



Form ADV Part 2A: Firm Brochure

March 26, 2014

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Larch Lane Advisors LLC is an investment adviser that is registered with the United States Securities and Exchange Commission ("SEC"). Registration with the SEC does not imply a certain level of skill or training.

This brochure provides information about the qualifications and business practices of Larch Lane Advisors LLC. If you have any questions about the contents of this brochure, please contact us at (914) 798-7600. The information in this brochure has not been approved or verified by the SEC or by any state securities authority.

Additional information about Larch Lane Advisors LLC also is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2: Material Changes

Since the filing of our last annual update to Part 2A of our Form ADV on March 26, 2013, the following items have been updated (note that this discussion reflects only material changes since the last annual update):

- **Item 4: Advisory Business** – Updated to reflect: (i) change in ownership holdings structure of our firm from Larch Lane Holdings II L.P. to Larch Lane Holdings I L.P. (the same group of individuals are limited partners in each Holdings entity) and (ii) assets under management as of January 31, 2014.
- **Item 5: Fees and Compensation** – Updated to reflect a change in the asset-based fee schedule with the removal of a 0.35% asset-based fee for a client fund that has been liquidated and shut down.
- **Item 10: Other Financial Industry Activities and Affiliations** – Updated to remove: (i) an affiliation with another investment adviser that no longer exists and (ii) a discussion of the potential conflicts posed by a client fund (which has been liquidated and shut down) that was composed in part of investments in funds also held by of our seed funds and in funds managed by affiliates of our former parent company (the sole investor in this client fund had been an affiliate of our former parent company).
- **Item 13: Review of Accounts** – Updated to: (i) clarify the parties involved in the portfolio review process and the frequency of their respective reviews; (ii) reflect changes to composition of our Investment Committee; and (iii) clarify that delivery of audited financial statements relates to certain client funds.

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Item 4: Advisory Business

Larch Lane Advisors LLC (“Larch Lane”) was founded in 1999. Larch Lane is wholly owned by Larch Lane Holdings I L.P., an entity which is majority owned by Larch Lane’s founder and CEO, Mark Jurish. We specialize in hedge fund investment strategies for qualified institutional and individual investors through “fund of funds” strategies, meaning that we invest the assets of our client funds in third-party hedge funds. We offer commingled funds and customized single-investor funds in two distinct fund of funds strategies: constructing diversified portfolios of hedge funds and negotiating and structuring seed investments generally in start-up or emerging hedge funds which are commingled and offered in a fund. The investments of our diversified hedge funds include allocations of capital to both established and emerging hedge funds. The investments of our seed funds include contributions of capital to start-up hedge funds (those that have no previous operating history of their own), emerging hedge funds (those that have commenced operations but seek a large capital infusion) and hedge funds that have experienced a significant reduction in investor capital or that would otherwise significantly benefit from an investment of stable capital. All of our clients are the funds we advise and all of our funds are fund of funds.

We tailor our advisory services to the individual strategy, investment objectives and/or needs of our client funds and set these out in either the client fund’s offering memorandum, investment management agreement, or both. Our investment team manages our portfolios according to the investment strategy, investment objective and portfolio guidelines set forth in each client fund’s offering documents and/or investment management agreements, as applicable. Our client funds may impose restrictions around investing in certain securities, sectors or strategies and may set certain risk parameters; such restrictions vary from client fund to client fund.

The amount of client fund assets that we manage on a discretionary basis, as of January 31, 2014, is \$939,622,511. We do not manage any client assets on a non-discretionary basis.

Item 5: Fees and Compensation

We receive asset-based fees from the client funds we manage. In addition, our affiliated entities that serve as general partners of our client funds focused on hedge fund seeding receive performance-based compensation. A description of these methods of compensation, including a fee schedule, and discussion as to the negotiability of these fees, is set forth below. Information regarding fee structures for specific client funds can be found in the respective fund’s offering document.

Asset-Based Fees

Each of our client funds pays a fee based on a percentage of its assets that we manage. Asset-based fees are deducted automatically from the accounts of investors in our client funds typically monthly in arrears or, in some cases, quarterly in advance. The following asset-based fee percentages represent annual rates charged to our various client funds and, in certain cases, to various classes of interests or shares in those funds: 1.90%; 1.50%; 1.25%; 1.15%; 1.00%; 0.85%; 0.75%; and 0.50%. The variation among asset-based fee percentages is based on factors such as type of client fund, amount of investment, liquidity and use of placement agents or distributors.

Performance-Based Fees

With respect to our affiliated entities that serve as general partners of our client funds focused on hedge fund seeding, performance-based compensation is deducted automatically from the accounts of investors in those funds, in each case at the end of their respective fiscal year. The following performance-based compensation percentages represent annual rates: 25% and 15%.

