

**Item 1. Cover Page**

**TRIOAKS CAPITAL MANAGEMENT L.P.**

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

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March 27, 2014

**This brochure provides information about the qualifications and business practices of TriOaks Capital Management L.P. If you have any questions about the contents of this brochure, please contact us at (212) 642-6930 or [john@trioakscapital.com](mailto:john@trioakscapital.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.**

**Registration with the SEC does not imply a certain level of skill or training.**

**Additional information about TriOaks Capital Management L.P. also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

**Item 2. Material Changes**

This update contains no material changes from the last update of this brochure on August 3, 2012, except that TriOaks Capital Management L.P.'s amount of assets under management has been updated.

### Item 3. Table of Contents

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#### **Item 4. Advisory Business**

TriOaks Capital Management L.P., a Delaware limited partnership which we will refer to as “TriOaks,” was formed in December 2011. TriOaks GP LLC is the general partner of TriOaks. J.J. Berney is the principal beneficial owner of both entities and controls TriOaks.

The funds offered to investors are TriOaks Partners LLC, a Delaware limited liability company that we will refer to as the “U.S. Feeder,” and TriOaks Fund Ltd., a Cayman Islands exempted company that we will refer to as the “Cayman Feeder.” The U.S. Feeder and the Cayman Feeder invest substantially all of their capital into TriOaks Master Fund Limited, a Cayman Islands exempted company that we refer to as the “Master Fund.” We will refer to all of the above funds collectively as the “Funds.”

TriOaks acts as the investment manager for the Funds, providing portfolio management services in accordance with the investment objective of the Funds. Additionally, Triangle Oaks Managers LLC, a Delaware limited liability company and an affiliate of TriOaks, which we will refer to as “Triangle Oaks Management,” serves as managing member of the U.S. Feeder. TriOaks and Triangle Oaks Management are filing a single Form ADV. All answers in this brochure are given for, or are applicable to, TriOaks and Triangle Oaks Management, together or individually (as appropriate), except when otherwise specified. In this brochure we will generally refer to trading activity on behalf of the Funds; however, virtually all of the trading activity occurs at the Master Fund level. TriOaks also advises “parallel funds,” which may include managed accounts and “funds of one” implementing the same strategy as the Funds. Where applicable, the term “Funds” also includes such parallel funds.

The investment objective of the Funds is to achieve superior risk-adjusted returns over time with modest exposure to overall equity (or other) market movements. TriOaks focuses on investments, both long and short, in common stocks — focusing primarily on issuers in the United States and Developed Europe — using fundamental research for security selection and models for portfolio and risk management. Mr. Berney has extensive experience in long-short equities trading in the communications, media, entertainment and consumer (“CMEC”) sector. The Funds’ portfolio will, at least initially, be focused in CMEC securities, but by no means on an exclusive basis. TriOaks may trade in a variety of other market sectors in its discretion. For additional detail on the strategies and material risks of the Funds, see Item 8 of this brochure entitled “Methods of Analysis, Investment Strategies and Risk of Loss.”

TriOaks’ clients are the Funds. Thus TriOaks’ services are customized to maximize the returns of the Funds, and are not tailored to the needs of any of the investors in the Funds (except with respect to the parallel funds). TriOaks has full discretion in trading on behalf of the Funds. It will not require, and will not seek to obtain, approval from Funds or the investors in the Funds with respect to its trading (except with respect to the parallel funds under certain circumstances as may be agreed with TriOaks). TriOaks also has discretionary authority to make all trading and investment decisions for the parallel funds, subject to any investment restrictions or limitations that may be negotiated with TriOaks. Clients may be permitted to impose restrictions on investing in certain securities or types of securities in a parallel fund.

As of the date of this brochure, TriOaks' regulatory assets under management (as such term is defined in the Instructions to Part 1 of Form ADV) were \$ 299,463,128. All of these assets are managed by TriOaks on a discretionary basis.

## **Item 5. Fees and Compensation**

### Compensation for Advisory Services.

TriOaks receives two forms of compensation in connection with its provision of investment advisory services to the Funds. TriOaks receives (1) a management fee based on the value of the assets of the Funds and (2) a performance allocation based on the gains, if any, earned by the Funds.

TriOaks' fee schedule is omitted because this brochure is only being delivered to qualified purchasers as defined in the Investment Company Act of 1940, as amended (the "Company Act").

Management fees are paid quarterly in advance and performance-based allocations are made annually as of each year-end (and upon redemption). All fees and allocations received by TriOaks with respect to investors in the Funds are deducted directly from the Funds at the Master Fund level. Investors in parallel funds may pay fees that differ from those set forth herein as agreed with TriOaks. Management fees are pro-rated for partial quarters. For additional information on performance-based compensation, see Item 6 of this brochure, "Performance-Based Fees and Side-by-Side Management."

