.

#### -Tax-Exempt Bonds

- *Related risks:*
  - States, municipalities or public authorities issue tax-exempt obligations to obtain funds for various public purposes. The two principal classifications of municipal obligations are general obligation and revenue bonds. General obligation bonds are secured by the issuer's pledge of its faith, credit and specified taxing power for the payment of principal and interest, whether it be unlimited or limited. The taxing power of any governmental entity may be limited, however, by provisions of its state constitution or laws, and a governmental entity's creditworthiness will depend on many factors, including: (i) global, national, regional and/or local macro-economic factors, including the continuing credit crisis and the overall rate of growth of the U.S. economy; (ii) unemployment levels within the obligor's tax base; the size of the obligor's tax base, its potential erosion due to population declines or reductions in assessed valuations, and its ability to increase taxes without eroding the tax base; (iii) natural disasters; (iv) declines in the obligor's industrial base or inability to attract new industries; (v) legislative proposals and/or voter initiatives to limit ad valorem real property taxes and the extent to which the entity relies on federal or state aid; (vi) access to capital markets; and (vii) other factors beyond the obligor's control. Revenue bonds are payable only from the designated revenues derived from a particular project or, in some cases, from the proceeds of a special excise tax or other specific revenue sources such as payments from the user of the project being financed. Accordingly, the timely payment of interest and the repayment of principal in accordance with the terms of the revenue or special obligation bond is dependent upon the financial performance of the project or the obligor.
  - The tax-exempt bonds in which the Fund invests consist primarily of long-term debt obligations used by or on behalf of primarily not-for-profit institutions in the healthcare, education, cultural, philanthropic, research and housing sectors, the

interest on which is exempt from federal income taxation, including alternative minimum taxation. The Fund is therefore susceptible to political, economic or regulatory factors affecting the applicable obligors. Obligor are also subject to certain risks related to their particular non-profit sector, including volatility with respect to fundraising, reliance on public payors, usage levels based upon the census and competition and macroeconomic conditions.

- The risks of the loans that support the tax-exempt bonds include (among others): (i) limited liquidity and secondary market support; (ii) the possibility that earnings of the obligor may be insufficient to meet its debt service; (iii) the declining creditworthiness and potential for insolvency of the borrower of the loan during periods of economic downturn; (iv) the obligor is often a small or mid-size company representing only local or regional interests; (v) the possibility of a reduction in the spread over the applicable floating rate index if the borrower reduces its leverage; (vi) prepayment (reinvestment risk); and (vii) if subordinated, subordination to the prior claims of other loans or senior lenders. Loans are generally subject to market value volatility that may not be apparent from historical volatility studies and that could be significant at times. An economic downturn could severely disrupt the market for loans and adversely affect the value of outstanding loans and the ability of the borrowers to repay principal and interest.
- The tax-exempt status of the tax-exempt bonds primarily depends upon the maintenance of the obligors of their status as organizations described in Section 501(c)(3) of the Internal Revenue Code. Compliance with current and future IRS regulations could adversely affect the ability of the obligors to generate revenues necessary for the payment of the tax-exempt bonds. Changes in tax laws affecting not-for-profit institutions could adversely affect the 501(c)(3) sector's revenues.
- A significant number of tax-exempt bonds are directly or indirectly secured by a lien on real property (or the equity interests in an entity that owns real property) may, upon the occurrence of a default on the loan, result in the foreclosure of the property. Investments in real property or real property-related assets are subject to varying degrees of risk. The value of each property is affected significantly by its ability to generate cash flow and net income, which in turn depends on the amount of income that can be generated net of expenses required to be incurred with respect to the property.
- Tax-exempt bonds may be freely prepayable by their respective obligors. Borrowers tend to prepay their debt when interest rates fall below the interest rate at which their debt bears interest. In these circumstances, the money received from the prepayments may be reinvested at lower prevailing interest rates. Conversely, borrowers tend not to prepay their financings when interest rates increase. Consequently, money that would have otherwise been received from prepayments would be unable to be reinvested at the higher prevailing interest rates. This volatility in prepayment rates may adversely affect investors in the Fund.

#### --Asset-backed securities ("ABS")

- *Related Risks*
  - Credit card receivables, automobile, boat and recreational vehicle installment sales contracts, commercial and industrial bank loans, home equity loans and lines of credit, manufactured housing loans, corporate debt securities and various types of accounts receivable commonly support ABS. However, there can be no assurance

that innovation in the relevant markets will not transform ABS by adding new classes of assets, new structures or other features not now familiar in the asset-backed markets.

- ABS securities do not generally have the benefit of the same security interest in the related collateral as mortgage loans or mortgage-backed securities. The risk of investing in ABS is ultimately dependent upon payment of consumer loans by the debtor.
- The collateral supporting ABS is often of shorter maturity than mortgage loans and is less likely to experience substantial prepayments. ABS are often backed by a pool of assets representing the obligations of a number of different parties and may use credit enhancement techniques such as letters of credit, guarantees or preference rights.
- The value of an asset-backed security may be affected by changes in the market's perception of the asset backing the security and the creditworthiness of the servicing agent for the loan pool, the originator of the loans or the financial institution providing any credit enhancement, as well as by the expiration or removal of any credit enhancement.
- In general, "premium" securities (securities whose market values exceed their principal or par amounts) are adversely affected by faster than anticipated prepayments, and "discount" securities (securities whose principal or par amounts exceed their market values) are adversely affected by slower than anticipated prepayments. Since many ABS will be discount securities when interest rates are high, and will be premium securities when interest rates are low, these ABS may be adversely affected by changes in prepayments in any interest rate environment.

#### -Mortgage-backed securities ("MBS")

- *Related Risks*
  - The Fund may invest in commercial mortgage-backed securities ("CMBS") and residential mortgage-backed securities ("RMBS"). The collateral underlying CMBS generally consists of mortgage loans secured by income producing property, such as regional malls, other retail space, office buildings, industrial or warehouse properties, hotels, rental apartments, nursing homes, senior living centers and self storage properties. Performance of a commercial mortgage loan depends primarily on the net income generated by the underlying mortgaged property. The market value of a commercial property similarly depends on its income-generating ability. As a result, income generation will affect both the likelihood of default and the severity of losses with respect to a commercial mortgage loan. Any decrease in income or value of the commercial real estate underlying an issue of CMBS could result in cash flow delays and losses on the related issue of CMBS.
  - Property-specific issues with respect to the underlying mortgaged property, such as significant government regulation of a particular industry, reliance on franchise, management or operating agreements, transferability on purchase or foreclosure of related valuable assets such as liquor and other licenses and ease of conversion of a commercial property to an alternative use will impact both risk of loss and loss severity with respect to the underlying mortgage loan pool and the CMBS.
  - Mortgage loans underlying a CMBS issue may provide for no amortization of principal or may provide for amortization based on a schedule substantially longer

than the maturity of the mortgage loan, resulting in a "balloon" payment due at maturity. If the underlying mortgage borrower experiences business problems, or other factors limit refinancing alternatives, such balloon payment mortgages are likely to experience payment delays or even default. As a result, the related issue of CMBS could experience delays in cash flow and losses.

- Holders of RMBS bear various risks, including credit, market, interest rate, structural and legal risks. Residential mortgage loans are obligations of the borrowers only and are not typically insured or guaranteed by any other person or entity, although such loans may be securitized by government agencies and the securities issued are guaranteed. The rate of defaults and losses on residential mortgage loans will be affected by a number of factors, including general economic conditions and those in the area where the related mortgaged property is located, the borrower's equity in the mortgaged property and the financial circumstances of the borrower. If a residential mortgage loan is in default, foreclosure of that residential mortgage loan may be a lengthy and difficult process, and may involve significant expenses. Furthermore, the market for defaulted residential mortgage loans or foreclosed properties may be very limited.
- Numerous residential mortgage loan originators that originate subprime mortgage loans have recently experienced serious financial difficulties and, in some cases, bankruptcy. Those difficulties have resulted in part from declining markets for mortgage loans as well as from claims for repurchases of mortgage loans previously sold under provisions that require repurchase in the event of early payment defaults, or for material breaches of representations and warranties made on the mortgage loans, such as fraud claims. Those difficulties may adversely affect the performance and market value of RMBS originated, serviced or subserviced by these companies. As a result, the performance and market value of CDO Securities backed by RMBS also may be adversely affected.
- Violations of consumer protection laws or other federal laws may result in losses on RMBS by limiting the ability of the issuer to collect all or part of the principal or interest on the related underlying loans and in addition could subject such issuer to damages and administrative enforcement.
- A number of legislative proposals have been introduced at both the federal, state and municipal level that are designed to discourage predatory lending practices. An originator's failure to comply with these laws could subject the issuer of a RMBS to monetary penalties and could result in the borrowers rescinding the loans underlying that RMBS.