Negotiability of Fees

Our fees are generally not negotiable. We have the general discretion to waive all or a portion of the asset-based fee, but typically only exercise this discretion for investors in our client funds that are our affiliates or employees. In addition, we occasionally enter into side letter arrangements with certain investors in our client funds, in which we grant them preferential terms. These terms may include reduced asset-based fees in addition to favorable withdrawal rights, information rights, key man provisions, provisions allowing investors to pledge their interest in a fund as collateral and/or “most favored nation” clauses, which require us, in the event that we offer better terms to one investor, to offer the same terms to an investor with most favored nation status.

Other Fees and Expenses

Following is a list of the other types of fees and expenses that our client funds may pay in connection with our advisory services (this list is a general guideline and may not contemplate every possible expense a client fund may incur):

- all costs incurred in connection with the offering of their interests or shares to investors;
- all costs associated with their investment program, including among others: (a) transaction costs and investment-related expenses in connection with their investment and trading activities, (b) fees and costs involved in investing in any other investment vehicle, and (c) professional fees and expenses of attorneys, accountants, administrators, appraisers and other consultants;
- all costs relating to their administration and operations, including among others: fees and expenses of the administrator and custodian; professional fees and expenses of

auditors and legal counsel; government filing and registration fees; costs of communications with investors and prospective investors; all interest, fees and costs of fund-related borrowings; the costs of insurance obtained for their protection or the protection of their investors; expenses of any advisory committees; expenses such as litigation and indemnification; and certain operating and overhead expenses not paid by us;

- as investors in underlying portfolio funds, their pro rata share of the expenses of the portfolio funds, such as custodial fees and brokerage commissions and, in some cases, overhead expenses such as rent, secretarial expenses, charges for furniture and fixtures, legal and accounting fees, management and consulting fees, personnel expenses, insurance premiums and similar expenses; and
- fees charged by the underlying portfolio funds in which they invest, which consist of a fixed base fee (typically 1.0% to 2.0% of net assets on an annual basis) and a performance compensation based upon a percentage of any profits of an underlying portfolio fund (typically, this performance compensation is expected to be twenty percent (20%) of profits, but may be up to fifty percent (50%) of profits).

Each portfolio manager of an underlying fund or its affiliates will receive any performance based compensation to which it is entitled irrespective of the performance of portfolio managers of other underlying funds generally. Thus, a portfolio manager with positive performance may receive directly or indirectly compensation from a client fund, and thus indirectly from investors in the client fund, even if the client fund's overall returns are negative.

With respect to brokerage commissions noted above, please refer to Item 12 below.

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

As noted above in Item 5, our affiliated entities that serve as general partners of our client funds focused on hedge fund seeding receive performance-based compensation. With respect to certain of these client funds we, or an affiliate entity, also act as investment manager. This means that we are managing both client funds that are charged a performance-based fee in addition to an asset-based fee and client funds that are charged solely an asset-based fee. Such an arrangement could be deemed to create conflicts of interest because it could incentivize us to favor client funds paying performance-based fees over those that do not, for example with respect to matters such as the allocation of investment opportunities and investor capital. However, we do not believe that such conflicts of interest exist in this case due to the differing investment focus and underlying portfolio fund investments and fund structure of our client funds focused on hedge fund seeding (our "seed funds") from that of our other client funds, the key aspects of which are as follows:

- our seed funds are focused on a specific narrow strategy and type of underlying portfolio fund investment as discussed above in Item 4 – investing specifically in start-up hedge funds, emerging hedge funds and hedge funds in need of new or stable capital – whereas

our other client funds are more diversified and include allocations of capital to both established and emerging managers and are thus generally investing in an entirely different pool of managers with generally no overlap in investment (*See* discussion in Item 10 below under the heading “Recommendation or Selection of Other Investment Advisers” regarding one of our non-seed fund clients that invests a portion of its assets in some funds seeded by our seed funds and how we address potential conflicts in that instance);

- our seed funds raise capital for a limited period of time in the form of investor capital commitments as of a hard closing date and are not taking in and/or redeeming investors on a rolling basis as is the case in our other client funds; and
- our seed funds generally lockup investor capital for several years, which is not the case in our other client funds.

Item 7: Types of Clients

All of our clients are pooled investment vehicles (none of which are SEC-registered investment companies) focusing on hedge fund investment strategies for qualified institutional and individual investors through fund of funds strategies, meaning that they invest all of their assets in third-party hedge funds. The investors in our client funds may consist of high-net-worth individuals, trusts and pension plans.

We determine in our sole discretion any requirements for entering into an investment advisory contract with a client fund or otherwise opening or maintaining an account, including whether a potential client fund is large enough to implement its investment program.

With respect to our client funds, any initial and additional subscription minimums are disclosed in the offering memorandum for the particular client fund.

Item 8: Method of Analysis, Investment Strategies and Risk of Loss

General Client Fund Investment Methods and Strategies

Our investment approach represents a combination of professional judgment and analytical rigor. This involves 1) formulating strategy allocation targets based on a range of qualitative and quantitative factors; 2) determining the investment appeal of each hedge fund; 3) preparing a set of pro forma hedge fund allocations reflecting strategy and fund attractiveness, availability, and applicability to the client portfolio; and 4) understanding the limitations of the statistical tools and, therefore, anchoring these tools with appropriate assumptions.