### Operating Expenses.

In addition to compensation payable to TriOaks, the Funds bear all of their ongoing direct offering, investment, administrative and operating expenses. These expenses may include, without limitation: (i) brokerage commissions and other costs of executing transactions, including externally incurred costs of establishing computer and systems connections with the Funds' brokers and counterparties; (ii) investment expenses and all other expenses (including, without limitation, all commissions, clearing fees, valuation and portfolio pricing, interest charges, financing charges and applicable withholding and other taxes) related to the purchase, sale, transmittal or custody of trading assets and related items, as well as costs and expenses associated with obtaining and maintaining regulatory licenses, exchange memberships and credit ratings; (iii) the costs of trading, research and/or data screens, as well as risk management and data services and systems; (iv) legal, accounting, auditing and other professional fees and expenses, including consulting and appraisal fees and expenses pertaining to the Funds; (v) tax preparation fees and expenses; (vi) any taxes and duties payable in any jurisdiction in connection with the Funds' operations; (vii) fees in connection with the custody of the Funds' assets; (viii) insurance costs (including Errors & Omissions, Directors & Officers and general liability insurance, including for TriOaks and its affiliates); (ix) external administrative costs (including the fees and out-of-pocket expenses of the administrator and its agents as well as any other third-party administrator which TriOaks may select for the Fund), establishing computer and systems connectivity with the administrator and other third-party service providers, paying agency, transfer agency, accounting verification (if any) and/or investor registrar services and the costs of middle-office and back-office support as provided by the administrator; (x) any other operating or administrative expenses related to accounting, research, third-party consultants, "expert networks" and reporting; (xi) due diligence expenses (excluding any travel-related expenses); (xii) the annual fees and expenses of the directors of the Cayman Feeder and the Master Fund;

(xiii) all other costs related to U.S. Feeder's and the Cayman Feeder's investments in the Master Fund; (xiv) costs and expenses relating to regulatory and self-regulatory filings, reporting, registrations and memberships, compliance, including, without limitation, costs of compliance programs, third-party compliance consultation, actual and "mock" examinations, regulatory and governmental inquiries, subpoenas and proceedings; (xv) costs associated with possible reorganizations or restructurings of the Funds and/or related entities; (xvi) costs resulting from any entities used in the course of the Funds' trading and investing (*e.g.*, a "blocker" corporation); (xvii) costs associated with the sale of the interests; (xviii) any indemnification payments; and (xix) the costs and fees attributable to any third-party proxy voting service or consultant.

From time to time, the Funds may invest in securities of investment companies that are not managed by TriOaks, such as closed-end funds, open-end funds and exchange-traded funds ("ETFs") as part of the Funds' hedging, trading and investment strategies. To the extent that the Funds invest in such securities, the Funds incur layered fees; that is, they not only pay fees directly to TriOaks, but also pay fees charged by the entities that manage the investment companies' securities. Such fees may include custodial fees, management fees, early termination fees and other fees and expenses assessed by the sponsor, custodian, transfer agent or other service providers to an investment company.

#### Brokerage Fees.

The Funds are charged brokerage commissions and other transaction costs and expenses in connection with their trading and investment activities. For a discussion of the brokerage arrangements, see Item 12 of this brochure entitled "Brokerage Practices."

#### Negotiation of Fees; Waivers.

TriOaks has the authority to waive all or a portion of the fees and allocations it receives from the Funds. In general, principals, investors, directors, officers and employees of TriOaks and its affiliates will not be subject to management fees or profit allocations. Fees paid by investors in parallel funds will be negotiated with such investors.

## **Item 6. Performance-Based Fees and Side-by-Side Management**

TriOaks receives from investors in the Funds performance-based compensation in the form of an allocation equal to a percentage of the appreciation in the net asset value of the investor's interest in the relevant Fund.

The performance-based compensation received by TriOaks creates a conflict between TriOaks' interest in earning a profit in the short term with the long-term interests of the Funds and their investors. Specifically, TriOaks may have an incentive to invest Fund assets in investments that are riskier or more speculative than would be the case if TriOaks were only compensated based on a flat percentage of capital, because these investments may allow TriOaks to collect larger performance-based compensation.

Investors in parallel funds may negotiate for lower or higher performance-based fees. In such cases, there exists an implicit conflict of interest as TriOaks may be advising both Funds which pay performance-based compensation and parallel funds which pay a different rate or do not pay such compensation. In this situation, TriOaks has an incentive to favor the Funds for which performance-based compensation is charged or charged at a higher rate. This conflict of interest is addressed on an investment-by-investment basis. In most instances, the conflict is limited through trade allocation procedures and each client's unique investment objectives. There also exists an implicit conflict of interest in instances in which Funds are charged a different management fee from parallel funds. TriOaks may be incentivized to focus more time on, and provide enhanced management services to, entities that pay a higher management fee, as this may increase the likelihood of increased investment into those accounts. Again, in most instances, this conflict is limited through trade allocation procedures and each client's unique investment objectives.