#### -Collateralized debt obligations ("CDOs")

- *Related Risks*
  - CDOs may invest in concentrated portfolios of assets. The concentration of an underlying portfolio in any one obligor would subject the holder of the related CDO securities to a greater degree of risk with respect to defaults by such obligor and the concentration of a portfolio in any one industry would subject the holder of the related CDOs to a greater degree of risk with respect to economic downturns relating to such industry or region.
  - The Fund's investment in CDOs involves significant leverage. Leverage is embedded in all classes of a CDO other than the most senior tranche. While the leverage

presents opportunities for increasing the Fund's total return, it has the effect of potentially increasing losses as well.

- CDO securities are issued on a non-recourse basis and holders of CDO securities must rely solely on distributions on the CDO collateral or proceeds thereof for payment. If distributions on the CDO collateral are insufficient to make payments on the CDO securities, no other assets will be available for payment of the deficiency and following liquidation of the CDO collateral, the obligations of such issuer to pay such deficiency will be extinguished.
- CDOs are subject to significant interest rate risk. Some of the CDO collateral of an issuer of a CDO bears interest at a fixed rate, while the CDO security typically bears interest at a floating rate. As a result, there could be a floating/fixed rate mismatch between such CDO security and the CDO collateral which bears interest at a fixed rate. In addition, the CDO collateral which bears interest at floating rates will pay interest at rates that adjust more frequently or less frequently, on different dates and based on different indices than the interest rates on the CDO security. As a result of such mismatches, an increase or decrease in the level of the floating rate indices could adversely impact the ability of the CDO to make payments on such CDO security.
- CDO securities in which the Fund may invest may be deemed by rating agencies to have substantial vulnerability to default in payment of interest and/or principal. Other securities may have the lowest quality ratings or may be unrated. Lower rated and unrated securities in which the Fund may invest have large uncertainties or major risk exposures to adverse conditions and are considered to be predominantly speculative. In addition, the market values of CDO securities also tend to be more sensitive to changes in economic conditions than higher rated securities. In certain cases, failure to achieve certain collateral quality thresholds set forth in applicable CDO documents may result in the default or liquidation of a CDO security.
- At times, the fixed income markets have in the past experienced significant falloffs in liquidity. While such events may sometimes be attributable to changes in interest rates or other factors, the cause is not always apparent. During periods of market illiquidity, a CDO may not be able to sell assets in its portfolio or may only be able to do so at unfavorable prices. That liquidity risk could adversely impact the value of the Fund's portfolio.

#### -Fixed-income securities

- *Related Risks*

- Fixed-income securities pay fixed, variable or floating rates of interest. The value of fixed-income securities in which the Fund may invest will change in response to fluctuations in interest rates and credit spreads. Except to the extent that values are independently affected by currency exchange rate fluctuations, when interest rates decline, the value of fixed-income securities generally can be expected to rise. Conversely, when interest rates rise, the value of fixed-income securities generally can be expected to decline.
- The Fund has no control over the future direction of interest rates or credit spreads and this strategy is largely dependent upon TAMCO's ability to determine accurately such interest rate and credit spread movements. While the Fund may hedge to



reduce such interest rate related risks, no assurance can be given that the Fund will be successful in that respect.

- Fixed-income securities and bank loans are subject to the risk of the issuer's inability to meet principal and interest payments on its obligations.

#### -Derivative instruments

- *Related Risks*

- Various derivative instruments may be utilized, such as credit default swaps or total return swaps. The use of derivative instruments involves a variety of material risks, reflecting the often extremely high degree of leverage embedded in such instruments. The derivatives markets are frequently characterized by limited liquidity, which can make it difficult as well as costly to close out open positions in order either to realize gains or to limit losses. Many derivatives are valued on the basis of dealers' pricing of these instruments. However, the price at which dealers value a particular derivative and the price which the same dealers would actually be willing to pay for such derivative, should the Fund wish or be forced to sell such position, may be materially different. Such differences can result in an overstatement of the Fund's net asset value, and may have a materially adverse effect on the Fund in situations in which the Fund is required to sell derivative instruments in order to raise funds for margin purposes or to pay withdrawals. The pricing relationships between derivatives and the underlying instruments on which they are based may not conform to anticipated or historical correlation patterns, resulting in unanticipated losses.
- With respect to many derivative instruments, including credit default swaps and total return swaps, the Fund will have a contractual relationship only with the synthetic asset counterparty, and not with the issuer(s) of the reference obligations, unless certain defined events occur. Accordingly, the Fund generally will have no right directly to enforce compliance by the reference entity with the terms of any such reference obligation and the Fund will not have any rights of set-off against the reference entity. In addition, the Fund generally will not have any voting or other consensual rights of ownership with respect to the reference obligation. The Fund also will not directly benefit from any collateral supporting the reference obligation and will not have the benefit of the remedies that would normally be available to a holder of such reference obligation. In the event of the insolvency of the synthetic asset counterparty, the Fund will be treated as a general creditor of such counterparty, and will not have any claim of title with respect to the reference obligation. Consequently, the Fund will be subject to the credit risk of the synthetic asset counterparty, as well as that of the reference entity.

#### -Private equity investments

- *Related risks:*

- There are substantial restrictions upon the transferability of interests in private equity funds. There is (and will likely be) no public or other market for those

interests. Withdrawal of limited partners from a private equity fund generally will not be permitted.

- Private equity funds will generally establish reserves for follow-on investments in portfolio companies, operating expenses, fund liabilities, and other matters. Estimating the amount necessary for such reserves is difficult, particularly because follow-on investment opportunities are directly tied to the success and capital needs of portfolio companies. Inadequate or excessive reserves could have a material adverse effect upon the investment returns to the private equity fund's limited partners.
- A private equity fund's limited partners generally will not contribute the full amount of their capital commitments to the fund at the time of their admission to the fund. Instead, they will be required to make incremental contributions pursuant to capital calls issued by the fund's general partner from time to time. Limited partners that fail to satisfy capital calls in a timely manner generally will be subject to significant penalties.

#### -Equity

- *Related risks:*
  - Equity securities fluctuate in value in response to many factors, including, among others, the activities and financial condition of individual companies, the business market in which individual companies compete, industry market conditions, interest rates and general economic environments.
  - Events such as the domestic and international political environments, terrorism and natural disasters may be unforeseeable and contribute to market volatility in ways that may adversely affect investments made by the Fund.

#### -Public and private regional and community bank equity interests

- *Related risks:*
  - These investments are inherently risky. Since 2009, the FDIC has shut down over 100 banks, primarily because the banks owned defaulted loans. The problem was particularly acute with banks that owned residential mortgages as large numbers of homeowners defaulted. Should economic growth decline, mortgage defaults may accelerate, and regional and community banks may hold even more defaulted loans increasing the rate of bank failures.

8-B

**Funds:** Telos CLO 2006-1, Ltd., Telos CLO 2007-2, Ltd.

#### **Fund strategies and related risks:**

##### -Fundamental

- *Description:* This strategy involves assessing whether a particular security or loan will face any loss of principal or interest based on an evaluation of the creditworthiness of the borrower/issuer and the terms of the security or loan.

- *Risks:* Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the stock.