Our construction process begins by setting investment objectives, including return, risk, time frame, liquidity, and any unique client-driven considerations. We then utilize a combination of bottom-up and top-down approaches. We draw upon our historic experience to begin the

portfolio construction process, utilizing a mix of qualitative information on strategies as well as quantitative modeling of past results. Our qualitative evaluation process is combined with fundamental and quantitative assessments of hedge fund strategies and markets. This includes the analysis of capital flows into and out of hedge fund strategies, as well as other supply and demand factors such as new securities issuance and market implied volatilities.

We employ a dynamic top-down approach to strategy allocation, which is guided by a belief in “mean reversion”: when a strategy has produced above average returns for a significant period of time, we generally expect that strategy to perform below its historical average for a subsequent period of time. This phenomenon results from investors “chasing” past returns. If a strategy performs well, capital tends to rush in, making it more difficult to achieve solid future returns, as inefficiencies are eliminated by the increased competition in that strategy.

The vast majority of our time is spent on bottom-up research, meeting with managers and conducting due diligence.

Risk management influences strategy allocation, fund selection, and portfolio construction, and is an inherent part of our culture. We employ a fundamental and quantitative approach to determining fund weightings and risk exposures within the portfolio.

Portfolio diversification by fund and strategy is also important. We tend to overweight strategies that we expect to outperform over 1-2 year cycles, with the expectation that some strategies will serve as important diversifiers to limit risk. Ideally, this will create returns with low volatility and low correlation to traditional investments.

We include funds in a portfolio based upon a combination of their merits as well as how their return stream is expected to correlate with the other funds in the portfolio. Each fund is assigned an expected weight in the portfolio, based on both quantitative and qualitative factors. These weights are reviewed at least semi-annually. Typically, rebalancing will occur when an actual position size strays from these weights.

Underlying Portfolio Fund Investment Programs and Strategies

By investing the assets of our client funds in underlying portfolio funds, we indirectly engage in a wide variety of investment programs and strategies. These programs and strategies vary among our underlying portfolio funds. Among our underlying portfolio funds, investment programs may include investments in a wide range of securities of both U.S. and non-U.S. issuers, including common stocks, bonds and other fixed-income securities, and strategies such as emerging markets, event-driven, distressed debt, short-selling and leverage.

Risk Factors

Investing in securities involves risk of loss that our client funds, and the investors in those funds, should be prepared to bear. The following sets forth the various potential risk factors with respect to both our client funds' fund of funds strategies and the underlying portfolio funds in which our client funds may invest.

Potential Risks Associated with our Client Funds' "Fund of Funds" Strategies

- *General.* We invest all of our client funds' assets in investment funds managed by third party portfolio managers. The success of each client fund depends upon our ability to allocate fund assets and the ability of the portfolio managers of underlying funds to develop and implement successful investment strategies. Subjective decisions made by us and/or the portfolio managers of underlying funds may cause a client fund to incur losses or to miss profit opportunities on which it may otherwise have capitalized.
- *Use of Multiple Managers is No Assurance of Success.* No assurance is given that the underlying portfolio funds' collective performance will result in profitable returns for a client fund as a whole under all or any conditions. The possibility exists that good performance achieved by one or more portfolio managers of underlying portfolio funds may be neutralized by poor performance experienced by other portfolio managers of underlying funds.
- *Dependence on the Investment Manager.* The success of any collective investment fund is largely dependent upon the investment manager, in our case including us as the investment manager of our client funds and the managers of the underlying portfolio funds. There is no guarantee that an investment manager or the individuals employed by the investment manager will remain willing or able to provide advice to the fund or that trading on this advice by the investment manager will be profitable in the future. The performance of an investment manager depends upon certain key personnel. If any of those personnel becomes incapacitated, the performance of the fund may be adversely affected. Although the success of a fund is not dependent upon any one key person, there is no assurance that any of the key personnel will continue to be employed by the investment manager.
- *Dependence on Underlying Portfolio Funds; Trading Strategies may not be Successful.* Although we carefully screen and establish guidelines for the underlying portfolio fund investments, we do not have control over the investment decisions of the portfolio managers of the underlying portfolio funds and cannot guarantee that our guidelines will be followed at all times. In addition, underlying portfolio funds may take undesirable tax positions, employ excessive leverage, or otherwise manage the underlying portfolio funds in a manner not anticipated by us. The investment activities of underlying portfolio funds are likely to depend upon the experience and expertise of their principals. The loss of the services of any of these individuals could have a material adverse effect on a client fund that invests in that portfolio fund.

There can be no assurance that the trading strategies employed by an underlying portfolio fund will be successful. For example, the proprietary models used by an underlying portfolio fund may not function as anticipated. While each portfolio manager who will direct the investment activities of an underlying portfolio fund is expected to have a performance record or reputation reflecting his or her prior experience in using the strategies that will be applied to trading for the underlying portfolio fund, which will be examined by us, this prior performance cannot be used to predict future performance.