## **Item 7. Types of Clients**

TriOaks provides discretionary investment advice to the Funds, which include parallel funds. The investors in the Funds are generally expected to consist of high net worth individuals, funds of funds, institutions, endowments, foundations, insurance companies and trusts. Investors in the U.S. Feeder and the Cayman Feeder must be either: (i) both “qualified purchasers” as defined in the Company Act and “accredited investors” as defined in the U.S. Securities Act of 1933, as amended, or (ii) non-United States persons. The minimum initial investment for each of the U.S. Feeder and Cayman Feeder is \$5 million, though TriOaks has the discretion to waive this minimum with respect to the U.S. Feeder and the Cayman Feeder’s board of directors may waive this minimum with respect to the Cayman Feeder. There is no fixed minimum account size required for parallel funds, although the size of a parallel fund is subject to negotiation.

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

### Methods of Analysis and Investment Strategies

TriOaks' investment approach is grounded on detailed fundamental analysis of CMEC companies and industries. TriOaks focuses on investments, both long and short, in common stocks — primarily of issuers in the United States and Developed Europe — using fundamental research for security selection and models for portfolio and risk management. TriOaks is not strictly limited to issuers in the CMEC sector, but this is its current focus.

TriOaks takes long positions in equities which TriOaks identifies as being likely to outperform and short positions in equities which TriOaks identifies as being likely to underperform. Outperformance/underperformance for such purposes is not measured against a benchmark, but simply from the price at which the position is acquired or sold short by the Funds relative to the performance of other securities in the fund.

TriOaks' objective is to construct a portfolio organically with single-stock longs and shorts, based on fundamental research, and then measure the resulting risk using precise quantitative tools. The strategy seeks to maximize the idiosyncratic component of risk while limiting systematic or factor risk. Idiosyncratic risk refers to issuer-specific factors affecting the value of a particular issuer's stock — rather than overall equity price movements (either generally or in particular industries and market sectors). TriOaks generally has more tolerance for industry-related systematic risk than style-related systematic risk.

The Funds' portfolio will not be completely "market neutral" in the sense of having no exposure to overall equity market movements, but the focus will be on assuming idiosyncratic risk.

While risk management is an intrinsic feature of the long-short construction of the Funds' portfolio, TriOaks generally does not attempt to hedge the idiosyncratic risks which are the predominant source of profit potential in its portfolio. TriOaks' objective is not to take hedging positions, but to profit from outright price movements, in such equities. The Funds' aggregate risks will be reduced by the netting out of the factor exposures of the issuers in the portfolio.

The descriptions set forth in this document of specific advisory services that TriOaks offers to the Funds, investment strategies pursued, and investments made on behalf of the Funds, should not be understood to limit in any way TriOaks' investment activities. TriOaks may offer any advisory services, engage in any investment strategy, and make any investment, including ones not described in this brochure, if TriOaks considers it appropriate, subject to the Funds' investment objectives and guidelines. The investment strategies that TriOaks pursues are speculative and entail substantial risks. There can be no assurance that the investment objective of the Funds will be achieved.

### Material Risks of TriOaks' Strategies

The following is a summary of some of the material risks associated with the strategy expected to account for a significant portion of TriOaks' investments. This summary does not attempt to

describe all of the risks associated with an investment in the Funds. Although no summary can fully describe all of the risks associated with an investment in the Funds, the confidential private placement memoranda for the U.S. Feeder and the Cayman Feeder contain a more complete description of the risks associated with an investment in the Funds. Securities trading involves risk of loss that investors should be prepared to bear.

### *Financing Arrangements*

The Funds depend on the availability of credit in order to provide leverage to finance their portfolio. There can be no assurance that the Funds will be able to maintain adequate financing arrangements.

As a general matter, the banks and dealers that provide financing to the Funds can apply essentially discretionary margin, haircut, financing, security and collateral valuation policies and, from time to time (for example, during the “market crises” of 1994, 1998 and 2008-2009), have largely eliminated the availability of financing in an attempt to protect their capital. Reductions in available leverage would not only make it difficult for TriOaks to implement its strategies prospectively, but also would force the Funds to liquidate their existing positions, likely at material losses.

Changes by banks and dealers in the foregoing policies, or the imposition of other credit limitations or restrictions, whether due to market circumstances or governmental, regulatory or judicial action, may result in margin calls, loss of financing, forced liquidation of positions at disadvantageous prices, termination of swap and repurchase agreements and cross-defaults to agreements with other dealers. Any such adverse effects may be exacerbated in the event that such limitations or restrictions are imposed suddenly and/or by multiple market participants at or about the same time. The imposition of such limitations or restrictions could compel the Funds to liquidate part or all of their portfolio at disadvantageous prices.

### *Reliance on Corporate Management and Financial Reporting*

TriOaks’ focus on the idiosyncratic risk associated with the equities in which it invests necessarily relies on the financial information made available by the issuers of such equities, which focus on the basis for TriOaks’ fundamental research on the underlying issuers.