## **Types of investments and related risks:**

### **-Loans**

- *Related risks:*
  - The risks of loans include (among others): (i) limited liquidity and secondary market support; (ii) the possibility that earnings of the obligor may be insufficient to meet its debt service; (iii) the declining creditworthiness and potential for insolvency of the borrower of the loan during periods of economic downturn; (iv) the obligor is often a small or mid-size company representing only local or regional interests; (v) the possibility of a reduction in the spread over the applicable floating rate index if the borrower reduces its leverage; (vi) prepayment (reinvestment risk); and (vii) if subordinated, subordination to the prior claims of other loans or senior lenders. Loans are generally subject to market value volatility that may not be apparent from historical volatility studies and that could be significant at times. An economic downturn could severely disrupt the market for loans and adversely affect the value of outstanding loans and the ability of the borrowers to repay principal and interest.
  - The default history for loans is limited, actual defaults may be greater than indicated by historical data and the timing of defaults may vary significantly from historical observations. Investments in loans are also subject to interest rate risk and reinvestment risk. Prepayments of loans in the issuer's portfolio are likely to be made during any periods of declining interest rates. Prepayments would force the issuer to replace such loans with lower-yielding investments. Furthermore, loans typically provide that the applicable interest rate may be computed by reference to any of several base indices, at the option of the obligor. The interest rates of the secured notes generally are calculated by reference to three-month LIBOR as an index.
  - In addition to credit risk, corporate loans rated below investment-grade generally have greater liquidity risk and volatility than securities of higher-rated corporate issuers. Future periods of uncertainty in the U.S. economy and the possibility of increased volatility and default rates in the non-investment grade sector may further adversely affect the price and liquidity of non-investment grade loans in this market.
  - Loans may become non-performing for a variety of reasons. Non-performing loans may require substantial workout negotiations or restructuring that may entail, among other things, a substantial reduction in the interest rate and/or a substantial write-down of the principal of the loan. In addition, because of provisions on confidentiality of information, the unique and customized nature of a loan and the private syndication of a loan, certain loans may not be purchased or sold as easily as publicly traded securities, and historically the trading volume in the loan market has been small relative to the market for corporate bonds. The unique nature of loan documentation also creates a complexity in negotiating any secondary market purchase or sale which does not exist, for example, in the corporate bond market.

Trading in loans is subject to delays due to their unique and customized nature, and transfers may require extensive documentation, the payment of significant fees and the consent of an agent bank or the underlying borrower. In addition, the issuer may incur additional expenses to the extent it is required to seek recovery upon a default or to participate in the restructuring of a loan.

- CDO's

- *Related Risks:* See risk factors for CDOs in **Section 8-A** above.

8-C

**Fund:** Non-Profit Preferred Funding Trust I

**Fund strategies and related risks:**

- Fundamental

- *Description:* This strategy involves assessing whether a particular security or loan will face any loss of principal or interest based on an evaluation of the credit worthiness of the borrower/issuer and the terms of the security or loan.
- *Risks:* Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the stock.

**Types of investments and related risks:**

- Tax-Exempt Bonds

- *Related Risks:* See risk factors for Tax-Exempt Bonds in **Section 8-A** above.

- Loans

- *Related risks:* See risk factors for loans in **Section 8-B** above.

- CDO's

- *Related Risks:* See risk factors for CDOs in **Section 8-A** above.

**Item 9 – Disciplinary Information**

Form ADV Part 2 requires investment advisers such as TAMCO to disclose legal or disciplinary events involving the firm or its partners, officers, or principals that are material to your evaluation

of its advisory business or the integrity of its management. At this time, TAMCO has no information to report that is applicable to this item.

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

### **Investment Advisers**

#### Generally

TAMCO is related to three registered investment advisers, Mariner Investment Group, LLC (“Mariner”), Tricadia Capital Management, LLC (“Tricadia Capital”) and Tricadia CDO Management, LLC (“Tricadia CDO”). Mariner, Tricadia Capital and Tricadia CDO are separately registered with the SEC under file numbers 801-62016 (Mariner), 801-65759 (Tricadia Capital) and 801-62492 (Tricadia CDO).

TAMCO (filing adviser) files its Form ADV together with Tiptree Capital, Telos Management and Muni Capital Management (relying advisers) through which, as described in Item 4 above, TAMCO may provide investment advice. Michael Barnes and Arif Inayatullah, who are control persons of TAMCO, control Tricadia Capital and Tricadia CDO. Tricadia Capital (filing adviser) files its Form ADV together with Tricadia Capital, LLC, Tricadia Distressed and Special Situations GP, LLC, Tricadia Distressed and Special Situations II GP, LLC, Tricadia Europe LLP, and Tricadia Financials GP, LLC (relying advisers) through which Tricadia Capital may provide investment advice. Tricadia CDO is a filing adviser and does not have any relying advisers.

As part of a long-term venture relationship, Mariner provides various services and support to Tricadia Holdings, L.P. (“Tricadia Holdings” and, collectively with its affiliates and subsidiaries, including Tricadia Capital, Tricadia CDO and Tricadia Capital LLC, “Tricadia”), the parent company of Tricadia Capital and Tricadia CDO, including infrastructure, portfolio risk oversight rights, legal and compliance support, back office services, investor relations and marketing support. In return for those services, Mariner has negotiated an economic and limited control interest (including contractual oversight rights but not obligations, limited policy approval or indirect control share rights) in Tricadia. Tricadia provides services to TAMCO through a transition services agreement with TAMCO.

#### Conflicts

See “Pooled Investment Vehicles- Conflicts” below.

### **Back Office Services Group**

#### Generally

Through its affiliation with Mariner, Back Office Services Group, Inc. (“BOSG”) is an affiliated party of Tricadia and therefore, TAMCO. BOSG provides certain accounting, administration and other back office services to clients, including Tiptree Financial.

### Conflicts

*TAMCO may be incentivized to benefit financially BOSG as an affiliated party*

TAMCO may be incentivized to retain BOSG, an affiliated party, on behalf of its Advisory Accounts, and TAMCO’s desire to benefit its affiliated party financially may conflict with TAMCO’s duty to act in the best interests of its advisory clients.

Although BOSG’s fees for its services to TAMCO clients are not negotiated at arm’s-length, TAMCO believes those fees to be reasonable in relation to the services provided and consistent with prevailing charges from third party providers of the same services. Generally, in the discretion of a TAMCO Fund’s manager or general partner (as applicable), the TAMCO Fund may terminate its relationship with BOSG as necessary and employ another affiliated or unaffiliated entity to perform those services.

## **Board/Creditor Committee Representation**

### Generally

Portfolio managers of TAMCO or its affiliates may serve as members of the board of directors or a bondholder’s creditors’ committee of a company the securities of which may be held in Advisory Accounts. This is typically the result of a subject issuer filing for bankruptcy or entering reorganization proceedings. As a general matter, employee membership on the board of a publicly traded company or creditors’ committee for a debtor in bankruptcy requires pre-clearance from TAMCO’s Chief Compliance Officer, and may be permitted when it is deemed to be in the best interest of TAMCO and/or its clients or in their respective or collective opinion does not otherwise present an unreasonable risk.

### Conflicts

*TAMCO may not be permitted to disclose certain information*

As a member of such a committee, portfolio managers of TAMCO or its affiliates may acquire material non-public information about corporations or other entities or their securities. TAMCO and its affiliates are not obligated, and may not be permitted, to disclose any of that information to or for the benefit of their clients, or otherwise act on the basis of that information in providing services to its clients. This may cause a conflict of interest between TAMCO’s (or its affiliates’) legal and/or contractual duty not to disclose material non-public information and its duty to act in the best interest of its advisory clients.

TAMCO gives careful consideration to the benefits and drawbacks associated with personnel serving as a member of the board of directors or a creditors’ committee. Whenever practicable and

appropriate, TAMCO seeks to limit the application of contractual or regulatory restrictions on its trading activity. These types of restrictions are an inherent risk associated with the active management of certain types of assets (for example, bank debt or distressed corporate bonds) and cannot be mitigated in all cases.