- *Offsetting Investments.* Underlying portfolio funds may, at times, hold economically offsetting positions. To the extent that the underlying portfolio funds do, in fact, hold offsetting positions, a client fund, considered as a whole, may not achieve any gain or loss despite incurring expenses.
- *Concentration of Investments.* An investment in a client fund does not constitute a diversified investment program. Although we will allocate each client fund's assets to multiple underlying portfolio funds, there can be no assurance that reasonable diversification will be achieved or that selected portfolio managers of underlying funds will not take substantial positions in the same security at the same time. If that happens, it may result in more rapid changes in the performance of a client fund's portfolio than would be the case with greater diversification, with the result that a loss in any position could have a material adverse impact on a client fund's capital. Portfolio managers of underlying portfolio funds may also make similar market timing decisions and asset allocation decisions between equity financial instruments and cash equivalents or some combination of these and other strategies. In addition, certain client funds concentrate investments in only a few underlying portfolio funds, which concentration may persist for an indefinite period of time following the client fund's commencement of operations and at the time the final investments are being liquidated. Accordingly, since the failure of one or a limited number of investments could have a material adverse effect on a client fund, the client fund's assets may be subject to greater risk of loss than if they were more widely diversified.
- *Lack of Operating History and Operations Experience.* An underlying portfolio fund may, in certain instances (particularly with respect to our seed funds), be an entity that lacks any prior operating history of its own, or that has a limited operating history, for us to evaluate prior to making an investment. Our client funds' investment programs should be evaluated on the basis that there can be no assurance that our assessment of the short-term or long-term prospects of any underlying portfolio fund will prove accurate or that the client fund will achieve profitable results. Furthermore, our client funds' success will depend, to a large extent, on the ability of the underlying portfolio managers to operate start-up business enterprises. Underlying portfolio managers may lack prior experience in start-up operations.
- *Valuation Estimates, Illiquid Investments.* Each client fund relies primarily on information provided by portfolio managers of underlying portfolio funds in valuing its investments. There is a risk that inaccurate valuations provided by portfolio managers of underlying portfolio funds could adversely affect the value of a client fund's interests. Furthermore, the net asset values received by us from portfolio managers will typically be

estimates only, subject to revision through the end of each underlying portfolio fund's annual audit. Revisions to a client fund's gain and loss calculations will be an ongoing process, and no net asset value figure of a client fund in any given year can be considered final until the client fund's annual audit is completed for the year. Each client fund will rely on the valuations provided by the portfolio managers of underlying portfolio funds and to the extent that the actual value of the investments is greater or lesser than the value provided by the portfolio managers, the net asset value of an interest in the client fund will be lesser or greater.

Underlying portfolio funds may invest in financial instruments for which no liquid market exists. The market prices, if any, for financial instruments may be volatile and an underlying portfolio fund may not be able to sell the financial instruments when it desires to do so or to realize what it perceives to be their fair value in the event of a sale. A portfolio manager of an underlying portfolio fund may separately account for illiquid investments held by its fund in "side pockets," and the illiquid investments may be valued by the portfolio manager at cost, the lower of cost or market, or any other valuation method employed by the portfolio manager until the underlying portfolio fund is able to dispose of the illiquid investments. Generally, a client fund will not be able to withdraw its interest in side pockets or special investment accounts until they are disposed of by the portfolio manager of the underlying portfolio fund. The market prices, if any, of illiquid investments tend to be more volatile, and it may be impossible for an underlying portfolio fund to sell those investments when desired or to realize what it perceives to be their fair value in the event of a sale.

Investors in client funds should recognize that valuations of illiquid financial instruments, such as interests in underlying portfolio funds, involve various judgments and the consideration of factors that may be subjective. As a result, the net asset value of a client fund, as determined based on the fair value of its interests in underlying portfolio funds, may vary from the amount the client fund would realize on the withdrawal of its investments from the underlying portfolio funds. This could adversely affect the client fund and its investors.

In addition, a client fund's interests in unregistered underlying portfolio funds themselves are generally illiquid and subject to substantial restrictions on transfer based on negotiated lock-up periods. A client fund may liquidate an interest and withdraw from an unregistered underlying portfolio fund pursuant to limited withdrawal rights. Accordingly, the client fund may not be able to withdraw its investment in an underlying portfolio fund promptly after it has made a decision to do so, which may result in a loss to the client fund and adversely affect the client fund's investment return. Losses may be exacerbated by significant market events or circumstances, generally outside our control and of the control of the portfolio managers, prior to withdrawal by the client fund of its investment in an underlying portfolio fund. Additionally, the underlying portfolio funds may reserve the right to reduce ("gate") or suspend withdrawals and to satisfy withdrawals by making distributions in-kind, under certain circumstances. The ability of investors in client funds to withdraw all or any portion of their investment may be adversely affected to varying degrees by those types of restrictions depending on, among other things, the length of any restricted periods imposed by the underlying portfolio

funds, the amount and timing of a requested withdrawal by an investor in a client fund in relation to the time remaining of any restricted periods imposed by related underlying portfolio funds, the aggregate amount of withdrawal requests, the next regularly scheduled redemption dates of the underlying portfolio funds, the imposition of “gates” or suspensions, the decision by an underlying portfolio fund to satisfy withdrawals in-kind and the satisfaction of other conditions. In the event a client fund’s ability to redeem any amount invested in the underlying portfolio funds is restricted, the client fund is entitled to delay the payment of withdrawal proceeds to its investors.