TriOaks has no ability to independently verify the financial information disseminated by the 300 to 500 issuers in its “investable universe” and is dependent upon the integrity of both the management of these issuers and the financial reporting process in general. Past and recurring events have demonstrated the material losses which investors such as the Funds can incur as a result of corporate mismanagement, fraud and accounting irregularities. Equity prices are particularly vulnerable to the foregoing.

### *Declining Equity Markets*

Although TriOaks’ strategy is based on taking both long and short positions, the Funds’ profit potential may be generally diminished during market cycles in which there is a sustained decline in equity price levels.

### *Lack of Liquidity*

Despite the generally heavy volume of trading in the equities included in the Funds' portfolio, the market for certain of these equities may from time to time exhibit limited or erratic liquidity. Lack of liquidity can make it economically unfeasible for the Funds to recognize profits or limit losses on open positions. While TriOaks believes that it is unlikely that market illiquidity will make it unfeasible for the Funds to transact in the equities in its portfolio, market illiquidity can delay the recognizing in the market of the price movements caused by idiosyncratic factors correctly identified by TriOaks — perhaps for a period longer than TriOaks believes that it is prudent for the Funds to hold the affected positions.

### *Market Disruptions*

The Funds may incur major losses in the event of disrupted markets. The financial markets appear in general to be in a continuing state of fragility and risk following the events of 2008-2009. It is impossible to predict if and when future market crises may occur, and during periods of crisis, the Funds may incur substantial losses.

### *Uncertain Sovereign Finances*

The equity markets have been roiled during recent months by evolving developments relating to the possible default of Greece, Italy, Portugal, the United States and other sovereign governments. Sovereigns' financial condition is subject to numerous factors — social programs, political pressure, supranational economic actions — which are not included in TriOaks' analytic framework and may from time to time overwhelm idiosyncratic factors (even if correctly identified by TriOaks).

### *Concentration on Equities*

TriOaks will concentrate the Funds' portfolio on equity securities. The equity markets are speculative and highly issuer-specific. Mismanagement or misconduct by corporate officers can cause the complete loss of an equity investment, and the equity markets may be particularly susceptible to subjective investment factors and market sentiment.

This concentration on equities (despite the long-short character of the Funds' portfolio) will cause the Funds to be less diversified and presumably more vulnerable to the risk of major losses than if TriOaks had a more diversified strategy.

Many different alternative investment strategies have been successful investing in securities other than common stocks — conventional debt, convertible debt, preferred stock, options, *etc.* The investment opportunities such strategies attempt to identify are in many cases based on entirely different factors than those which TriOaks incorporates into its strategy, and may be profitable during periods in which the prospects for TriOaks' strategy being successful are materially diminished by prevailing market conditions and/or other factors. TriOaks will not have any ability to reposition the Funds so as to emphasize a strategy which TriOaks believes to be more likely to be successful under prevailing market conditions than TriOaks' long-short equity investment approach.

TriOaks' strategy is premised on its ability to identify idiosyncratic factors which cause a stock to under- or overperform. Analyzing idiosyncratic factors is inherently uncertain, as is predicting whether (and over what time period) such factors will be reflected in market prices. The losses incurred by the Funds on a position, if the market moves against such position, will often not be hedged. The speculative aspect of attempting to predict absolute price movements in individual equities (*e.g.*, long-short investing) is generally perceived to exceed that involved in attempting to predict relative price fluctuations (*e.g.*, "pairs trading"). Numerous inter-related and difficult-to-quantify economic factors, as well as market sentiment, subjective and extraneous political, climate-related and other factors, influence the cost of equities and may from time to time dominate over idiosyncratic factors; there can be no assurance that TriOaks will be able to predict future price levels correctly. The Funds' directional equity positions are leveraged, and even comparatively minor adverse market movements can result in substantial losses.

Because the Funds' long and short portfolios are developed independently of each other, not on the basis of the respective relative values of the equities held long and short, it is entirely possible that market movements will cause losses on both the long and short portfolios, rather than one serving at least partially to offset the risk of the other.

#### *Importance of Market Judgment*

The market judgment and discretion of TriOaks' personnel are fundamental to the implementation of its strategy. Quantitative filters and valuation models play only a comparatively minor role. The greater the importance of subjective factors, the more unpredictable a trading strategy is typically felt to become.

#### *Fundamental Analysis*

The focus of TriOaks' strategy will be on fundamental, "bottom-up" analysis of individual issuers. Fundamental analysis — which is based on the theory that market mispricings exist because market prices do not incorporate all knowable economic and other relevant data (in the case of TriOaks, with particular emphasis on the idiosyncratic factors applicable to individual issuers) — is subject to the risk of inaccurate or incomplete market information, as well as the difficulty of predicting future prices based upon analysis of all known information. Investments made based upon fundamental analysis are subject to significant losses when market sentiment leads to investments' market prices being materially discounted from the expected prices indicated by fundamental analysis (as in the case of "flights to quality" when the demand for valuing certain risky investments plummets) or when technical factors, such as price momentum encouraged by trend following, dominates the market.

