

CANNAE ADVISORS LLC
Part 2A of Form ADV

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This brochure (the “Brochure”) provides information about the qualifications and business practices of Cannae Advisors LLC (“Cannae,” “we,” “us” or “our”). If you have any questions about the contents of this Brochure, please contact our Chief Compliance Officer (“CCO”), Thomas Lamb, at (203) 861-3279 or tlamb@cannaellc.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.

Additional information about Cannae can be found on the SEC’s website at www.adviserinfo.sec.gov.

Cannae’s registration as an investment adviser does not imply that Cannae or any of its principals or employees possesses a particular level of skill or training in the investment advisory business or any other business.

Item 2: Material Changes

There are no material changes to report to this Brochure since our most recent filing made in March 2013.

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Item 4: Advisory Business

Cannae, a Connecticut limited liability company, was founded in 2008 by Jonathan Daniel Seymour, its sole member and owner.

Cannae currently provides discretionary investment advice to a private investment fund (the "Fund") through a managed account arrangement. Such arrangement is governed by an investment management agreement with a subsidiary of the Fund (the "Management Agreement"). The Fund is currently Cannae's only client, but Cannae may advise other clients in the future.

The Management Agreement sets forth certain guidelines or restrictions related to our investment activities, which may be modified from time-to-time in consultation with the Fund's general partner (the "General Partner"). The General Partner may, in certain situations, impose restrictions on our ability to invest in certain securities or types of securities.

We have limited trading authority with respect to the Fund. In this regard, we: (i) do not have custody of the Fund's assets, (ii) cannot determine the final value of the Fund's positions, (iii) cannot move the Fund's cash or securities, and (iv) cannot enter into any other agreements on behalf of the Fund. The General Partner provides risk management services to the Fund, manages the Fund's leverage, and provides certain administrative services to the Fund.

As of December 31, 2013, we managed approximately US\$240,034,081 in regulatory assets under management on a discretionary basis. We do not manage any assets on a non-discretionary basis.

Item 5: Fees and Compensation

Our management fee is negotiated annually and is based on an operating expense budget agreed to between us and the General Partner. The negotiated management fee is periodically paid by the Fund in advance. Once paid, the negotiated management fee is non-refundable.

We may also be entitled to receive performance-based compensation from the Fund based on our net trading profits at the end of each fiscal year. The Fund's administrator is responsible for calculating, and the General Partner approves payment of, such performance-based compensation.

We may incur brokerage and transaction-related expenses on the Fund's behalf (see Item 12). All other expenses to be borne by the Fund are set forth in the Fund's offering documents and have been determined by the General Partner.

We may also allocate a portion of the Fund's capital to exchange-traded funds or other similar vehicles. In addition to the fees and expenses discussed above, the Fund will indirectly incur similar fees and expenses if we invest its assets in such funds or vehicles, as such funds and vehicles in turn pay similar fees and expenses to their investment managers and other service providers.

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

The receipt of performance-based compensation may incentivize Cannae to make investments on behalf of the Fund that are riskier or more speculative than it would make if it did not receive performance-based compensation. Because the General Partner provides risk management services to the Fund, we believe that this conflict is mitigated.

Furthermore, since net trading profits (the basis for our performance-based compensation), include unrealized appreciation, we may receive greater performance-based compensation than would be the case if net trading profits was based only on realized gains.

Since Cannae does not have authority to determine the final value of the Fund's positions, several conflicts associated with valuation are mitigated.

Item 7: Types of Clients

As discussed in Item 4, we provide investment management services to the Fund through a managed account arrangement. The Fund's minimum initial investment has been determined by the General Partner and is set forth in the Fund's offering documents.

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

Our investment strategy is to achieve capital appreciation with minimum volatility and preservation of capital. However, we may modify this strategy in the future, in consultation with the General Partner or for new clients.

We generally invest the Fund's assets allocated to us in structured credit for airline- and aircraft-related investments and in asset-backed securities.

Risk of Loss Factors

All investments involve the risk of loss, including (among other things) loss of principal, a reduction in earnings (including interest, dividends and other distributions) and the loss of future earnings. Although we seek to manage risk in accordance with our investment strategies, we can provide no guarantee that our efforts will be successful. Set forth below is a non-exhaustive list of certain material risks associated with our investment strategy.

Operational Risk

Operational risk is the potential for loss caused by a deficiency in information, communication, transaction processing and settlement and accounting systems. We (or our agents) maintain controls that include systems and procedures to record and reconcile transactions and positions, and to obtain necessary documentation for trading activities.