- *Risk Management Strategy and Restrictions.* Prior to investing a client fund’s assets in any underlying portfolio fund, we may evaluate the risk associated with the underlying portfolio fund by examining some or all of the following factors: the portfolio manager’s perspective on risk tolerances, the volatility of the portfolio manager’s strategy and the portfolio manager’s monitoring system. We will seek to negotiate, on behalf of our client funds, contractual risk parameters that, if violated, may result in the withdrawal of the client fund’s investment in the underlying portfolio fund. Additionally, we generally seek to negotiate with portfolio managers of underlying portfolio funds for daily access to security-level transparency and generally monitor our underlying portfolio funds on a daily basis to the extent practicable. We may, but are not required to, analyze the risks inherent in an underlying portfolio fund’s portfolios and on an aggregate basis for a client fund and attempt to mitigate the severity of any loss or risk of loss of the client fund’s capital by overlaying hedge trades to the amount and quality of risk due diligence. Measurement and monitoring is dependent on access to accurate data regarding the portfolios held by the underlying portfolio funds and risk management systems of the portfolio managers of underlying portfolio funds. There is no assurance that the portfolio managers will give access to this data. There can be no assurance that our risk management process and, if utilized, any overlaying hedge trades will be effective in mitigating the risks inherent in investments in an underlying portfolio fund.
- *Breach of Agreements by an Underlying Portfolio Fund.* A client fund (in particular, our seed funds) may enter into contractual relationships with underlying portfolio funds and their respective portfolio managers. If an underlying portfolio fund or its portfolio manager breaches the terms of an agreement with a client fund or otherwise refuses to perform, the client fund could be materially harmed. In addition, if a breach occurs, the client fund may seek damages from the breach or otherwise seek a judicial resolution against a breaching underlying portfolio fund. The time and expense devoted to resolving a dispute could materially adversely affect the client fund.
- *Possible Effect of Substantial Withdrawals.* Withdrawals from capital accounts of an underlying portfolio fund could require the underlying portfolio fund to liquidate its positions more rapidly than otherwise desirable which could adversely affect the value of the underlying portfolio fund’s assets. Illiquidity in certain financial instruments could make it difficult for an underlying portfolio fund to liquidate positions on favorable terms, which could result in losses or a decrease in the net asset value of the underlying portfolio fund, as well as the client fund’s investment in the underlying portfolio fund (including any special economic interests).

The lock-up period applicable to our seed funds' underlying portfolio fund investments may be longer than the lock-up period applicable to other investors in that underlying portfolio fund. Accordingly, during such a lock-up period, even if there are substantial withdrawals by other investors in an underlying portfolio fund, our seed fund may be restricted from withdrawing its investment.

- *Investment Judgment and Market Risks.* The success of our client funds' investment programs depends to a great extent upon the ability of portfolio managers of underlying portfolio funds to correctly assess the future course of price movements of stocks, bonds and other financial instruments and markets. We cannot guarantee that we or underlying fund managers will accurately predict price movements and that our investment programs will be successful. Financial instruments of the kind proposed to be invested in by portfolio managers and the issuers of financial instruments are affected by, among other things: changing supply and demand, governmental laws, regulations and enforcement activities, trade, fiscal and monetary programs and policies, and national and international political and economic developments. The effect of those factors on the prices of financial instruments in general, or a particular financial instrument, is difficult to predict.
- *Restrictions on Transfers and Withdrawal of Capital.* An investment in our client funds is illiquid. An investor may not transfer all or a portion of its interest without the consent of the general partner of the relevant fund.
- *Financial Markets and Regulatory Change.* During periods of instability in the global financial markets, the risks associated with the investment activities and operations of hedge funds, including those risks resulting from a reduction in the availability of credit and the increased cost of short-term credit, a decrease in market liquidity and an increased risk of bankruptcy of third parties with which we work, become intensified. Market disruptions tend to lead to increased scrutiny and regulation over the hedge fund and asset management industry. In addition, the laws and regulations affecting business continue to evolve unpredictably. Laws and regulations applicable to our client funds and underlying portfolio funds, especially those involving taxation, investment and trade, can change quickly and unpredictably in a manner adverse to our clients' interests.

