

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

**GHE Advisers, L.P.**

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03/21/2013

This brochure provides information about the qualifications and business practices of GHE Advisers, L.P. If you have any questions about the contents of this brochure, please contact us at 713-993-4675 or [pbachtold@salientpartners.com](mailto:pbachtold@salientpartners.com).

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

GHE Advisers, L.P. is a Registered Investment Advisor. Registration of an Investment Adviser does not imply any level of skill or training.

Additional information about GHE Advisers, L.P. 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. Our firm's CRD number is 141451.

## **Item 2     Material Changes**

The following is a summary of material changes to Part 2A of Form ADV since the last annual amendment filed with the SEC on 03/28/2012. This section only reflects material changes since the last annual amendment of the Brochure.

We will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year. Furthermore, we will provide you with other interim disclosures about material changes as necessary.

### ***Summary of Material Changes:***

- Item 10 "Other Financial Industry Activities and Affiliations" discloses the Adviser has an affiliated person who is a CTA. (Revised 12/13/2012)
- Item 10 "Other Financial Industry Activities and Affiliations" discloses that an affiliate of the Adviser, owns and publishes several indices and certain conflicts of interest arising from and related to the affiliation. (Revised 03/21/2013)
- Item 10 "Other Financial Industry Activities and Affiliations" discloses Salient Select, LLC is an affiliate of the Adviser. (Revised 03/21/2013)

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## **Item 4     Advisory Business**

GHE Advisers, L.P. is an SEC-registered investment adviser with its principal place of business located in Texas. GHE Advisers, L.P. began conducting business in 2006.

Listed below are the firm's principal owners (i.e., those individuals and/or entities controlling 25% or more of this company).

- Salient Partners, L.P., Class A Limited Partner
- Morgan Creek Capital Management, LLC, Class B Limited Partner

GHE Advisers, L.P. offers the following advisory services to our clients:

GHE Advisers, L.P. (the “Adviser”) provides investment advisory services to a group of Investment Funds, which is organized in a “master-feeder” structure. The group is comprised of Global Hedged Equity Master Fund, L.P. (“GHE Master”) and its two feeder funds, Global Hedged Equity Fund, L.P. and Global Hedged (Offshore) Equity Fund, Ltd. Both feeder funds invest substantially all of their assets into the GHE Master. Collectively, these three funds will be referred to by the term “GHE Complex.” None of the funds comprising the GHE Complex are registered as an investment company under the Investment Company Act, in reliance on the exemption contained in section 3(c)(7) thereof.

The investment advisory services provided to the GHE Complex are governed by the Offering Document of the Funds.

The Adviser has an Investment Committee that oversees its operations and investment advisory services. The Committee is comprised of John A. Blaisdell, Andrew B. Linbeck and Mark W. Yusko.

These individuals, and other affiliated persons of the Adviser, are also owners, officers, and/or employees of two of the Adviser’s limited partners, Morgan Creek Capital Management, LLC, and Salient Partners, L.P. Research, analysis, and allocation of investment opportunities (including opportunities to divest currently-held investments) will be shared by Adviser, Morgan Creek Capital Management, LLC, and affiliates of Salient Partners, L.P.

The assets of GHE Master are invested in a portfolio consisting primarily of interests in private partnerships, other investment vehicles or funds and/or managed, commingled or separate accounts (collectively, “Investment Funds”) that are managed by other investment advisers or managers (“Investment Managers”) identified by the Investment Committee. The Investment Funds are invested in a wide range of instruments and markets including, but not limited to, U.S. and non-U.S. equities and equity-related instruments, currencies, commodities, real estate, fixed income securities, other debt-related instruments and other derivative products.

On March 31, 2010, the Adviser initiated the process of winding down, liquidating and dissolving the investment funds.

***Amount of Managed Assets:***

As of 01/31/2013, we were actively managing \$1,469,209 of clients' assets on a discretionary basis.

**Item 5 Fees and Compensation**

Effective April 1, 2011, the Adviser waived its right to receive management fees from the Funds.

**GENERAL INFORMATION**

***Termination of the Advisory Relationship:*** As the general partner of each of the Funds, there is no formal advisory agreement or term with respect to the Funds.

***Mutual Fund and Investment Fund Fees:*** All fees paid to the Adviser for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and/or ETFs to their shareholders, or underlying Investment Fund fees and expenses that the Funds, as investors in such underlying Investment Funds, must bear. These fees and expenses are described in each fund's prospectus or offering document, and are also described generally in each Fund's prospectus or offering document. These fees will generally include a management fee, other fund expenses, a possible distribution fee, and/or an initial or deferred sales charge and/or servicing fees.