## **Pooled Investment Vehicles**

### Generally

TAMCO currently advises pooled investment vehicles and separately managed accounts, as described in Item 4 above. Tricadia Capital, Tricadia CDO and Mariner also advise pooled investment vehicles and separately managed accounts.

### Conflicts

*TAMCO may engage in activities (on behalf of itself or other clients) which may conflict with its activities on behalf of a client*

Subject to TAMCO Code of Ethics and other conflict mitigation policies and procedures implemented by it (as applicable), TAMCO, or its affiliates, and any of their respective partners, directors, members, officers and employees, may engage directly or indirectly in any business or other activities, including exercising investment advisory and management responsibility and buying, selling or otherwise dealing with securities for their own accounts, for the accounts of family members, for the accounts of any Funds and for the accounts of individual and institutional clients.

TAMCO and its affiliates may give advice and take action in the performance of their duties to one account which may differ from the timing and nature of action taken with respect to another account. For example, TAMCO may recommend that a client take a long position in a particular security or instrument while, at the same time, Tricadia Capital is recommending that a client take a short position with respect to the same security or instrument. Therefore, the portfolio strategies that Tricadia or its affiliates use for one account could conflict with the transactions and strategies TAMCO employs in managing another Advisory Account and may affect the prices and availability of the securities and other financial instruments in which its clients invest.

TAMCO does not have an obligation to purchase or sell for any Advisory Account any investment which TAMCO or its affiliates, as applicable, may purchase or sell, or recommend for purchase or sale, for its or their own accounts, or for any other client account.

*TAMCO may have an incentive to favor certain clients (or itself) over others*

Some of the Funds and separately managed accounts sponsored and/or managed by TAMCO or its affiliates have overlapping objectives and strategies. Additionally, TAMCO or its affiliates may own interests in those Funds. In various circumstances, particularly when TAMCO or its affiliates sponsors a new Fund, if TAMCO or its affiliate provide most of the initial seed money, the Fund may be wholly or principally owned by TAMCO or its affiliates. TAMCO's (or its affiliates') ownership

interest in these Advisory Accounts may give TAMCO an incentive to favor these Advisory Accounts over other Advisory Accounts. However, as discussed below, generally all Advisory Accounts managed using the same investment strategy will participate *pro rata* (based on the size of the Advisory Account or the capital allocation within an Advisory Account to a particular strategy) in all investment opportunities that TAMCO allocates to any other Advisory Account using that strategy.

#### *Tiptree Financial owns interests in collateralized debt obligation issuers managed by TAMCO*

Tiptree Financial, a client of TAMCO's, owns interests in collateralized loan obligation issuers also managed by TAMCO. Tiptree Financial is not required to hold any of these interests. As a result, TAMCO and its affiliates face conflicts of interest between the interests of Tiptree Financial and the collateralized loan obligation issuers in purchasing or selling securities for these issuers or in voting or exercising rights associated with the interests held by Tiptree Financial. Where applicable, TAMCO discloses this conflict in the relevant offering documents to potential investors in the applicable TAMCO Funds.

#### *Trade Aggregation*

If TAMCO or its affiliates believes that the purchase or sale of a security is in the best interest of more than one of their respective clients, it may (but is not obligated to) aggregate the orders to be purchased or sold to seek favorable execution or lower brokerage commissions, to the extent permitted by applicable regulation or law. However, TAMCO or its affiliates are not required to bunch or aggregate orders of their respective portfolio managers to the extent that portfolio management decisions are made separately or if TAMCO or its affiliates (as applicable) determines it would not be consistent with its investment management duties to do so. Aggregation of orders under these circumstances should, on average, decrease the cost of execution.

Due to prevailing trading activity, it is frequently not possible to receive the same price or execution on the entire volume of securities purchased or sold. When this occurs, the various prices may, in TAMCO's sole discretion, be averaged and participating Advisory Accounts will be charged or credited with the average price. In such cases, each client that participates in the aggregated transaction will share transaction costs *pro rata* based upon each client's participation in the transaction.

Aggregation may advantage or disadvantage an Advisory Account. Under specific circumstances, not all clients will be charged the same commission or commission equivalent rates in connection with a bunched or aggregated order. For example, brokerage commissions may be individually negotiated by a TAMCO trading desk (or third party investment adviser pursuant to a sub-advisory agreement or otherwise) that invests a portion of an Advisory Account. Lastly, TAMCO may cause securities purchased on behalf of its clients to be held in the name of a nominee affiliate in trust on behalf of those clients. Those nominee holdings will be used when the size of the investment or other considerations relating to the transaction favor holding the securities in the name of one person rather than subdividing the securities among the clients.

#### *Allocation Practices - Generally*



Items 4 and 5 above contain a description of TAMCO's Advisory Accounts and the compensation TAMCO (or its affiliates) receive for managing those Advisory Accounts. TAMCO's affiliates, including Tricadia, manage (and may manage) separately managed accounts, private equity or other hedge fund-type accounts that have similar fee structures, and in particular instances, much higher fee structures than those described under Items 4 and 5. Since that compensation may create a conflict of interest, that disclosure should be read in conjunction with the disclosure set forth below.

When a transaction is suitable for more than one client, TAMCO and its affiliates will generally attempt to allocate purchase and sale opportunities on a fair and equitable basis over time among their respective clients. TAMCO and its affiliates may consider some or all of the following factors in making allocation decisions among Funds and other client accounts:

- investment objectives,
- investment policies,
- investment restrictions,
- risk tolerance,
- time horizon,
- tax sensitivity,
- desired capitalization range,
- nature and size of the account,
- suitability,
- tolerance for portfolio turnover,
- availability of cash or buying power,
- account "ramp-ups", and
- whether the Fund or other client account is eligible to participate in a trade pursuant to applicable compliance regulations.

Allocations are designed with a view towards ensuring that over time no Advisory Account (or group of Advisory Accounts) will be systematically favored over any other Advisory Account (or group of Advisory Accounts). Allocation methodologies may include *pro rata* (based on account size or amount of capital allocated to a particular investment strategy) or a "round robin" allocation as described further in TAMCO's "Trade Aggregation and Allocation Policy" (that is, rotating the Advisory Accounts that do not participate in allocations due to the limited investment opportunities

as described below). In the event an order is only partially filled, TAMCO will generally attempt to allocate the position *pro rata* based upon the original allocation statement ("Pro Rata").

There are exceptions to this policy. For example, if the Pro Rata allocation results in a cash position that is different from the desired cash level, or if the position would be inconsistent with the investment objectives of one or more Advisory Accounts, TAMCO may deviate from the Pro Rata formula. TAMCO may also deviate from its policy in order to address liquidity concerns and other practical limitations associated with partial fills or small allocations by allocating to participating Advisory Accounts a minimum number of shares or bonds (such as 1,000 shares or 1,000 bonds).

Securities may not be allocated Pro Rata or otherwise as described above in the case of a transaction involving so few shares or bonds such that normal allocations among Advisory Accounts would be impracticable or result in a nonconforming allocation for one or more particular client (such as when securities only trade in larger blocks). In those cases, TAMCO personnel will use their best efforts to allocate amounts obtained from partial fills fairly.

#### *Allocations Practices - Structured Investments*

TAMCO and its affiliates manage multiple Funds and other advisory accounts that invest in collateralized debt obligations ("CDOs"), asset backed securities ("ABS") and other structured investments (such as collateral loan obligations ("CLOs"), collateral bond obligations and other similar investments) (collectively, "Structured Investments"). CDOs are instruments representing interests in pools, the underlying asset classes of which may include bonds, debentures, syndicated loans or private placement debt. An affiliate of TAMCO (Tricadia CDO) manages accounts that invest almost exclusively in Structured Investments (including ABS and CDOs).

In following the allocation policy described above, it is possible that the allocation process will at times result in TAMCO or its affiliates allocating more valuable Structured Investments to their respective client accounts that:

- pay higher fees;
- are partially or wholly owned by TAMCO, its affiliates or their employees; or
- TAMCO or its affiliates otherwise have a financial or reputational incentive to favor over other client accounts.