Use of Leverage

The General Partner controls the amount of direct leverage that may be employed on the Fund's behalf and, in its discretion, may reduce or eliminate the use of such leverage. Accordingly, we do not have the authority to use direct leverage for the Fund without the approval of the General Partner. Nonetheless, certain of our investments may expose the Fund to embedded leverage.

While leverage presents opportunities for increasing the total return on an investment, it has the effect of potentially increasing losses as well. Accordingly, any event that adversely affects the value of an investment by the Fund would likely be magnified to the extent that it is leveraged.

Non-Diversification

In general, we are not subject to limitations on the percentage of assets we may invest in a particular security. Being concentrated in a small number of securities, options or futures, exposes a portfolio to the risk of adverse developments in or affecting a single issuer or industry to a greater extent than if the investments were diversified over a large number of issuers and industries.

Derivatives

Derivative instruments, or “derivatives,” include futures, options, swaps, structured securities and other instruments and contracts that are derived from, or the value of which is related to, one or more underlying securities, financial benchmarks, currencies or indices. Derivatives allow an investor to hedge or speculate upon the price movements of a particular security, financial benchmark currency or index at a fraction of the cost of investing in the underlying asset. The value of a derivative depends largely upon price movements in the underlying asset. Therefore, many of the risks applicable to trading the underlying asset are also applicable to derivatives of such asset. However, there are a number of other risks associated with derivatives trading, including liquidity risk and counterparty risk.

Short Selling Increases Risk of Capital Losses

Short selling, or the sale of securities not owned by the Fund involves certain additional risks. Such transactions may expose the Fund to the risk of loss in an amount greater than the initial investment, and such losses can increase rapidly and without effective limit. There is the risk that the securities borrowed in connection with a short sale would need to be returned to the securities lender on short notice. If such request for return of securities occurs at a time when other short sellers of the subject security are receiving similar requests, a “short squeeze” can occur, wherein we may be compelled, at the most disadvantageous time, to replace borrowed securities previously sold short with purchases on the open market, possibly at prices significantly in excess of the proceeds received earlier.

Non-U.S. Investments

Investment in non-U.S. issuers or securities principally traded outside the U.S. will likely involve certain special risks due to economic, political and legal developments, including favorable or unfavorable changes in currency exchange rates, exchange control regulations (including currency blockage), expropriation of assets or nationalization, imposition of withholding taxes on dividend or interest payments, and possible difficulty in obtaining and enforcing judgments against non-U.S. entities. Furthermore, issuers of non-U.S. securities are subject to different, often less comprehensive accounting reporting and disclosure requirements than domestic issuers. The securities of some foreign governments and companies and foreign securities markets are less liquid and at times more volatile than comparable U.S. securities and securities markets.

Item 9: Disciplinary Information

There have been no 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.

Item 10: Other Financial Industry Activities and Affiliations

None.

Item 11: Code of Ethics, Participation and Employee Investment Policy

Code of Ethics and Employee Investment Policy

Pursuant to Rule 204A-1 under the Investment Advisers Act of 1940, as amended, we have adopted a Code of Ethics and an Employee Investment Policy that establishes various procedures with respect to investment transactions in accounts in which employees of Cannae or related persons (such as members of their immediate household) have a beneficial interest or accounts over which an employee has investment discretion.

The foundation of the Code of Ethics is based on the underlying principles that:

- Employees must at all times place the interests of our clients first;
- Employees must comply with applicable federal securities laws; and
- Employees should not take inappropriate advantage of their position at Cannae.

All Cannae employees are deemed to be "Access Persons" and are required to adhere to our Code of Ethics and Employee Investment Policy, which cover the duty of confidentiality as well as personal trading. All employees are required to certify their adherence to the Code of Ethics and Employee Investment Policy. Cannae employees are restricted from certain personal securities transactions, including securities on Cannae's or the Fund's "restricted list" and transactions involving securities that are held by the Fund.

In addition, employees may not acquire securities for their own account in an initial public offering. Employees must also obtain pre-approval from the CCO before engaging in any outside business activities or private placements.

All of our employees must direct their brokers to send duplicate brokerage statements to the CCO. These records are used to monitor compliance with the foregoing policies.

These policies apply to any personal transactions involving equity, debt, options, or futures. They do not apply to transactions involving government securities, open-end mutual funds, money market funds or other instruments which afford an investor no discretion over individual securities.

Cannae's Code of Ethics and Employee Investment Policy are available to clients upon request.