Certain Risks Associated with our Client Funds' Underlying Portfolio Funds

By investing assets of our client funds in underlying portfolio funds, we engage in a wide variety of investment programs and strategies through those underlying portfolio funds, each of which may entail their own unique and various risks. The various potential risk factors of the investment programs and strategies of our underlying portfolio funds are described in detail in our client funds' respective offering documents.

Item 9: Disciplinary Information

This item is not applicable to us.

Item 10: Other Financial Industry Activities and Affiliations

We provide investment advisory services to our client funds, which are described in the information provided throughout this Form ADV.

Other Financial Industry Activities

We are registered as a commodity pool operator.

Affiliations With Other Investment Advisers

PineBridge/Larch Lane Select Plus Management Co. LLC

We are a member of PineBridge/Larch Lane Select Plus Management Co. LLC (“Select Plus Management”) together with PineBridge Investments LLC (“PineBridge”), an investment adviser registered with the SEC and the managing member of Select Plus Management. Select Plus Management provides investment advisory services to Select Plus Onshore Fund, L.P. (“Select Plus Fund”). We act as sub-adviser to Select Plus Fund pursuant to a sub-advisory agreement between us and Select Plus Management pursuant to which we provide certain sub-advisory and back-office services to Select Plus Management.

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

Code of Ethics and Personal Trading

We have adopted a code of ethics pursuant to SEC Rule 204A-1 under the Investment Advisers Act of 1940, as amended, and Rule 17j-1 under the Investment Company Act of 1940, as amended (“our code”). Our code sets forth the standards of conduct we expect from our officers, directors and employees (collectively, “our covered persons”) and addresses conflicts that may arise from personal trading by them. Our code is designed to:

- protect our clients by deterring misconduct;
- educate our covered persons about our expectations and the laws governing their conduct;
- remind our covered persons that they are in a position of trust and must act with complete propriety at all times;
- protect our reputation;
- guard against violation of the securities laws; and
- establish procedures for our covered persons to follow so that we may determine whether they are complying with our code.

With respect to personal trading, our code requires our covered persons to obtain prior approval of personal securities transactions in accordance with applicable SEC rules and securities laws. Under our code we also collect initial, annual and quarterly holdings and transaction reports from our covered persons in accordance with applicable SEC rules. In addition, our code includes our

policies and procedures on insider trading. Our code requires an annual acknowledgement by our covered persons that they have received, read and understand it.

We will provide a copy of our code to our client funds and existing and potential investors in those funds upon request.

Participation or Interest in Our Client Fund Transactions and Personal Trading

Several of our senior officers, principals and employees have invested a portion of their liquid net worth in our flagship fund – Larch Lane Absolute Return. In certain instances these investments represent a significant portion of such individual’s liquid net worth. These investments are made under the same liquidity terms as other investors, but with a discounted fee. These investments create a conflict of interest for us because they can incentivize us to allocate more favorable investment opportunities to this fund. We address this conflict through our code of ethics policy discussed above, which prohibits our covered persons from engaging in account favoritism since it is a violation of their fiduciary duty, as well as through our investment opportunities allocation and order aggregation policies and procedures.

Item 12: Brokerage Practices

We do not select or recommend broker-dealers, nor do we execute transactions for our client funds through broker-dealers. The underlying portfolio managers in our funds, however, do select and execute transactions through broker-dealers. In selecting or recommending broker-dealers for their transactions, our funds’ underlying portfolio managers may consider such factors as: price; the ability of the brokers, banks, and dealers to effect transactions; their facilities, reliability, and financial responsibility; and any products or services provided, or expenses paid, by brokers, banks, and dealers. Our client funds do not require underlying portfolio managers to solicit competitive bids or obligate them to seek the lowest available commission cost.

We do not receive research or other products or services from a broker-dealer or third party in connection with client fund securities transactions (“soft dollar” benefits). The underlying portfolio managers in our funds, however, may receive “soft dollar” benefits, such as products and services including research tools used by the underlying portfolio managers in making investment decisions. “Soft dollar” benefits may cause an underlying portfolio manager to enter into a transaction with a specific broker, bank, or dealer even if it does not offer the lowest transaction fees. If the underlying portfolio fund determines in good faith that the amount of commissions charged by a broker is reasonable in relation to the value of brokerage services, products, and other services provided by that broker, a client fund may, indirectly through the underlying portfolio fund, pay commissions to that broker that exceed the amount that another broker charges. Additionally, the client fund may not be necessarily, in any particular trade, the direct or indirect beneficiary of the services provided.

We do not use client brokerage commissions to obtain research or other products or services. However, when underlying portfolio managers use client brokerage commissions (or markups or

markdowns) to obtain research and brokerage services within the meaning of Section 28(e) of the Securities Exchange Act of 1934, as amended, they receive a benefit because they do not have to produce or pay for the research, product or services.

The underlying portfolio managers in our client funds may have an incentive to select or recommend a broker-dealer based on their interest in receiving the research or other products or services, rather than on our client funds' interest in receiving the most favorable execution.