TAMCO or its affiliates may cause their clients to share proportionately in the legal fees and other expenses it incurs in investigating and negotiating potential transactions for those clients.

TAMCO may cause its Advisory Accounts to invest in privately-offered pooled investment vehicles, unit investment trusts or other collective investment vehicles (such as CDOs and CLOs), for which TAMCO or any of its affiliates serves as investment adviser or manager (each, an "Affiliated Fund"). TAMCO or its affiliates, in its capacity as manager, general partner or investment adviser to the

Affiliated Funds, may receive ongoing fees from its activities as manager, general partner or investment adviser.

To the extent TAMCO (or its affiliates), on behalf of its clients, purchases or causes the purchase of security interests (such as mezzanine or equity tranche securities) offered by an Affiliated Fund, TAMCO (or its affiliates) may voluntarily choose to waive all or a portion of the ongoing fees it would otherwise be entitled to receive and credit those fees to the investing clients. Any ongoing fee waiver, however, will only occur for as long as the client accounts hold these specific security interests in an Affiliated Fund. Accordingly, TAMCO or its affiliates will face conflicts of interest when purchasing and selling those securities.

## **Item 11 – Code of Ethics**

### **General Conflicts as to TAMCO**

TAMCO is a multi-product investment adviser that has several related parties as described above in Item 10. As such, TAMCO and its affiliates (collectively, the “Firm”) and their partners, officers and employees (“Personnel”) may have multiple advisory, transactional, financial and other interests in securities, instruments, companies or investment vehicles that may be purchased or sold by TAMCO for the Advisory Accounts. TAMCO has established a variety of restrictions, procedures, and disclosures designed to address conflicts of interest arising between Advisory Accounts on the one hand and the Firm’s business on the other.

It is TAMCO’s policy that Personnel involved in decision-making for Advisory Accounts must seek to act in the best interest of their advisory clients and generally (but not exclusively) without knowledge of trading in client accounts in which the Firm or its Personnel have an interest, and other operations of the Firm or Personnel. More specifically, where asset management Personnel (“Advisory Personnel”) know of conflicts among Advisory Accounts or between Advisory Accounts and the Firm and/or Personnel, it is TAMCO’s policy to disclose their existence through delivery of this Brochure or otherwise at TAMCO’s discretion depending upon the circumstances, and to comply with legal requirements, if relevant, with respect to obtaining consents or other approvals.

### **Cross Trades and Principal Trades**

*TAMCO may cause its clients to make investments in affiliated entities*

TAMCO or its affiliates may act in multiple capacities (for example, act as principal or agent as described below in addition to acting as adviser on behalf of a client), and may effect transactions with or for an account in instances in which TAMCO, its affiliates and/or their personnel may have multiple interests. TAMCO may invest Advisory Accounts, or recommend that clients invest, in Affiliated Funds. Investments in Affiliated Funds may be of any class or category of shares with the understanding that fees associated with such class or category need not be the lowest fees offered.

*TAMCO may be compensated for causing its clients to make investments in affiliated entities*

In addition, TAMCO has no obligation to determine whether investments in other Affiliated Funds or a comparable, non-affiliated collective investment fund or vehicle, would be subject to lower fees and expenses. In connection with such investment, unless provided otherwise in the client's advisory agreement, the client will pay all fees pertaining to the Affiliated Fund and no portion of the Affiliated Fund's advisory, administrative or other fees will be offset against fees payable in accordance with the advisory agreement. The client may prospectively revoke its consent to invest in Affiliated Funds at any time by written notice to TAMCO. As described above in response to Item 5, Personnel may receive referral compensation in connection with investments by clients in Affiliated Funds.

*TAMCO personnel may engage in principal trades*

Personnel may invest in the TAMCO Funds and, in such regard, purchase securities from a "client". As a result of their affiliation with the Firm, Personnel may be permitted to invest in classes of securities or shares offered by the TAMCO Funds that result in Personnel paying less in terms of fees and expenses, than clients (or their investors) may pay for the same investment.

In the event that TAMCO or its affiliates are required to sell any remaining assets in a Fund following the expiration of a Fund's term, TAMCO or its affiliates (as applicable under the terms of the Fund documentation) will be permitted to bid on such assets on normal commercial terms and on an arm's-length basis; provided, however, that TAMCO or one of more of its affiliates purchases the relevant asset at a price at least equal to the market value of the relevant asset. In the event that TAMCO or its affiliates decide to sell any remaining assets in a Fund following the expiration of its term, TAMCO, the Fund's general partner, the Fund's limited partners, and a minimum of three independent broker dealers (whenever practicable) will be invited to participate in the bidding process.

TAMCO or its affiliates may be engaged by a third party to assist in structuring sophisticated financial products for that third party's investors. An Affiliated Fund may make an investment into a third party's investment product from which TAMCO or its affiliates has received a structuring or other fee in return for services provided in the creation of that investment product. A TAMCO Fund will make an investment in that investment product only after TAMCO has made a good faith determination that the structuring or other fee (i) was made in return for *bona fide* services that fall outside the scope of the investment management services performed by TAMCO on behalf of the TAMCO Fund, and (ii) was reasonable in relation to the nature of work performed.

*TAMCO may cause its clients to engage in cross trades*

In accordance with TAMCO's "Cross Trading Policy," TAMCO may buy and sell the same security between Advisory Accounts when it believes, in its sole discretion, that such a transaction would be advantageous or otherwise beneficial to each of the Advisory Accounts involved. For example, a cross trade may be effected in a less liquid or otherwise difficult to transact in security (for example, difficult to locate or hard to borrow short), when, in the professional opinion of Advisory

Personnel, it would reduce the risk of market impact or otherwise reduce the costs associated with the contemplated trade.

#### *Letters of Understanding or “Side Letters”*

The TAMCO Funds and/or TAMCO or its affiliates often enter into letters of understanding granting investors or third parties (for example, financial institutions that provide financing to TAMCO or its clients) different rights, including but not limited to, rights relating to fees, liquidity, transparency and reporting (“Letters of Understanding”). No Letter of Understanding provided to an investor or a third party by a TAMCO Fund and/or TAMCO or its affiliates will necessarily entitle any other investor or third party to the rights granted in such letter. Letters of Understanding are typically confidential and not disclosed to other investors.

#### **TAMCO’s Code of Ethics**

In the ordinary course of performing its investment advisory services and under specific conditions, TAMCO and its affiliates may recommend to their respective clients the purchase or sale of securities (or various classes of the same security) in which TAMCO, its affiliates and/or their personnel also have a position or interest. For example, TAMCO may recommend to one or more Advisory Accounts that they purchase or sell interests in the Affiliated Funds.

In addition, Personnel and other related persons of TAMCO may buy and sell for their own personal accounts securities that are recommended to clients. As described more fully below, TAMCO has adopted a Code of Ethics and related Personal Investment Policy (collectively the “Code”) that regulates personal transactions in such a manner that TAMCO’s primary obligation of fiduciary duty to its clients is satisfied.

Pursuant to Rule 204A-1 of the Advisers Act, TAMCO has adopted a Code which sets forth standards of business and personal conduct for all TAMCO employees. In addition, TAMCO has developed specific policies and procedures that govern the business practices of TAMCO partners, directors, officers and certain other employees (“Access Persons” who are generally defined under the Code as employees who have regular access to information relating to client security transactions and “Advisory Persons,” who are generally defined as investment professionals such as portfolio managers, analysts and traders who recommend, research and effectuate investment ideas respectively) and certain of its affiliates (“Access Persons” and “Advisory Persons” are referred to collectively as “Access Persons”). For example, TAMCO has developed a “Personal Investment Policy” and related procedures to address actual and potential conflicts of interest that arise from personal trading by Access Persons.

The Code is predicated on the basic principle that employees of TAMCO will adhere to the high ethical standards and fiduciary principles, and must:

- place client interests first;

- engage in personal securities transactions consistent with the Code and avoid any actual, potential or apparent conflict of interest or any abuse of position of trust and responsibility;
- keep security holdings and financial circumstances of clients confidential; and
- adhere to the principal that independence in the investment decision-making process is of paramount importance.