Fundamental analysis is inherently subject to the risk of not having identified all the relevant economic factors, and in the case of TriOaks this risk will be exacerbated by the difficulty of even being aware of all relevant idiosyncratic factors (there may, for example, be dissension among management, illness of one or more key persons, inaccurate accounting procedures, *etc.*, none of which are within the scope of TriOaks' universe of data).

Fundamental analysis is also inherently subject to the unpredictable duration of periods during which market prices and “true value” as determined by such analysis will change. TriOaks may be entirely correct in its analysis of the idiosyncratic factors affecting the price of a stock, but the market may not reflect “true value” during the period that TriOaks determines a position in such stock can be held.

### *Resource-Intensive Strategy*

TriOaks’ focus on detailed fundamental analysis of idiosyncratic factors affecting the issuers in its “investable universe” is a resource-intensive exercise. TriOaks’ in-depth analysis must be performed by TriOaks personnel.

TriOaks will be competing in implementing its resource-intensive strategy with other managers with resources many times greater than those TriOaks will have initially or can reasonably be expected to have at any time in the foreseeable future.

### *Short Sales*

An integral component of TriOaks’ long-short strategy is selling “short” equities which the Funds do not own and which TriOaks expects to underperform. A short sale is effected by selling a security that the Funds do not own, or selling a security which the Funds own but that they would not deliver upon consummation of the sale. In order to initiate a “short” sale, a seller must “locate” a source from which the seller can borrow the securities to be sold short and in order to make delivery to the buyer of a security sold short, the seller must borrow the security. In doing so, it incurs the obligation to replace that security, whatever its price may be, at the time it is required to deliver it to the lender. “Short squeezes” are recurrent market events in which certain traders drive up the price and attempt to acquire a substantial percentage of the trading market in a stock, forcing the short sellers to incur major losses in closing out their short positions.

When the Funds sell a security, the Funds must also pay to the lender of the security any dividends or interest payable on the security during the borrowing period and may have to pay a premium for the right to borrow the security. This obligation must, unless the Funds then own or have the right to obtain, without payment, securities identical to those sold short — which the Funds will generally not do — be collateralized by a deposit of cash or marketable securities with the lender. Short selling is subject to a theoretically unlimited risk of loss because there is no limit on how much the price of a security may appreciate before the short position is closed out. There can be no assurance that the securities necessary to cover the short position will be available for purchase by the Funds. In addition, purchasing securities to close out the short position can itself cause the price of the relevant securities to rise further, thereby increasing any loss incurred by the Funds. Furthermore, the Funds may be forced to close out a short position prematurely if a counterparty from which the Funds borrowed securities demands their return, resulting in a loss on what might otherwise have been a profitable position.

From time to time, various regulatory authorities have imposed “short-selling bans” in selected securities (often, however, a wide population of securities), making it difficult if not impossible to continue to implement certain long-short (as well as other) equity strategies.

Securities exchanges have, as a general matter, reinstated the “uptick rule” — generally prohibiting short sales unless the last recorded sale price of a stock was higher than the previous transaction. Over time, the “uptick rule” could materially increase the Funds’ transaction costs by requiring TriOaks to delay executing certain short sales (as well as to execute them at higher prices than would otherwise be the case), and in certain circumstances could prevent the Funds from acquiring a short position which TriOaks would otherwise have acquired for it.

### *“Beta” Hedging*

TriOaks does not hedge the individual stock positions which it holds long or short, but from time to time enters into hedging transactions with the intention of reducing or controlling the “beta” risk of the Funds’ portfolio — typically through the use of single stocks, stock indices, ETFs and/or futures contracts or baskets. Such hedging involves both actual as well as opportunity costs.

To the extent that TriOaks engages in “beta” hedging, its hedges will not be static but rather will need to be adjusted based on TriOaks’ assessment of the “beta” exposure of the portfolio and the amount of directional bias which TriOaks deems desirable for the portfolio at certain times. The success of TriOaks’ hedging strategies will depend on TriOaks’ ability to implement such strategies efficiently and cost-effectively.

### *Leverage*

The Funds typically hold gross long and gross short positions. The leverage with which the Funds trade responds to the volatility level of the markets. The profit potential of the TriOaks strategy is generally reduced as market volatility declines as the mispricings which the strategy attempts to identify tend to be less frequent in number and smaller in amount.

Even though TriOaks attempts to “volatility balance” its long and short portfolios, under certain market conditions the large gross exposure maintained by the Funds could lead to major losses, particularly if illiquidity makes it difficult to close out positions for which the Funds’ financing is being reduced or eliminated.

The Funds incur significant interest expense on the borrowings used to leverage their positions. If gains earned by the Funds’ portfolio fail to cover such costs, the Net Asset Value of the Funds will decrease faster than if it had not engaged in such borrowing transactions.

Irrespective of volatility adjustments to the leverage used by the Funds, the larger the gross positions held by the Funds, the greater their exposure to market disruptions or other events which unexpectedly make it difficult for the Funds to close out positions against which the market is moving.

