

**PART 2A OF FORM ADV  
FIRM BROCHURE**

**ACM Investment Advisor, LLC  
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Austin, TX 78746**

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**Tel: (512) 630-2025**

**September 22, 2011**

**This Brochure provides information about the qualifications and business practices of ACM Investment Advisor, LLC (“ACM”). If you have any questions about the contents of this brochure, please contact us at (512) 630-2025 and/or [cstilp@acminvestment.com](mailto:cstilp@acminvestment.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority.**

**ACM is a registered investment adviser with the SEC under the Investment Advisers Act of 1940, as amended. Registration of an investment adviser does not imply any level of skill or training. Additional information about ACM is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

## **Material Changes**

The Securities and Exchange Commission adopted amendments to Part 2 of Form ADV effective October, 2010.

This Brochure dated September 22, 2011 is a new document prepared according to the SEC's new requirements and rules.

In the future, this Item will discuss only specific material changes that we made to the Brochure and will provide you with a summary of such changes.

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## **Advisory Business**

### **Firm Description**

ACM Investment Advisor, LLC (“ACM”) is a Delaware limited liability corporation established in September, 2011. ACM will provide discretionary investment advisory services to managing and directing the investment, reinvestment and liquidation of assets for private investment funds.

Coby J. Stilp is the manager of ACM and has over 20 years of leadership and investment experience.

ACM will provide investment supervisory services to investment advisory accounts. These advisory accounts will consist of private investment funds and investment limited partnerships that are fund of funds (hereinafter individually referred to as an “ACM Fund” or collectively as the “ACM Funds”), which in turn invest in illiquid private equity, real estate and/or hedge funds. The ACM Funds are in the process of liquidation. The ACM Funds will generally be managed on a discretionary basis only.

ACM Investment Management, LLC, a Delaware limited liability corporation, is the sole owner of ACM.

As of September 22, 2011, ACM managed \$ 0 of client assets on a discretionary basis.

### **Fees and Compensation:**

The management fees to be charged by ACM for its investment supervisory services will be calculated per fund or portfolio as a percentage of net assets. Fees are charged to the ACM Funds quarterly in arrears and deducted from the capital accounts of each limited partner. The management fee that will be charged by ACM for its investment supervisory services will be calculated as a percentage of assets under management, and will equal two percent (2.00%) of each ACM Fund's net asset value (“NAV”) per annum. Management fees are charged quarterly in arrears based upon the last day of each fiscal quarter, and are prorated for any partial quarter.

ACM may agree to certain fee concessions, including fee reductions and rebates to investors. It should be noted that ACM and/or the ACM Funds may entered into side letter agreements which provide different rights with respect to fees (including arrangements for lower fees), performance fees, performance reporting and portfolio transparency.

Each ACM Fund will pay all of its own direct expenses, including but not limited to organizational expenses, custodial and administrative charges, and legal and accounting fees. Accounting and reporting fees are calculated and deducted from each limited partner’s capital account on a monthly basis.

There will be no termination or redemption option for investors in the ACM Funds due to the illiquid nature of the underlying investments and the fact that the Funds will be in liquidation. If any liquidity is provided it will be at the sole discretion of ACM.

## **Performance-Based Fees and Side-by-Side Management**

ACM may enter into performance fee arrangements with clients. The performance-based fee option is an advisory fee based on a percent of capital gains or appreciation of ACM Fund or separate account assets. The performance fee is calculated at a rate of 20% on the amount of capital appreciation of the ACM Fund within a year's time.

The receipt of performance-based fees for ACM Fund creates conflicts of interest. Performance-based fees paid to investment advisers may be significantly higher than the asset-based fees paid on traditional accounts, thus creating an incentive to favor these accounts. In order to reduce potential conflicts of interest, ACM does not show preferential treatment to accounts under a performance-based fee arrangement. All accounts are managed within their respective strategies, given account restrictions and/or constraints. We perform periodic reviews of the performance fee accounts to assure consistency with separate fee accounts.

Performance fees will be calculated annually in arrears as a percentage of the per-annum capital appreciation of an ACM Fund or separate account's net asset value and charged to certain ACM Funds and certain limited partners as per the terms and conditions set forth in any ACM Fund's documents and/or applicable side letters.

## **Types of Clients**

ACM requires investors to contribute at least \$500,000 as a minimum initial investment in an ACM Fund. ACM may from time to time and on a case-by-case basis waive this minimum investment requirement. Investors must be "accredited investors," as such term is defined in Regulation D Rule 501 promulgated by the SEC under the Securities Act of 1933, as amended, and must agree to be bound by the terms and conditions of ACM's subscription and limited partnership agreements, as applicable, to each ACM Fund in which the investor invests. In addition to the foregoing, certain investors must satisfy other qualification requirements, including but not limited to, "qualified client" and "qualified purchaser" status for a number of ACM Funds, as such terms are defined in the subscription agreement of said ACM Funds.