In addition to the Personal Investment Policy described above, the Code contains several other policies and procedures that are designed to eliminate or reduce potential conflicts of interest and include the following: an “Inside Information Policy”; an “Informational Barrier Policy” (a/k/a Chinese Wall Policy and procedures); a “Gifts & Entertainment Policy”; a “Market Manipulation and Intentional Spreading of False or Misleading Information Policy”; and a “Policy Governing the Use of Third Party Investment Consultants.” TAMCO prohibits the use of material non-public information (“inside information”) and maintains a Restricted and Watch List of securities that may not be purchased by its employees for their own accounts or for Advisory Accounts because of the actual or possible possession of inside information. Access Persons are prohibited from purchasing initial public offerings, except with the express written approval of TAMCO's Chief Compliance Officer in accordance with the Code.

In addition, Access Persons are generally prohibited from purchasing most other types of securities with limited exception. Specifically, Access Persons are permitted to personally invest in “Exempt Securities” as defined under the Personal Investment Policy (including registered open-end mutual fund shares, certain types of Exchange Traded Funds (unit investment trusts that hold securities in proportion to a broad based market index such as SPDRs and QQQs), Treasury obligations or other securities issued by or guaranteed by the U.S. government, bankers certificates of deposit, commercial paper and other short term high quality debt instruments with one year or less to maturity), and subject to preclearance, may also purchase and sell registered closed-end fund shares, municipal securities and limited offerings including private partnerships such as hedge funds). Exceptions to these policies and procedures may be granted where TAMCO believes that the expected activity would not likely compromise client interests. An employee's violation of TAMCO's Code can result in remedial measures including disgorgement of profits (if any), and depending upon the facts or circumstances, more severe actions up to and including monetary fines, suspension and termination of employment.

Advisory Personnel are discouraged from frequent personal trading. Access Persons generally are prohibited from serving as board members of a publicly-traded company, however, as noted above in Item 10, exceptions may be permitted by TAMCO's Chief Compliance Officer when it is deemed to be in the best interest of TAMCO and/or its clients or in their respective or collective opinion does not otherwise present an unreasonable risk. The Firm shall have no obligation to recommend for purchase or sale by any Advisory Account any instrument that the Firm or Personnel may purchase for themselves or for any other clients. The Firm shall have no obligation to seek to obtain material non-public information about any issuer of securities, nor to effect transactions for Advisory Accounts on the basis of any inside information as may come into its possession.

The ability of TAMCO to effect and/or recommend transactions for Advisory Accounts may be restricted by applicable regulatory requirements and/or the Firm's internal policies. As a result, there may be periods when TAMCO may not be able to initiate or recommend certain types of transactions for such clients, may not acquire certain instruments, or may dispose of certain instruments in an Advisory Account when aggregate position limits established by the Firm or by regulators have been reached, or in other circumstances, and advisory clients will not be advised of that fact. Also, without limitation, regulatory or contractual or other limitations or considerations related to effecting transactions for certain of TAMCO's Advisory Accounts may not apply to other Advisory Accounts, resulting in differences among Advisory Accounts.

Unless approved by TAMCO's Chief Compliance Officer, Access Persons may not undertake other business activities outside of TAMCO that may cause, or appear to cause, any conflict of interest, and Access Persons must disclose all directorships in businesses and other interests in businesses where they either have a controlling or influencing position or receive monetary or other compensation for their involvement in that business. Each Access Person is required to report to TAMCO certain types of securities transactions in personal accounts in which they have a "beneficial Interest," including arranging for duplicate transaction confirmations to be sent to TAMCO as well as completing initial, quarterly and annual reports.

As discussed further above in response to Item 10, on occasions where a number of client accounts are attempting to purchase or sell the same securities, TAMCO may aggregate orders to purchase or sell securities with those of its other clients in order to facilitate execution and minimize transaction costs. The manner of aggregation is consistent with TAMCO's duty to seek best execution on an overall basis for its clients and with the terms of its investment advisory agreement with its clients. As a general matter, each client that participates in an aggregated order will participate at the average share/bond price with transaction costs shared *pro rata* based on the clients' participation in the transaction.

If those orders cannot be fully executed under prevailing market conditions, TAMCO allocates on an equitable basis among all of its Advisory Accounts the purchases or sales which can be made, after taking into account the size of the order placed for the various clients and such other factors as it deems appropriate. In some cases, this procedure may adversely affect the price paid or received by TAMCO's advisory clients or the size of the position obtained by such clients. In addition, a TAMCO affiliate may hold record title to securities owned by its advisory clients as nominee or in trust to facilitate the ownership of smaller, illiquid investments. This is done at no cost to its advisory clients and is disclosed to those clients through this Brochure and other disclosure documents (such as investment management agreements, Fund offering documents or otherwise).

TAMCO's clients, prospective TAMCO clients or investors in TAMCO Funds may obtain a complete copy of the TAMCO's Code of Ethics free of charge by submitting a written request to Julia Wyatt, TAMCO's Chief Compliance Officer, 780 Third Avenue, 29<sup>th</sup> Floor, New York, New York 10017, by e-mail at [jwyatt@tricadiacapital.com](mailto:jwyatt@tricadiacapital.com) or by telephone at (212) 758-6692.

#### **Other Actual or Potential Conflicts of Interests**

### *Potential for Conflicting Trading Activity*

See “Pooled Investment Vehicles- Conflicts- *TAMCO may engage in activities (on behalf of itself or other clients) which may conflict with its activities on behalf of a client*” in Item 10 above.

## **Item 12 – Brokerage Practices**

### **Selection of Broker-Dealers**

TAMCO generally has the authority to determine without client consultation or consent the broker-dealer or other counterparty through which securities or other instruments are bought and sold, and the commission rates or dealer spreads at which transactions are effected. However, a client may limit TAMCO’s discretionary authority over its Advisory Account and instruct TAMCO as to which broker-dealer(s) it should use to execute securities transactions on behalf of its Advisory Account. In those cases, TAMCO may be unable to achieve most favorable execution of client transactions. Therefore, clients who elect to select the broker-dealer(s) for execution of securities transactions on behalf of their account may incur greater costs (than clients who do not elect directed brokerage). For example, a client may pay higher brokerage commissions because TAMCO may not be able to aggregate orders to reduce transaction costs, or the client may receive less favorable prices. TAMCO will negotiate the scope of its authority with each client on an individual basis as requested.

In placing orders for the purchase and sale of securities for clients, TAMCO’s policy is to seek the best execution of orders on an overall basis, which means that it seeks to ensure that the client’s total cost or proceeds is the most favorable under the circumstances. TAMCO does not adhere to any rigid formulas in making its selection of broker-dealers to effectuate securities transactions on behalf of its clients, but weighs a combination of factors or criteria. For example, in selecting brokers to effect portfolio transactions, the determination of what is expected to result in best execution on an overall basis involves a number of factors, including:

- a broker’s reliability, reputation and experience in the industry,
- financial stability,
- capital commitment,
- efficiency in executing and clearing transactions (for example, ability to prospect for and provide liquidity and block trades, while avoiding unwanted market impact),
- competitive commission rates, markups and other fees and spreads, and
- general responsiveness.



TAMCO may also take into consideration research (such as investment ideas, quantitative analysis, historical data, analytical, statistical and other information) and services provided by the broker (such as periodic electronic reports).

In selecting broker-dealers for execution of securities transactions for client accounts, TAMCO may also consider a broker's assistance with arranging for representatives of TAMCO to speak at conferences and programs sponsored by the broker for investors interested in investing in hedge funds (the "Capital Introduction Events"). Through such Capital Introduction Events, prospective clients (or investors in clients managed or advised by TAMCO or its affiliates such as hedge funds), have the opportunity to meet with TAMCO representatives. Currently, TAMCO and its affiliates do not compensate brokers for organizing such events or for any investments ultimately made by prospective investors attending such events (although either of them may do so in the future).