### *Portfolio Turnover*

While TriOaks is by no means a “high frequency” trader, the turnover rate of the Funds’ positions may be significant (and such positions are themselves leveraged, increasing brokerage and incurring financing costs), potentially involving substantial brokerage commissions and fees.

### *Trade Execution Risk*

The Funds acquire a significant number of both long and short equity positions. The cost of doing so will be materially affected by the speed and efficiency of the Funds' transactions. Inefficient executions can generate substantial transaction costs over time, possibly materially reducing the profitability of the Funds' positions.

### *Interest-Rate Risks*

The prices of the equities held by the Funds may be sensitive to interest rate fluctuations. In addition, interest rate increases generally will increase the costs of the leverage used by the Funds.

The operations of the issuers in which the Funds invest may also be sensitive to interest-rate changes. To the extent such issuers rely on financing for working capital needs, their profitability will be materially impacted by changes in interest rates, and such changes can also materially affect consumer demand for many CMEC products.

TriOaks does not purport to have any expertise predicting future interest-rate movements, particularly as interest rates can be materially influenced by government interests reflecting changing political as well as macro-economic factors.

### *Limited Use of Technical Analysis*

TriOaks uses technical analysis, *i.e.*, the analysis of historical and current market data into its investment decisions, only sparingly and as a means of selecting issuers from its "investable universe" for detailed fundamental analysis. Technical analysis posits that at any point in time the market price movements and patterns represent the collective judgments of likely millions of market participants and are the best source for predicting short- to mid-term price movements. This is in direct contrast to TriOaks' approach which posits that its analysis of the idiosyncratic factors affecting individual issuers will be able to identify material mispricings in the prevailing market prices.

Periods during which technical factors dominate market pricing recur frequently, and during such periods, TriOaks' strategy may incur material losses despite having itself been successfully implemented.

### *Common Stocks*

The Funds invest substantially all of their capital in long and short positions in common stock. Common stock prices are directly affected by issuer-specific events, as well as general market conditions. In addition, in many countries investing in common stocks is subject to heightened regulatory and self-regulatory scrutiny as compared to investing in debt or other financial instruments.

### *Limited Use of Options*



Many equities-based strategies trade options to a material extent as a means of capturing changes in market volatility, generating premium income and establishing stop-losses for open positions. TriOaks will make limited use of options as options pricing involves factors — interest rates, derivatives, market volatility — in which TriOaks does not purport to have expertise.

The limited extent to which the Funds will trade options may limit its access to profit opportunities as well as risk control techniques which certain other equities-based strategies use extensively.

**Item 9. Disciplinary Information**

Not applicable.

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

Neither TriOaks nor any of its management persons are registered or have a pending application for registration as a broker-dealer, registered representative of a broker-dealer or futures commission merchant.

TriOaks and Triangle Oaks Management are currently exempt from registration as commodity pool operators and commodity trading advisors with the Commodity Futures Trading Commission.

Triangle Oaks Management, an affiliate of TriOaks, serves as the managing member of the U.S. Feeder. Mr. Berney serves as Chief Executive Officer of both TriOaks and Triangle Oaks Management and is the principal owner of both entities. The relationship between TriOaks and Triangle Oaks Management does not, in and of itself, create any material conflicts of interest affecting investors in the Funds. However, Triangle Oaks Management is subject to the same conflicts of interest with investors as is TriOaks, which conflicts are disclosed in the next section of this brochure — “Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.”

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

### Code of Ethics

TriOaks has adopted a Code of Ethics pursuant to SEC Rule 204A-1. TriOaks' Code of Ethics (the "Code") includes a personal securities transaction policy and policies and procedures to detect and prevent insider trading. Specifically, the Code sets forth standards of ethical and business conduct expected of TriOaks' personnel and addresses conflicts that may arise from personal trading by TriOaks personnel. The Code, among other things, requires compliance with the federal securities laws, reflects TriOaks' fiduciary responsibilities and those of its advisory personnel, prohibits certain personal securities transactions and requires pre-clearance of other securities transactions. Additionally, the Code defines material and nonpublic information and the restrictions on trading on any material and nonpublic knowledge and sets forth the responsibilities of all personnel relative to insider trading. The Code also includes policies and procedures on serving as officers, trustees and/or directors of outside organizations and participating in outside business activities.

All principals and employees of TriOaks must acknowledge understanding and agree to comply with the Code initially upon employment and must certify on an annual basis that they have read and understand the Code and have complied with it.

The Code requires that the principals and employees of TriOaks obtain written pre-clearance from TriOaks' Chief Compliance Officer before being allowed to invest in most securities that TriOaks recommends to its clients. TriOaks' Code also requires principals and employees to obtain pre-clearance prior to direct or indirect purchase or sale of beneficial ownership in a security in an initial public offering and in a limited offering (each as required under Rule 204A-1 of the Investment Advisers Act of 1940, as amended (the "Advisers Act")). Absent waiver by the Chief Compliance Officer, the Code prohibits the principals and employees of TriOaks from trading in CMEC ETFs and securities which TriOaks trades for the Funds. The Code also establishes minimum holding periods for such securities. Additionally, the Code requires principals and employees to submit transaction reports and initial and annual holding reports showing all transactions in which the person has, or by reason of such transaction acquires, any direct or indirect beneficial ownership in covered securities, with limited exceptions for securities such as shares of mutual funds.