## **Methods of Analysis, Investment Strategies and Risk of Loss**

Each of the ACM Funds will be invested in private investment limited partnerships and other business entities commonly known as hedge funds (each, an "Investment Vehicle"), which in turn are invested in various public and private debt and equity securities, including derivative securities, private equity holdings and real estate.

Each Investment Vehicle will provide regular performance reporting and other information necessary to perform an analysis of performance, which will include qualitative and quantitative information concerning their respective investment strategies and objectives, as applicable.

Underlying managers of each Investment Vehicle will be subject to ongoing due diligence on qualitative and quantitative criteria, including but not limited to, background and reference

checks; responses to detailed proprietary due diligence questionnaires, and periodic on-site meetings.

Investments in any ACM Fund involve risk of loss that investors should be prepared to bear.

ACM intends to deliver audited financial statements of each ACM Fund prepared in accordance with generally accepted accounting principles (“GAAP”) to investors in the ACM Funds within 180 days of the end of each ACM Fund's fiscal year. ACM will use its best efforts to distribute audited financial statements of all the ACM Funds to investors on or prior to June 30 each year.

## **Disciplinary Information**

ACM has no information applicable to this Item.

## **Other Financial Industry Activities and Affiliations**

Neither ACM nor any of its management personnel are a registered broker-dealer, futures commission merchant, commodity pool operator, commodity trading advisor or a registered representatives of these entities, nor do they have applications pending to register as such entities or as representatives of the same.

## **Code of Ethics**

ACM has adopted a code of ethics (“Code”) for all of our employees describing our standard of business conduct, and duty to our clients. Our Code includes provisions relating to the prohibition of insider trading and personal securities trading procedures, among other things. All employees must acknowledge the terms of the Code, as amended, annually.

Subject to satisfying our Code and applicable laws, our employees may trade for their own accounts in securities which are purchased, held or sold for our clients. The Code is designed to assure that the personal securities transactions, activities and interest of the employees will not interfere with (i) making decisions in the best interest of our clients and (ii) implementing such decisions while, at the same time allowing employees to trade for their own accounts.

A copy of our Code of Ethics is available to any investor in an ACM Fund by calling (512) 630-2025, or emailing at [cstilp@acminvestment.com](mailto:cstilp@acminvestment.com).

## **Conflicts of Interest**

Additionally, the following sets forth potential conflicts of interest between ACM, and its employees and officers on the one hand, and any of the ACM Funds and the investors in the ACM Funds on the other. ACM will primarily manage several different ACM Funds, some of which have similar investment objectives. ACM is required to act in a manner that it considers fair, reasonable and equitable in allocating investment or liquidation opportunities among the ACM Funds, but there are no specific obligations or requirements concerning the allocation of time, effort or investment opportunities to the ACM Funds, or any restrictions on the nature or timing of investments for the account of any ACM Fund. ACM is not obligated to devote any

specific amount of time to the affairs of each ACM Fund and is not required to accord exclusivity or priority to a particular ACM Fund in the event of limited investment opportunities arising from capacity constraints or other factors.

The employees and officers of ACM and of organizations affiliated with ACM may buy and sell securities for their own account or the account of others, but may not buy securities from or sell securities to an ACM Fund, except for (i) ACM's ability to make additional capital contributions to an ACM Fund, to the extent provided for in the governing documents of such ACM Fund, and (ii) investments by such employees and officers in an ACM Fund on the same terms and conditions (with certain limitations) offered to other investors in such ACM Fund.

Any investments in an ACM Fund by an employee or officer of ACM or one of its affiliated entities will at any rate have the same liquidity restrictions imposed on other investors in the ACM Fund. See the above discussion of ACM's Code of Ethics for further information about this policy.

Certain of the managers of the Investment Vehicles in which the ACM Funds invest may engage in other forms of related and unrelated activities in addition to advising an Investment Vehicle. They may also make investments in securities for their own account. Activities such as these could detract from the time a manager devotes to the affairs of the Investment Vehicle.

ACM may share a portion of its management fee with certain placement agents, authorized dealers, or independent third parties for services provided in connection with the solicitation of subscriptions. Such third parties and their affiliates may provide brokerage and certain other financial and securities services to the Investment Vehicles, or to the managers of the Investment Vehicles.

## **Brokerage Practices**

ACM plans to have discretionary authority to invest and liquidate the assets of the ACM Funds without obtaining investors' consent to specific investment decisions. This authority extends both to the securities to be bought or sold and also to the amount of securities to be bought or sold for the account of each ACM Fund.

All securities purchased by ACM on behalf of the ACM Funds are issued directly by private investment funds such as the Investment Vehicles, and typically no intermediary serves as a broker for any subscription or redemption transactions by the ACM Funds. Consequently, ACM will not be in a position to direct brokerage transactions. Furthermore, ACM does not plan to receive any research product or services by broker-dealers, so consequently, these matters will not be a factor in ACM's investment process.

Also, ACM does not have any discretion over any broker-dealer used or commission rates paid by the Investment Vehicles in which the ACM Funds invest.