***Additional Fees and Expenses:*** The Adviser's fees do not include the fees and expenses charged by custodians and imposed by broker dealers, including, but not limited to, any transaction charges imposed by a broker dealer. Please refer to the "Brokerage Practices" section (Item 12) of this Form ADV for additional information.

***Advisory Fees in General:*** Clients should note that similar advisory services may (or may not) be available from other registered (or unregistered) investment advisers for similar or lower fees.

***Limited Prepayment of Fees:*** The Adviser does not require payment of fees in excess of \$1200 more than six months in advance of services rendered.

***Compensation for Services Provided by Registered Representatives of Salient Capital, L.P.*** Certain affiliated persons of the Adviser are licensed as registered representatives of Salient Capital, L.P., a broker-dealer affiliated with the Adviser. See Item 10 for additional disclosure regarding such arrangements and the conflicts of interest they pose.

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

While the Adviser is permitted to charge performance-based fees, no such fees are charged because the Adviser is winding down, liquidating and dissolving the investment funds.

## Item 7 Types of Clients

GHE Advisers, L.P. provides advisory services to pooled investment vehicles.

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

### METHODS OF ANALYSIS

It is the responsibility of the Adviser to research and identify Portfolio Managers, to satisfy itself as to the suitability of the terms and conditions of the Portfolio Funds and to allocate or reallocate the Global Hedged Equity Master Fund, L.P.'s ("Fund") assets among Portfolio Managers and Equity Classes/Investment Styles. The Adviser allocates the Fund's assets among Portfolio Managers using the diverse knowledge and experiences of the Investment Committee members to assess the capabilities of the Portfolio Managers and to determine an appropriate mix of investment strategies, asset classes, sectors and styles given the prevailing economic and investment environment. To ensure a broad allocation of assets among Portfolio Managers, the Fund limits its investments in any one Portfolio Fund in its portfolio to no more than 10% of the Fund's net assets at the time the investment was made. The Portfolio Managers with which the Fund invests may pursue various investment strategies and are subject to special risks.

The Investment Committee uses its expertise and contacts in the investment management industry, along with third party publications and databases, to gain coverage of relevant investment opportunities across strategies, sectors, risk tolerances and objectives. The Investment Committee will identify potential Portfolio Funds based on quantitative, qualitative, or due diligence criteria. Once a broad pool of potential Portfolio Funds has been identified, the Investment Committee then determines an allocation for the Fund's assets across the pool, consistent with the Asset Allocation Ranges then in effect. In creating the Fund's asset allocation targets (which shall be within the Asset Allocation Ranges then in effect), the Investment Committee will analyze the performance results associated with each potential Portfolio Fund and its investment strategy to determine the return, risk, and correlation relationships within and between each investment strategy and potential Portfolio Fund over time. The Investment Committee may also analyze existing and developing market, economic, and/or financial trends.

***Risks for all forms of analysis:*** These securities analysis methods rely on the assumption that the companies whose securities we purchase and sell, the rating agencies that review these securities, and other publicly-available sources of information about these securities, are providing accurate and unbiased data. While the Analysts are alert to indications that data may be incorrect, there is always a risk that their analysis may be compromised by inaccurate or misleading information.

For a more detailed discussion of the Fund's methods of analysis and material risks, please refer to the Fund's offering document.

## INVESTMENT STRATEGIES

The Global Hedged Equity Master Fund, L.P.'s investment objective is to generate returns (over time) that meet or exceed those of the broad equity markets, as measured by a MSCI All Country World Free Index, with less volatility (as measured by standard deviation). The Fund will pursue its investment objective by allocating its assets to build a broadly diversified portfolio consisting primarily of private partnerships, registered investment companies and/or managed, commingled or separate accounts ("Portfolio Funds") that are managed by investment advisors or managers ("Portfolio Managers") identified by the Investment Committee. The Fund currently has more than 25 Portfolio Funds, depending on the size of assets under management (the larger the assets under management, the greater the number of Portfolio Funds). Portfolio Managers will principally invest and trade in a wide range of U.S. and non-U.S. equities and equity-related instruments, using such equity securities as well as currencies, commodities, real estate, financial futures, fixed income and other debt-related instruments to hedge risk.

**Risk of Loss:** Securities investments are not guaranteed and always carry a risk of loss.

For a more detailed discussion of the Fund's investment strategies and material risks, please refer to the Fund's offering document.