TriOaks' Code of Ethics is available to investors and potential investors by contacting John Cipriano at the contact details on the cover page of this brochure.

### Conflicts of Interest

In addition to the conflict of interest arising from trading by TriOaks or its principals or employees for their own accounts, as discussed immediately above, and conflicts relating to TriOaks' receipt of performance-based compensation, which are discussed under Item 6 of this brochure entitled "Performance-Based Fees and Side-by-Side Management," investors in the Funds are subject to additional conflicts of interest. Some of these conflicts are summarized here, but this summary does not attempt to describe all of the conflicts of interest associated with

an investment in the U.S. Feeder or the Cayman Feeder. The confidential private placement memoranda for the U.S. Feeder and the Cayman Feeder contain a more complete description of what TriOaks believes to be the most significant conflicts of interest associated with an investment in the U.S. Feeder or the Cayman Feeder but are also not exhaustive lists.

TriOaks may engage in a wide variety of business transactions with parties that provide services to the Funds as well as parties that trade in the same markets as the Funds. TriOaks will not, as a matter of policy, provide any services to the Funds for any form of compensation other than the management fees, performance-based compensation and expense reimbursement disclosed to such Funds.

By reason of the other business activities of one or more of the principals, investors, directors, officers and employees of TriOaks and its affiliates, TriOaks may not be able, or may determine not, to initiate a transaction for the Funds that TriOaks would otherwise have initiated for the Funds. For example, a party affiliated with TriOaks may from time to time inadvertently receive “material non-public information” relating to an issuer, in which case TriOaks would be prevented from transacting in the stock (or other securities) of such issuer (including closing out existing positions in such issuer) until such information was made public or ceased to be material.

TriOaks is not obligated to accord exclusivity or priority to the Funds in the case of limited investment opportunities arising from the application of capacity limits or other factors. There is no limit on the number of funds or managed accounts that may be managed or advised by TriOaks. TriOaks may have financial incentives to favor certain funds and managed accounts over others. Even if TriOaks does not have such financial incentives, TriOaks would be required to allocate its limited resources among the various Funds that it advises. TriOaks will seek to allocate investment opportunities and treat all similarly situated Funds fairly and equitably over time to the extent such opportunities are determined to be appropriate for the relevant Funds. Although allocations may be *pro rata* among participating Funds, they will not necessarily be so, where TriOaks’ allocation policies dictate a different result. There can be no assurance that a particular order or investment opportunity will be allocated in a particular manner. The performance of the various Funds and may differ even though their investment objectives may be substantially the same or similar.

TriOaks may manage multiple portfolios which invest pursuant to the same or different strategies and may invest in the same investments and such other accounts may be subject to different fee and liquidity terms.

TriOaks may determine that an investment opportunity is appropriate for a particular Fund that it manages, or for itself, but not for another Fund. Situations may arise in which Funds managed by TriOaks have made investments that would have been suitable for investment by another Fund but, for various reasons, were not pursued by, or available to, such Fund. To the extent that a Fund advised by TriOaks invests in a particular investment, the ability of another Fund to invest in the same investment may be adversely affected by any limitation on availability of the investment. In addition, TriOaks may be required to choose among Funds and its own account in allocating investments. TriOaks generally intends to allocate all investment opportunities that may be appropriate for multiple Funds in a manner that is fair and equitable to all clients over

time taking into account the different investment mandates and investment strategies applicable to such Funds, current investment positions of a Fund, the relative capitalization and cash availability of a Fund, investment time horizon, leverage ratios, tax, regulatory and other considerations. Circumstances may occur, however, in which an allocation could have adverse effects on a Fund with respect to the price or size of securities positions obtainable or saleable.

Simultaneous identical portfolio transactions for multiple Funds may tend to decrease the prices received, and increase the prices required to be paid, by the Funds for their respective portfolio sales and purchases. Further, it may not always be possible or consistent with the investment objectives of the various persons or entities described above and of a Fund for the same investment positions to be taken or liquidated at the same time or at the same price; however, all transactions will be made on a “best execution” basis.

TriOaks may, in certain circumstances, take positions in accounts of Funds opposite to those taken by another Fund and/or take positions for a Fund which involve conflicts or potential conflicts with another Fund’s positions. These positions could adversely affect the performance of investments held by any Fund. TriOaks may also decline to make an investment for a Fund out of concern that such investment might harm another client of TriOaks.

TriOaks will determine whether to have the costs arising from trade errors borne by the Funds or TriOaks by applying the pertinent operative agreement’s standard of liability for TriOaks in its management of the Funds’ capital — *i.e.*, the same standard of liability which would apply to any other action or omission by TriOaks in the course of such management. TriOaks will, accordingly, be obligated to reimburse the U.S. Feeder and the Cayman Feeder for any trade error resulting from TriOaks’ fraud, bad faith, gross negligence or reckless or intentional misconduct, and not otherwise.