We do not cause our client funds to pay commissions to any broker-dealers. The underlying portfolio managers in our funds, however, may cause the underlying portfolio funds to pay commissions (or markups or markdowns) higher than those charged by other broker-dealers in return for soft dollar benefits. Our client funds would indirectly bear this cost.

We do not aggregate orders for securities because, since we employ a fund of funds investment program for our client funds, we do not directly purchase securities (other than interests in funds) for our client funds.

Item 13: Review of Accounts

We, through our research meetings and Investment Committee meetings, meet weekly and bi-monthly respectively to review existing investments and proposed new investments for our client funds, all within the context of a client fund's investment portfolio. Changes to client fund portfolios are formally proposed to and approved by the Investment Committee at the bi-monthly Investment Committee meetings. Each individual investment in a portfolio is generally reviewed by the investment team at least quarterly and by the Director of Operational Due Diligence at least annually, though significant events such as significant changes in assets, major market movements or macroeconomic events, legal or regulatory developments, a change in business structure, personnel changes and revised investment terms can trigger a review of a particular portfolio company. The reviews of individual investments consist of monitoring the investment for performance, adherence to investment strategy, changes in personnel, current positioning and outlook and risk management.

The reviewers that participate in the research meetings and Investment Committee meetings are the members of the Investment Committee, which include: the CEO/CIO, President/COO, and the Director of Research. In addition, the Director of Seeding Strategies, Director of Operational Due Diligence, Director of Risk Management and Research Analysts participate in research meetings and Investment Committee meetings and discuss the progress and performance of each account.

We provide investors in our client funds with monthly portfolio summaries and highlights on the client fund in which they are invested and quarterly letters outlining our short-term outlook and other notable information regarding such client fund's portfolio or hedge fund investing in general. Audited financial statements for each of our co-mingled client funds are provided on an annual basis. All of these materials are written.

Item 14: Client Referrals and Other Compensation

We have certain arrangements in which we may compensate third-party persons or entities for investor referrals or to solicit investors (i.e., placement fees) for our client funds as follows:

- for Larch Lane Absolute Return I LP, Larch Lane Absolute Return II LLC and Larch Lane Absolute Return Offshore Ltd., with respect to various Class C, D or E interests or shares, we have a solicitation agreement in place with a solicitor under which we may pay fees to that solicitor in an amount up to 20% of our management fees related to investors in those client funds that were referred by the solicitor;
- for Larch Lane Absolute Return Offshore Ltd., with respect to Class C, D or E shares, we have a solicitation agreement in place with a solicitor under which we may pay fees to that solicitor in amounts of up to 20%, 30% or 40% of our management fees related to investors in those client funds that were referred by the solicitor depending on asset levels of investors referred by the solicitor;
- for Class B Shares of Larch Lane Absolute Return I LP and Larch Lane Absolute Return Offshore Ltd., we have a distribution agreement in place with a distributor with which we are not affiliated under which we may pay fees to that distributor in an amount of up to 50% of our management fees related to investors in those funds that were placed in the fund by that distributor; and
- for Class A Shares, Class C Shares and Class I Shares of Larch Lane Absolute Return Offshore Fund Ltd., we have a fee rebate agreement in place with a non-U.S. bank with which we are not affiliated under which the bank will place non-U.S. investors in those Share Classes and we may rebate a portion of management fees charged to investors placed in those share Classes by that bank in amounts equal to 0.525% of our management fees received from those investors in Class A Shares and Class C Shares and 1.00% of our management fees received from those investors in Class I Shares.

Item 15: Custody

Due to our access to client funds and authority to deduct fees and other expenses from a client's account, we are deemed under the amended Rule 206(4)-2 of the Investment Advisers Act of 1940, as amended, to have custody of our clients' funds. In this section, "client" includes both our client funds and the investors in those funds.

We utilize the services of a bank or other qualified custodian defined under Rule 206(4)-2 to hold all assets of any of our clients. We also ensure that the qualified custodian maintains client funds in accounts that contain only clients' funds and securities, under our name as agent or trustee for the clients. In addition, we maintain a separate record for each account which shows the dates and amount of all deposits and withdrawals and a list of each client's beneficial interest in the account.

While Rule 206(4)-2 generally requires an investment adviser to ensure that a qualified custodian sends account statements to all its clients whose funds it holds at least quarterly, we are not subject to that requirement because all client funds managed by us are subject to audit at least annually by an independent auditor that is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board. In connection with that exemption, we must distribute audited financial statements to all limited partners, members or other beneficial owners of our client funds within 180 days of the end of the fiscal year of the fund.

Item 16: Investment Discretion

We accept discretionary authority to manage our client funds' accounts. Essentially, this means that we have the authority to determine, without obtaining specific client consent, which underlying portfolio funds in which to invest and how much to invest in each underlying fund. In exercising this authority, we manage our portfolios according to the investment strategy, investment objective and portfolio guidelines set forth in each client fund's offering document and/or investment management agreement, as applicable. Our client funds may impose restrictions around investing in certain securities, sectors or strategies and may set certain risk parameters; such restrictions vary from client fund to client fund.