### Item 9 Disciplinary Information

We are required to disclose any legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management. Our firm and our management personnel have no reportable disciplinary events to disclose.

### Item 10 Other Financial Industry Activities and Affiliations

GHE Advisers, L.P. is affiliated with a broker-dealer, Salient Capital, L.P. Salient Capital, L.P. does serve as placement agent/distributor for funds for which affiliates of GHE Advisers, L.P. serve as investment adviser and/or general partner or managing member.

GHE Advisers, L.P. does not use Salient Capital, L.P. to place trades in client accounts. However, adviser affiliates of GHE Advisers, L.P. have engaged Salient Capital, L.P. to privately place interests in their funds. Affiliated persons of the Adviser are licensed as registered representatives of Salient Capital, L.P. These individuals, in their separate capacity, can effect such private placement securities transactions for which they may receive separate, yet customary compensation.

Such individuals are also affiliated persons of other advisers that are affiliates of GHE Advisers, L.P. While GHE Advisers, L.P. and these individuals endeavor at all times to put the interest of the clients first as part of their fiduciary duty, such clients of our adviser affiliates should be aware that the receipt of additional compensation from Salient Capital, L.P. creates a conflict of interest, and may affect the judgment of these individuals when making recommendations. Further, more detailed disclosure of such conflicts of interest is contained in Part 2A of Form ADV of the relevant adviser affiliate of GHE Advisers, L.P.

GHE Advisers, L.P. is affiliated with commodity trading advisors (“CTA”) and commodity pool operators (“CPO”). Salient Advisers, L.P. is registered with the Commodity Futures Trading Commission (“CFTC”) as a CTA and a CPO and is a member of the National Futures Association (“NFA”). Salient Capital Advisers, LLC is registered with the CFTC as a CTA and is a member of the NFA. In addition, Salient Risk Parity Fund GP, LLC is registered with the CFTC as a CPO and is a member of the NFA. Affiliated persons of the Adviser are principals and/or affiliated persons of the CPOs/CTAs.

As discussed in detail in Item 4, above, the Adviser’s clients are all unregistered private partnerships which are “feeder funds” into the Master Fund.

Individuals on the Investment Committee and other affiliated persons of the Adviser are also owners, officers and/or employees of Endowment Advisers, L.P.; Integrity Capital, LLC; Salient Advisers, L.P.; Salient Capital Advisers, LLC; Sustainable Woodlands Partners, LLC and/or Morgan Creek Capital Management, LLC. In these capacities, these individuals also provide investment advice to the following pooled investment vehicles:

The Endowment Master Fund, L.P.; The Endowment Registered Fund, L.P.; The Endowment TEI Fund, L.P.; The Endowment Institutional Fund, L.P.; The Endowment Institutional TEI Fund W, L.P.; The Endowment (Domestic) Fund, L.P.; The Endowment (Domestic QP) Fund, L.P.; The Endowment (Exempt) Fund II, L.P.; The Endowment (Exempt QP) Fund II, L.P.; The Endowment (International) Fund, Ltd; Global Hedged Equity Master Fund, L.P.; Global Hedged Equity Fund, L.P.; Global Hedged (Offshore) Equity Fund, Ltd.; Salient Alternative Strategies Master Fund; Salient Alternative Strategies Fund; Salient Alternative Strategies I Fund; Salient Alternative Strategies Fund, L.P.; Salient Partners EV Fund LP; The Yield Master Fund I, L.P.; The Yield Master Fund II, L.P.; The Yield Fund, L.P.; The Yield (Exempt) Fund, L.P.; Salient Risk Parity Fund V15, L.P.; Salient Risk Parity Fund V12, L.P.; Salient Risk Parity Fund; Salient Alternative Beta Fund; Salient Pure Trend Fund; Salient Global Equity Fund; Salient MLP Fund, L.P.; Salient MLP TE Fund, L.P.; Salient Midstream & MLP Fund; Salient MLP & Energy Infrastructure Fund; Salient MLP & Energy Infrastructure Fund II; The Salient Zarvona Energy Fund, L.P.; Sustainable Woodlands Fund, L.P.; Sustainable Woodlands Fund II, L.P.

This presents a potential conflict of interest in that these individuals may have an incentive to favor the clients of these other advisory firms when identifying or allocating investment opportunities for the Adviser. To address this potential conflict, the Adviser regularly reviews the allocations of investment opportunities between affiliated Advisers.