## **Review of Accounts**

ACM will review the investments of the ACM Funds on a continuous basis, and conduct meetings regarding the ACM Funds and Investment Vehicles on a regular basis. Triggering factors for either an informal or formal review of the ACM Funds' investments include public information reported in the press, and formal or informal communications received from a manager of an Investment Vehicle.

## **Client Referrals and Other Compensation**

ACM may from time to time compensate, either directly or indirectly, certain persons for investor referrals through fee sharing arrangements. ACM is aware of the rules promulgated by the SEC under Section 206(4)-3 of the Investment Advisers Act. As such, appropriate disclosure of all fee sharing arrangements will be provided to ACM's investors. All fee sharing arrangements will be subject to a written agreement by and between ACM and the referring person, and all other applicable federal and/or state laws are observed.

## **Custody**

ACM does not take custody of client assets. Client assets are held with banks or registered broker dealers that are "qualified custodians". Clients will receive statements directly from their account custodian at least quarterly. ACM urges clients to carefully review those statements and compare them to the account statements we provide them. The information in our reports may vary from custodial statements based on accounting procedures, reporting dates or valuation methodologies of certain securities.

## **Investment Discretion**

ACM has discretionary authority to invest and liquidate the assets of the ACM Funds without obtaining investors' consent to specific investment decisions. This authority extends both to the securities to be bought or sold and also to the amount of securities to be bought or sold for the account of each ACM Fund.

## **Voting Client Securities**

This item is not applicable to ACM.

## **Financial Information**

ACM does not require or solicit prepayment of fees from clients, six months or more in advance. Registered investment advisers are required to provide you with certain financial information or disclosures about their financial condition.

ACM has no financial commitments that impair its ability to meet contractual and fiduciary commitments to clients and has never been the subject of a bankruptcy proceeding.

### **Requirements for State-Registered Adviser**

This item is not applicable to ACM.

**PART 2B of Form ADV: Brochure Supplement**  
**ACM Investment Advisor, LLC, 3801 North Capital of Texas Highway, Suite E240-89**  
**Austin, TX 78746**

**COBY STILP, CFA**

**This Brochure Supplement provides information about COBY STILP, and is an addendum to the ACM Brochure. You should have received a copy of that Brochure. Please contact ACM at (512) 630-2025, if you did not receive ACM's Brochure or if you have any questions about the contents of this supplement.**

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Mr. Stilp has over 20 years of leadership and investment experience. He spent over 17 years of his career working in New York City as an investment banking professional for firms such as Kidder Peabody, Lehman Brothers, Bankers Trust/BT Alex. Brown and Salomon Smith Barney/Citigroup. While on Wall Street, Mr. Stilp focused on covering private equity sponsors such as KKR, Blackstone, Apollo and Bain Capital.

In 2008, Mr. Stilp retired as a Managing Director from the Financial Entrepreneurs Group of the Investment Banking Division at Citigroup Global Markets. While at Citigroup, Mr. Stilp cofounded and chaired the Investment Banking Division's Hedge Fund Coverage Group where he focused on illiquid side pocket investments.

Upon moving back to Austin, Mr. Stilp became a board member, partner and Chief Financial Officer for a mid-sized, Austin-based oil and gas company that was recently sold. Mr. Stilp currently serves as a director for Gearn Industries, Lone Star Orthodontics, theconneXtion.com and Corkran Energy.

Mr. Stilp holds a BA in Economics from Georgetown University and an MBA in Finance and Accounting from the Wharton School of the University of Pennsylvania.

Mr. Stilp is a CFA Charter holder and a member of the Austin Society of Financial Analysts.

**Disciplinary Information:** None

**Other Business Activities:** None

**Additional Compensation:** None

**Supervision:** Mr. Stilp is the sole manager of ACM and therefore is not directly supervised by any other person.

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**DAVID E FRIEDMAN, JD**

**This Brochure Supplement provides information about DAVID E FRIEDMAN, and is an addendum to the ACM Brochure. You should have received a copy of that Brochure. Please contact ACM at (512) 630-2025, if you did not receive ACM's Brochure or if you have any questions about the contents of this supplement.**

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Mr. Friedman has over 20 years of leadership and investment experience. He has served as a Vice President and Director of Citigroup Global Markets, and as the Chief Operation Officer of Austin Capital Management, Ltd., a division of KeyCorp.

Mr. Friedman has partnership shares in TCG Group Holdings, LLP, which owns two Registered Investment Advisors—TCG Advisors, LP and Fairway Asset Management, LLC. He also is the Managing Member of Four Top Holdings, LLC.

Mr. Friedman holds a BSM from Tulane University Freeman School of Business and an JD from Duke University Law School.

Mr. Friedman is admitted to the New York Bar.

**Disciplinary Information:** None

**Other Business Activities:** Mr. Friedman is the Chief Operation Officer and CCO of TCG Advisors, LP and Fairway Asset Management, LLC.

**Additional Compensation:** Mr. Friedman receives income from his partnership holding in TCG Group Holdings, LLP.

**Supervision:** Mr. Friedman is directly supervised by Mr. Stilp.