Before accepting their subscriptions for interests, we provide all investors in our client funds with an offering document that sets forth, in detail, that fund's investment strategy and program. By completing our subscription documents to acquire an interest in one of our client funds, investors give us complete authority to manage their investments in accordance with the offering documents they each received.

Item 17: Voting Client Securities

We may be delegated the right to vote, on behalf of our client funds, proxies received from companies, the securities of which are owned by the underlying funds in which our client funds have invested. However, we expect to be delegated such voting rights infrequently, if ever. In addition, from time to time, the investment vehicles in which our client funds are invested may amend or revise their governing documents or seek investor consents.

In accordance with SEC Rule 206(4)-6 under the Investment Advisers Act, we have in place a proxy voting policy ("our voting policy") to (i) ensure that proxies that we vote on behalf of our client funds are voted to further the best interests of that fund, (ii) establish a mechanism to address any conflicts of interests between us and our client funds, and (iii) provide record keeping requirements and criteria for delivering such information.

Our investment committee, which may delegate to a proxy committee, is responsible for making all proxy voting decisions in accordance with our voting policy. The investment team is

responsible for the actual voting of all proxies in a timely manner, while our chief compliance officer is responsible for monitoring the effectiveness of our voting policy.

Our general policy is to vote proxy proposals, amendments, consents or resolutions relating to client securities, including interests in private investment funds, if any, in a manner that reasonably furthers the best interests of our client funds and is consistent with the respective investment objectives and strategy of such funds, and taking into account relevant factors, including, but not limited to:

- the impact on the value of the securities;
- the anticipated costs and benefits associated with the proposal;
- the effect on liquidity; and
- customary industry and business practices.

If we determine that we have a conflict of interest when voting a proxy, we will address matters involving conflicts of interest as follows:

- if a proposal is addressed by our specific proxy voting policies and procedures, we will vote in accordance with those policies;
- if we believe it is in the best interest of our client funds to depart from our specific proxy voting policies, we will either:
 - vote against our own interest, as we determine it to be in the best interest of our client funds, and we will memorialize the rationale of the vote in writing; or
 - vote in our own interest, but: (a) delegate the voting decision for the proxy proposal to an independent third party; (b) delegate the voting decision to an independent committee of partners, members, directors or other representatives of our client funds; (c) inform the investors in our client funds of the conflict of interest and obtain consent (majority consent in the case of a client fund) to vote the proxy as we recommend; or (d) obtain approval of the decision from our chief compliance officer and our third party legal advisors.

Under our voting policy, we maintain records of all proxy statements received and all executed proxies. In addition, we maintain records including: (i) the determination as to whether the proxy was routine or not, (ii) the voting decision with regard to each proxy; and (iii) any documents created by the investment committee, or others, that were material to making the voting decision. We will also maintain a record of each written request from an investor in a client fund for proxy voting information and our written response to that request (oral or written).

Our client funds and investors in those funds may obtain a copy of our voting policy upon request.

Item 18: Financial Information

This Item is not applicable to us.

PRIVACY NOTICE

This explains the manner in which Larch Lane Advisors LLC may collect, use and maintain nonpublic personal information about you and the precautions that we take to maintain and secure such information.

What kind of personal information do we have about you and where did we get it? We collect nonpublic personal information about you from the following sources:

- Subscription forms, investor questionnaires and other information provided by you in writing, in person, by telephone, electronically or by any other means; and
- Transactions between you and the fund, including account balances, investments and withdrawals/redemptions.

When do we disclose your personal information? We may disclose nonpublic personal information about you as permitted or required by law and in the following circumstances:

- In connection with a proposed or actual sale, merger or transfer of all or a portion of our business;
- To protect or defend against fraud, unauthorized transactions (such as money laundering), law suits, claims or other liabilities;
- To service providers in connection with the administration and operations of the fund, which may include attorneys, accountants, auditors, administrators, third party marketers or other professionals;
- To investment funds in which we invest in connection with anti-money laundering examinations;
- To process or complete transactions requested by you; and
- Upon your consent to release such information, including authorization to disclose such information to persons acting in a fiduciary or representative capacity on your behalf.

How do we protect your personal information? We maintain physical, electronic, and procedural safeguards that comply with federal standards to safeguard your nonpublic personal information. In addition, within our organization, we restrict access to nonpublic personal information about you to those employees and agents of Larch Lane Advisors LLC who need to know that information in the course of their job responsibilities.

What about former clients and investors? - This Privacy Notice applies to former clients and investors.

Additional Information. In the event that we plan to disclose nonpublic personal information about you to a nonaffiliated third party, prior to any such disclosure we will give you notice and an opportunity to “opt-out” of the disclosure. We reserve the right to change this Privacy Notice at any time. The examples contained within this notice are illustrations and are not intended to be exclusive. This notice complies with recently enacted federal law regarding privacy. You may have additional rights under other applicable foreign or domestic laws.