The following investment advisers are under common ownership and share one or more Investment Committee members with the Adviser:

Endowment Advisers, L.P., which provides investment advice to investment companies and pooled investment vehicles;

Integrity Capital, LLC, which provides investment advice to public pension plans and corporate pension and profit sharing plans;



Salient Advisors, L.P., which provides investment advice to investment companies and pooled investment vehicles;

Salient Capital Advisors, LLC, which provides investment advice to individuals, pension and profit sharing plans, investment companies, pooled investment vehicles and other institutional clients;

Sustainable Woodlands Partners, LLC, which provides investment advice to pooled investment vehicles.

Salient Trust Co., LTA is an affiliate of the Adviser. Salient Trust Co., LTA clients may be solicited to invest in one or more of the funds managed by the Adviser or an affiliate.

Salient Insurance Agency, LLC is an affiliate of the Adviser. Salient Insurance Agency, LLC clients may be solicited to invest in one or more of the funds managed by the Adviser or an affiliate.

Salient Select, LLC is an affiliate of the Adviser. Salient Select, LLC clients may be solicited to invest in one or more of the funds managed by the Adviser or an affiliate.

***Investors in the Adviser's Clients are Solicited to Invest in Affiliated Partnerships.***

Affiliated persons of the Adviser are members of the general partner of various private investment vehicles (as discussed above) and affiliated advisers, which themselves manage other registered investment companies and private pooled investment vehicles. Certain investors in feeder funds managed by the Adviser are solicited to invest (by the affiliated persons) in such other registered investment companies or private pooled investment vehicles, although the Adviser's clients themselves, which are all pooled investment vehicles, are not. In such instances, our affiliated advisors and/or affiliated persons of our Adviser may receive additional compensation.

While GHE Advisers, L.P. and these individuals endeavor at all times to put the interest of their clients first as part of our fiduciary duty, clients of such adviser affiliates should be aware that the receipt of additional compensation itself creates a conflict of interest, and may affect the judgment of the adviser affiliate and these individuals when making recommendations. Further, more detailed disclosure of such conflicts of interest is contained in Part 2A of Form ADV of the relevant adviser affiliate of GHE Advisers, L.P.

***Salient Index Management, LLC:*** In addition to the relationships above, an owner of GHE Advisers, L.P., Salient Partners, L.P., is also the sole owner of Salient Index Management, LLC ("Index Manager"). The Index Manager owns the Salient Pure Trend Index, Salient Risk Parity Index, Salient Risk Parity V12+ Index, Salient Risk Parity V15 Index and Salient Risk Parity V15+ Index (each, a "Salient Index", collectively, the "Salient Indices"). Each Salient Index employs a methodology seeking risk parity across several asset classes by using various mechanisms, which may include credit default swaps and futures contracts. Certain officers of the Index Manager are also officers or employees of GHE Advisers, L.P. This creates a conflict of interest with GHE Advisers, L.P., and its clients given that the Index Manager and/or GHE Advisers, L.P. may compare client account investment performance to the performance of one or more of the Salient Indices and may utilize one or more of the Salient Indices in marketing materials. The relationship could create an incentive for GHE

Advisers, L.P., or its supervised persons to access information regarding the Salient Indices prior to that information becoming publicly available. In addition, a conflict exists with respect to the confidentiality of GHE Advisers, L.P.'s client information. To address these conflicts of interest, both GHE Advisers, L.P. and the Index Manager have implemented policies and procedures to address, among others, the following matters: employee personal securities trading and review, confidentiality requirements, and insider trading prohibitions. Salient Partners, L.P. does not have any direct decision-making responsibilities regarding the Salient Indices. Any changes to the Indices are pre-approved by a standing Index committee (the "Index Committee") established by Index Manager and governed by a charter approved by the Board of Managers of Salient Partners, L.P. and its general partner, Salient Capital Management, LLC. Subject to certain transition rules, the Index Committee is composed of not less than five (5) and not more than ten (10) members, of which not less than three (3) members must be independent members; provided, however, that for an interim, transitional period, only one member of the Index Committee is an independent member. No change to the objective or methodology for any Index shall be implemented without the approval of a majority of independent members of the Index Committee, or, as currently constituted, the sole independent member.

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

The Adviser has adopted a Code of Ethics (the "Code") to effectuate the purposes and objectives of Sections 204A and Rule 204A-1 of the Investment Advisers Act of 1940. A copy of our Code of Ethics can be obtained by requesting it from an advisory representative or affiliated person by calling (713) 993-4675.