Additionally, TAMCO and its affiliates may do business with (for example, effect securities transactions with) broker-dealers that have consulting or other divisions that refer business to the firm, but TAMCO does not have any agreement or other understanding (either written or oral) to do so based upon that brokerage. TAMCO's practice of taking into account client referrals from broker-dealers when selecting broker-dealers for client accounts creates a conflict of interest for TAMCO, as it may have an incentive to select or recommend a broker-dealer based on TAMCO's interest in receiving client referrals (rather than on TAMCO's clients' interest in receiving most favorable execution).

Primary market makers are used for transactions in the over-the-counter ("OTC") markets, except in those instances where TAMCO believes more favorable execution or price is obtainable elsewhere. TAMCO may effect transactions in OTC securities (and certain derivatives) directly with principals or market makers by paying a mark-up within the spreads of the bid and ask prices of the security or derivative and without incurring a commission charge. TAMCO may also effect transactions in OTC securities or derivatives on an agency basis when liquidity permits. The purchase price of an OTC security or derivative acquired in an agency transaction could include compensation to the broker-dealer in the form of a mark-up relative to the broker-dealer's original cost in addition to a commission.

For many transactions involving U.S. Treasury, federal agency and mortgage-backed securities, the markets in which TAMCO trades are dealer-to-dealer OTC markets in which there are no brokerage commissions, although minor clearing charges are applicable. While TAMCO may buy and sell securities or derivatives on behalf of client accounts at the prevailing bid asked spreads, the actual direct transaction costs are minimal. TAMCO believes that its Advisory Accounts have access, through direct contact with primary dealers and financial institutions, to fully competitive prices.

## **Borrowing**

To the extent a TAMCO Fund uses leverage, it may borrow from a broker (such as a prime broker or other key counter-party or service provider of the Fund or TAMCO) at arm's-length rates. If any Advisory Account engages in short sales, TAMCO may cause the Advisory Account to borrow the

securities sold short from an unaffiliated broker and that broker will earn and retain any interest in connection with the borrowing.

### **Trade Errors**

TAMCO seeks to exercise due care in making and implementing investment decisions on behalf its clients. It is TAMCO's policy to seek to correct any trade error that may occur as soon after discovery as is reasonably practicable, consistent with the orderly disposition (and/or acquisition) of the securities in question. As a general matter, actual losses in an Advisory Account as a result of a trade error caused by TAMCO will be reimbursed by TAMCO; however, TAMCO does not compensate its clients for lost investment opportunities (such as its failure to take advantage of investment or market improvements). Any gains in an Advisory Account as a result of a trade error caused by TAMCO will remain in the Advisory Account.

As a general matter, netting of gains and losses between Advisory Accounts is not permissible. Netting of gains and losses for one Advisory Account may be permitted, however, in circumstances in which more than one transaction may be effected to correct one or more trade errors made as a result of a single (or related) investment decision(s). Netting of gains and losses may also be permitted in the circumstances in which multiple trade errors resulting from more than one investment decision occur in the same Advisory Account on the same day. It is TAMCO's policy that broker-dealers may not assume responsibility for trade error losses caused by TAMCO, and TAMCO does not enter into reciprocal arrangements between TAMCO and a broker with respect to the trade error in question (or any other trade) to encourage the broker to assume responsibility for such losses.

### **Item 13 – Review of Accounts**

Client accounts managed by TAMCO through Tiptree Capital are monitored on no less than a weekly basis by the primary portfolio manager or associate portfolio manager with respect to the account. Client accounts managed by TAMCO through Telos Management are monitored on no less than a weekly basis by the primary portfolio manager or associate portfolio manager with respect to the account. Client accounts managed by TAMCO through Muni Capital Management are monitored on no less than a monthly basis by the primary portfolio manager or associate portfolio manager with respect to the account. Matters reviewed generally include specific investments held, the percentage of assets in various types of asset classes and the relative and generally absolute performance of the account.

TAMCO provides reports as are appropriate to client or investor relationships, as required by applicable law or regulation, or as contractually agreed upon in writing. In particular, certain clients of TAMCO are furnished with quarterly reports listing the market value and other relevant information concerning the account and annual audited financial statements of the applicable

TAMCO Fund prepared in accordance with GAAP within 120 days at the end of the applicable fiscal year.

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

TAMCO may enter into arrangements with third parties, including its affiliated parties, whereby those third parties receive fees for referring clients to TAMCO or investors to Affiliated Funds. TAMCO compensates those third parties only if the client or investor is aware of the fee arrangement (through disclosures or acknowledgments included in a Fund’s subscription document) and the arrangement otherwise complies with applicable rules and regulations (for example, the requirements of Rule 206(4)-3 under the Advisers Act with respect to the Accounts and a form of general disclosure with respect to the TAMCO Funds).

#### **Item 15 – Custody**

To the extent that TAMCO deducts fees directly from an Advisory Account or serves as the general partner or managing member of a TAMCO Fund, it is deemed to have custody of client assets.

All Advisory Account clients should receive, at least quarterly, account statements from the broker-dealer, bank, or other qualified custodian that maintains the client’s assets. TAMCO urges clients to carefully review those account statements and to compare the account statements received from their custodians with any statements they receive from TAMCO.

TAMCO in certain cases provides Fund investors with the applicable Fund’s annual audited financial statements prepared by an independent public accountant.

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

TAMCO generally receives and exercises discretionary authority to manage investments on behalf of its clients. As noted in Item 4 above, clients may impose limitations on this discretion with respect to: (i) the specific types of investments or asset classes that TAMCO will or will not purchase for their Advisory Accounts; (ii) the nature of the issuers of investments that TAMCO will or will not purchase for their Advisory Accounts; or (iii) the risk profile of instruments TAMCO will or will not purchase for their Advisory Accounts, or the risk profile of the Advisory Accounts as a whole. Clients may also direct TAMCO to use a particular broker-dealer or broker-dealers (please see Item 12 above for further information regarding directed brokerage).

TAMCO typically assumes this authority through a power of attorney or contract provision granted or entered into by a client, or through the constituent documents of a Fund.

## Item 17 – Voting Client Securities

### Summary of Proxy Voting Policies and Procedures

Pursuant to Rule 206(4)-6 under the Advisers Act, TAMCO is providing this summary of its proxy voting process, as well as information as to how you may obtain TAMCO's complete proxy voting policy and procedures and information as to how proxies were voted for securities held in Advisory Accounts including Funds.

TAMCO has adopted proxy voting policies and procedures designed to ensure that where its clients have delegated proxy voting authority to TAMCO, all proxies are voted in the best interest of its clients without regard to the interests of TAMCO or related parties. When a client retains TAMCO, the investment management agreement between TAMCO and the client generally dictates whether TAMCO will vote proxies on behalf of that client. A client may not direct TAMCO's vote in a particular solicitation.

Currently, TAMCO uses Broadridge Investor Communications Solutions, Inc. ("Broadridge") as its third-party proxy voting service provider. If the client appoints TAMCO as its proxy voting agent, the client will also instruct TAMCO to vote its proxies in accordance with: (i) custom guidelines provided by the client; (ii) TAMCO's Standard Guidelines (currently the same as Broadridge's standard guidelines); or (iii) in the case of a Taft-Hartley client, with Broadridge's Taft-Hartley guidelines. TAMCO informs the client's custodian (including prime brokers) to send all proxies to Broadridge. TAMCO then informs Broadridge that the client has appointed TAMCO as its agent and instructs Broadridge as to which guidelines to follow.

Once the appropriate guidelines have been established, each proxy must be voted in accordance with those guidelines unless a TAMCO portfolio manager believes that it is in the best interest of our client(s) to vote otherwise (the "dissent"). In order to mitigate any conflict of interest that may arise under those circumstances (between TAMCO's self interest and its duty to act in the best interest of its clients), if a portfolio manager wants to dissent, the following steps are taken:

- The portfolio manager must draft a written dissent to the voting instruction and submit the dissent to TAMCO's Chief Compliance Officer;
- All dissents are presented to TAMCO's Compliance Committee for review.
- If TAMCO's Chief Compliance Officer and Legal/Compliance Department collectively determine that no "Material Conflict" exists (as defined in TAMCO's Proxy Voting Policy), then the portfolio manager's dissent will be approved and Broadridge will be informed of the voting dissention.
- If TAMCO's Chief Compliance Officer (in conjunction with its Legal/Compliance Department) determines that a Material Conflict exists, the matter will immediately be referred to TAMCO's Compliance Committee for consideration. In accordance with

TAMCO's procedures, the relevant Compliance Committee members will consider the matter and resolve the conflict as deemed appropriate under the circumstances.