Item 12: Brokerage Practices

The General Partner provides us with a list of approved counterparties from which we select counterparties to execute transactions for the Fund. To the extent that we wish to use a counterparty for the Fund that is not included on such list, such counterparty must be reviewed and approved by the General Partner.

In placing portfolio transactions for the Fund, we seek to obtain “best execution” for the Fund, meaning that we generally seek execution of securities transactions in such a manner that the Fund’s total costs or proceeds are most favorable under the circumstances. Accordingly, in seeking best execution, we take into consideration the price of a security offered by the broker-dealer, as well as the broker-dealer’s full range and quality of services including, among other things, its facilities, reliability and financial responsibility, execution capability, commission rates, responsiveness to us, brokerage and research services provided to us (e.g., research ideas, analysis, and investment strategies), special execution and block positioning capabilities, clearance, and settlement and custodial services.

On a continual basis, our employees who regularly interact with brokers evaluate the execution performance of the broker-dealers we use to execute the Fund’s transactions. These employees also review commissions paid to brokers, soft dollar arrangements (if any) and conflicts of interest.

Soft Dollar Usage

Soft dollar arrangements generally arise when an investment adviser obtains products and services, other than securities execution, from a broker-dealer in return for directing client securities transactions to the broker-dealer. Soft dollar arrangements may pose a conflict of interest for Cannae in that such arrangements allow Cannae to pay with Fund brokerage commissions expenses that would otherwise be borne by Cannae. In the event that Cannae uses Fund brokerage commissions (or markups or markdowns) to obtain research or other products or services, Cannae could receive a benefit because it would not have to produce or pay for the research, products or services.

It is currently Cannae’s policy not to use soft dollars. However, Cannae enters into securities transactions on behalf of the Fund with broker-dealers that provide, as part of their bundled services, Cannae with access to research and research-related services. Cannae may have an incentive to select a broker based on Cannae’s interest in receiving the research or other products or services offered by such broker, rather than on the Fund’s interest in receiving most favorable execution.

During our last fiscal year, we acquired with client brokerage commission (or markups or markdowns): (i) research, such as proprietary research, which may have been written or oral; (ii) research products, such as quotation services; and (iii) research services, such as research concerning markets, economic and financial data, a particular aspect of economics or on the economy in general; statistical information; pricing data and availability of securities; financial publications; electronic market quotations; performance measurement services; analyses concerning specific securities, companies, industries or sectors; market, economic and financial studies and invitations to attend conferences or meetings with management or industry consultants.

Brokerage for Client Referrals

In selecting or recommending broker-dealers, we do not consider whether we receive investor referrals from a broker-dealer or third party.

Allocation of Investment Opportunities and Aggregation of Orders

Currently, the Fund is our only client. To the extent that we manage additional clients in the future, we will follow documented procedures for allocating investment opportunities and aggregating orders.

Item 13: Review of Accounts

Review of Accounts

Our Managing Member, Jonathan Daniel Seymour, reviews our positions in the Fund on a continual basis to assure conformity with our investment objectives and guidelines.

We engage in active management for our positions in the Fund and, accordingly, review our transactions, positions and cash balances on a daily basis.

The General Partner has full Fund transparency, including with respect to our trading activity. It reviews our trading activity on a regular basis and discusses such activity with us as needed. As such, we do not provide regular reports to the Fund.

Item 14: Client Referrals and Other Compensation

We do not currently utilize any third party marketers or solicitors.

Item 15: Custody

We do not have custody over the Fund's assets.

Item 16: Investment Discretion

We generally have discretionary authority to determine the securities to be bought or sold for a portion of the Fund. The Management Agreement sets forth certain guidelines or restrictions related to our investment activities, which may be modified from time-to-time in consultation with the General Partner. In addition, the General Partner may, in certain situations, impose restrictions on our ability to invest in certain securities or types of securities.

Item 17: Voting Client Securities

Proxy Voting Policy

As a general practice, we do not intend to vote proxies but will make such decision on a case-by-case basis. Prior to voting a proxy, we will make a determination, in our opinion, as to what vote if any, is in the best interest of the Fund. We maintain a written record of each proxy vote on each occasion a proxy is voted.

Upon request from a client via phone or telephone, we will provide such client with a copy of our proxy voting policies and procedures and/or a record of all proxy votes cast on behalf of that client.

Item 18: Financial Information

Registered investment advisers are required in this item to provide you with certain financial information or disclosures about their financial condition. Cannae has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.