In summary, the Code sets forth the Adviser's standards of business conduct reflecting our fiduciary obligations to our clients and specifically requires all employees to comply with the Code and federal (and other applicable) securities laws. In addition, the Code contains the following specific provisions:

- All access persons to report their personal securities transactions (quarterly) and their securities holdings (at least annually) to the Adviser for review;
- All employees to report any violations of the Code to the Adviser;
- The Adviser to provide each employee with a copy of the Code and any amendments; and
- All employees to provide a written acknowledgement of their receipt of the Code and any amendments.

We strive to ensure that all employees act in accordance with the Adviser's internal policies and applicable regulations governing those rendering registered investment advisory services. Employees not in compliance with firm goals in this regard are subject to sanctions, which include possible termination.

The Adviser's affiliated persons may have invested directly with or recommended to other clients of the affiliated persons (which may be investment programs, investment partnerships or separate accounts) that they invest directly with Investment Managers or Investment Funds recommended by the Adviser to the Funds. It is possible that Investment Funds that

affiliated persons have invested in may have had capacity constraints that could have limited further investment by the Adviser's clients.

Any persons found to have violated this policy will be subject to disciplinary actions including (but not limited to) warnings, sanctions, regulatory and/or Board reporting and/or possible termination.

## **Item 12 Brokerage Practices**

The Adviser manages the assets of its client Investment Funds per the terms of the Agreements and the investment objectives of the Funds. In this capacity it has the authority to determine the investments made by the Investment Funds, the amount of those investments, and any brokers, dealers and associated commission rates.

However, given the fact that most of the Funds' investments are in underlying Investment Funds that are structured as partnerships, the use of brokers or dealers and the payment of associated commissions is limited.

In the history of the Adviser there have been very few investments made for our client investment funds where an affiliated broker-dealer would have been entitled (based upon then existing agreements) to receive servicing fees (or other compensation) from the issuer of the security in which the Adviser invested on behalf of its client investment funds. In all such limited situations the affiliated broker-dealer has waived, and will continue to waive (should such situations arise in the future), any servicing or other compensation fees it would otherwise be entitled to receive.

GHE Advisers, L.P. does not have any soft-dollar arrangements and does not receive any soft-dollar benefits.

GHE Advisers, L.P. requires that advised funds provide us with written authority to determine the broker-dealer to use and the commission costs that will be charged for these transactions.

Because Adviser uses a master-feeder structure, it does not "block" trades, but places all trades for the GHE Master.

## **Item 13 Review of Accounts**

The Adviser has an Investment Committee which oversees its operations and investment advisory services. The Investment Committee Members are: John A. Blaisdell, Andrew B. Linbeck and Mark W. Yusko.

The Adviser reviews the Investment Managers and Investment Funds on a monthly basis at a minimum. The Investment Committee meets frequently to discuss the Funds and certain of the underlying Investment Managers and Investment Funds.

The Funds quarterly investor statements are compiled and delivered to investors by an independent custodian.

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

GHE Advisers, L.P. does not engage solicitors to refer potential clients or investors to the firm.

## **Item 15 Custody**

As the Adviser or an affiliate is a general partner or managing member of most or all of the Funds managed by the Adviser, the Adviser is deemed to have custody of these Funds. The Adviser has engaged an independent public accountant to conduct an annual surprise examination of the Funds' securities and cash assets. The Funds' quarterly investor statements are compiled and delivered to investors by an independent custodian.

## **Item 16 Investment Discretion**

Our discretionary authority includes the ability to determine the security to buy or sell and to determine the amount of the security to buy or sell. This authority is contained in each fund's operating agreements, which will also contain any limits on this authority.

## **Item 17 Voting Client Securities**

The Adviser generally does not receive or vote proxies relating to the individual securities held inside any of its Investment Funds. The Investment Managers of such investment funds generally vote those proxies. However, on occasion the Adviser may receive and vote proxies relating to the direct partnership interest held in its Investment Funds. In these cases, the Adviser relies on its Proxy Voting Policies and Procedures (which are generally designed to promote the interest of its investment fund clients) in determining its votes. A copy of the Proxy Voting Policies and Procedures and information on the Adviser's actual proxy voting record may be obtained by calling (713) 993-4675.

## **Item 18 Financial Information**

Under no circumstances do we require or solicit payment of fees in excess of \$1200 per client more than six months in advance of services rendered. Therefore, we are not required to include a financial statement.

As an advisory firm that has discretionary authority and custody, we are also required to disclose any financial condition that is reasonably likely to impair our ability to meet our contractual obligations. GHE Advisers, L.P. has no additional financial circumstances to report.

GHE Advisers, L.P. has not been the subject of a bankruptcy petition at any time during the past ten years.