TAMCO's clients and investors in TAMCO Funds may obtain a complete copy of TAMCO's Proxy Voting Policy and Procedures or information on how TAMCO voted proxies for their Advisory Accounts (or the relevant TAMCO Fund, as applicable) free of charge by submitting a written request to Julia Wyatt, TAMCO's Chief Compliance Officer, 780 Third Avenue, 29<sup>th</sup> Floor, New York, New York 10017, by e-mail at [jwyatt@tricadiacapital.com](mailto:jwyatt@tricadiacapital.com) or by telephone at (212) 758-6692.

### **Policies and Procedures for Filing Claims in Class Action Litigation**

TAMCO believes that it has a fiduciary responsibility to monitor securities class action suits and file claims on behalf of its clients. A class action is a civil lawsuit where a group or "class" is affected in the same manner or form. One or more representatives of the group file suit on behalf the class and a judge will initially decide whether or not the claims of the representatives arise from uniform facts or law common to all class members. If an individual or institution has a unique set of circumstances that might vary from the class, it may prove worthwhile for them to opt out of the class action and file suit individually.

TAMCO will arrange to file securities class action claims on behalf of their eligible clients unless a client instructs them otherwise. This policy applies to all advisory accounts managed by TAMCO or its affiliates.

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

Form ADV Part 2 requires investment advisers such as TAMCO to disclose any financial condition reasonably likely to impair their ability to meet contractual commitments to clients. At this time, TAMCO has no information to report that is applicable to this item.

### **Other Information**

#### **Anti-Money Laundering Policies and Procedures**

To help the government fight the funding of terrorism and money laundering activities, TAMCO (directly or through a service provider, such as a Fund administrator) seeks to obtain, verify, and record information that identifies clients who open Advisory Accounts with TAMCO or subscribe for an interest in a TAMCO Fund. When a client opens an Advisory Account with TAMCO, or subscribes for an interest in a TAMCO Fund, TAMCO (or the appropriate service provider) will ask for information (such as name, address, date of birth, identification number, a copy of a driver's license or other identifying documents or information) that enables TAMCO (or the appropriate service provider) to identify that client or investor in a manner that is consistent with applicable

requirements and to share that information as required by applicable law or in connection with the execution of trades. For certain clients, TAMCO may rely (in whole or in part) on the client's broker-dealer, transfer agent or custodian to obtain, verify and record the required information.

### **Business Continuity Plan**

TAMCO's Business Continuity Plan ("BCP") is designed with an objective to provide for immediate, accurate and measured response to emergency situations and minimize the impact a specific disaster may have upon the safety and wellbeing of TAMCO's personnel and operations. The BCP details the processes in place should a disaster occur that causes temporary (or long term) displacement, including how TAMCO would: (i) protect against the loss or damage to organizational assets and critical information; and (ii) resume normal business activities, including the reinstatement of communications with outside contacts, during any extended outage or displacement period. TAMCO prepares for business interruptions in part by:

- Maintaining back-up facilities in New York (Harrison, New York City, and Wappingers Falls) that are equipped to handle critical operations should TAMCO's primary facilities be unavailable;
- Providing all TAMCO employees with the ability to log-in to the company's information and technology systems from home (including company email, Bloomberg services and other online disaster recovery systems), which allows TAMCO's portfolio managers, traders and other key investment professionals to continue to perform critical investment-related responsibilities including trade execution and portfolio monitoring functions;
- Backing up critical data at secure off-site locations for use during a significant business interruption; and
- Designating a crisis management team composed of senior-level management to activate and manage the recovery and communication processes.

A designated senior executive reviews and approves the overall BCP on an annual basis (in consultation with other members of senior management team), while the Information Technology department reviews and maintains system-related components.

Although TAMCO has taken significant steps to implement what TAMCO believes is a reasonable business continuity plan, TAMCO cannot guarantee that its business processes will always be available or recoverable should a significant business interruption strike. However, TAMCO believes its business continuity strategy sufficiently reduces the risks associated with possible business interruptions.

If you have further questions regarding this BCP, please contact Julia Wyatt, TAMCO's Chief Compliance Officer at (212) 758-6692. This information is subject to modification without notice.

### **Privacy Statement (Notice)**

Please see below.

# FACTS

## WHAT DOES TAMCO DO WITH YOUR PERSONAL INFORMATION?

### Why?

Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.

### What?

The types of personal information we collect and share depend on the product or service we provide to you. This information can include:

- Social Security number and assets;
- Account balances and transaction history; and
- Investment experience and wire transfer instructions.

### How?

All financial companies need to share customers' personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers' personal information; the reasons TAMCO chooses to share; and whether you can limit this sharing.

Reasons we can share your personal information	Does TAMCO share?	Can you limit this sharing?
<b>For our everyday business purposes –</b> such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus	Yes	No
<b>For our marketing purposes –</b> to offer our products and services to you	Yes	No
<b>For joint marketing with other financial companies</b>	No	No
<b>For our affiliates' everyday business purposes –</b> information about your transactions and experiences	Yes	No
<b>For our affiliates' everyday business purposes –</b> information about your creditworthiness	No	We don't share
<b>For our affiliates to market to you</b>	Yes	Yes
<b>For nonaffiliates to market to you</b>	No	We don't share

### To limit our sharing:

- Call (212) 446-1400

#### Please note:

If you are a *new* customer, we can begin sharing your information 30 days from the date we sent this notice. When you are *no longer* our customer, we may continue to share your information as described in this notice.

However, you can contact us at any time to limit our sharing.

### Questions?

Call (212) 446-1400



## Who we are

<b>Who is providing this notice?</b>	Tiptree Asset Management Company, LLC, on behalf of Tiptree Capital Management, LLC, Telos Asset Management LLC and Muni Capital Management, LLC
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## What we do

<b>How does TAMCO protect my personal information?</b>	To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings.
<b>How does TAMCO collect my personal information?</b>	<p>We collect your personal information, for example, when you:</p> <ul style="list-style-type: none"> <li>■ Give us your contact information;</li> <li>■ Open an account or buy securities from us; and</li> <li>■ Tell us where to send the money or make a wire transfer.</li> </ul> <p>We also collect your personal information from others, such as credit bureaus, affiliates, or other companies.</p>
<b>Why can't I limit all sharing?</b>	<p>Federal law gives you the right to limit only:</p> <ul style="list-style-type: none"> <li>■ sharing for affiliates' everyday business purposes – information about your creditworthiness;</li> <li>■ affiliates from using your information to market to you; and</li> <li>■ sharing for nonaffiliates to market to you.</li> </ul> <p>State laws and individual companies may give you additional rights to limit sharing.</p>
<b>What happens when I limit sharing for an account I hold jointly with someone else?</b>	Your choices will apply to everyone on your account.

## Definitions

<b>Affiliates</b>	<p>Companies related by common ownership or control. They can be financial and nonfinancial companies.</p> <ul style="list-style-type: none"> <li>■ <i>Our affiliates include companies with a "Tiptree," "Telos," "Tricadia," "Mariner" or "Back Office Services Group" name.</i></li> </ul>
<b>Nonaffiliates</b>	<p>Companies not related by common ownership or control. They can be financial and nonfinancial companies.</p> <ul style="list-style-type: none"> <li>■ <i>TAMCO does not share with nonaffiliates so they can market to you.</i></li> </ul>
<b>Joint marketing</b>	<p>A formal agreement between nonaffiliated financial companies that together market financial products or services to you.</p> <ul style="list-style-type: none"> <li>■ <i>TAMCO does not engage in joint marketing.</i></li> </ul>