TriOaks will itself determine in good faith whether or not a given trade error is required to be reimbursed under the general liability and exculpation standards applicable to the Fund in question. This approach does not contemplate that TriOaks would determine whether any individual trade error resulted from TriOaks’ fraud, bad faith, gross negligence or reckless or intentional misconduct *per se*; rather, TriOaks would likely consider itself to have been grossly negligent if TriOaks determines that its supervisory procedures were inadequate to prevent such errors from recurring with any frequency.

TriOaks will have a conflict of interest in determining whether a trade error should be for the account of a Fund or TriOaks and will attempt to resolve such conflict by an objective determination of the status of such trade error under the applicable liability standard.

## **Item 12. Brokerage Practices**

The Funds maintain brokerage and custody arrangements with prime brokers, banks and other established financial institutions. Certain of the Funds' assets held by brokers and custodians are segregated from the brokers' and custodians' own property, while other assets held as collateral or margin may not be recoverable in the event of the broker's or custodian's insolvency.

TriOaks is authorized to determine the broker or dealer to be used for each securities transaction on behalf of the Funds (unless an investor in a parallel fund restricts such authority). In selecting brokers and negotiating commission rates, TriOaks takes into account the financial stability and reputation of brokerage firms, and the quality of the investment research, special execution capabilities, clearance, settlement, custody, recordkeeping and other services provided by the broker, even though the Funds may or may not in any particular instance be the direct or indirect beneficiary of the research or other services provided. In selecting brokers or dealers to execute transactions, TriOaks need not solicit competitive bids and does not have an obligation to seek the lowest available commission cost. TriOaks may cause the Funds to pay commissions to particular brokers that are higher than those charged by other brokers in exchange for products or services provided by the brokers receiving higher commissions, although TriOaks in any case will make a good faith determination that the amount of commissions paid is reasonable in light of the products or services provided by a broker.

Section 28(e) of the Securities Exchange Act of 1934, as amended, establishes a "safe harbor" that permits an investment manager to use commissions, or "soft dollars," to obtain certain research and brokerage services in connection with the investment decision-making process. Under Section 28(e), research obtained with "soft dollar" credits generated by a Fund may be used by TriOaks to service other accounts. Where a product or service provides both research and non-research assistance to TriOaks, a portion of the cost of the product or service, based upon a reasonable allocation between the two types of uses, may be paid for with "soft dollars."

Research services within Section 28(e) may include, but are not limited to: investment research, including market research and research aggregation; certain financial newsletters and trade journals; software providing analysis of securities portfolios; corporate governance research and rating services; attendance at certain seminars and conferences; discussions with research analysts, including legal analysts and advice to the extent that the legal advice relates to a particular investment or investment strategy; meetings with corporate executives; consultants' advice on portfolio strategy; market and risk data; and certain proxy services. Brokerage services within Section 28(e) may include, but are not limited to, services related to the execution, clearing and settlement of securities transactions and functions incidental thereto, such as connectivity services between an investment manager and a broker-dealer and other relevant parties such as custodians; trading software operated by a broker-dealer to route orders; software that provides trade analytics and trading strategies; software used to transmit orders; clearance and settlement in connection with a trade; electronic communication of allocation instructions; routing settlement instructions; post trade matching of trade information; and services required by the SEC or a self-regulatory organization such as comparison services, electronic trade confirmations or trade affirmations.

During the last fiscal year, TriOaks received the following research related Section 28(e) eligible services: investment research, including market research and research aggregation; software providing analysis of securities portfolios; attendance at certain seminars and conferences; discussions with research analysts; meetings with corporate executives; and market and risk data.

Research and brokerage services obtained by the use of commissions arising from the Funds' portfolio transactions may be used by TriOaks in its other investment activities. The relevant Fund may not necessarily, in any particular instance, be the direct or indirect beneficiary of the research or brokerage services provided in consideration of the "soft dollars" generated by such Fund's trading.

When it receives products or services from brokers, TriOaks receives a benefit because it does not have to pay for the products or services, such as research. In addition, TriOaks has an incentive to recommend broker-dealers based on benefits that it receives from brokers, even in the absence of soft dollar arrangements, rather than the interests of the Funds in receiving the most favorable execution.

Brokers may refer investors to TriOaks or invite TriOaks to speak at conferences. As a result, TriOaks has an incentive to select or recommend brokers based on such broker's providing client referrals or capital introduction conferences, rather than upon the Funds receiving favorable execution from the broker.

#### *Aggregation of Trades*

TriOaks may aggregate trades placed for the Funds unless it believes that doing so would conflict or otherwise be inconsistent with its duty to seek best execution for its clients, and/or the terms of the respective investment advisory contracts. When TriOaks believes that it can effectively obtain best execution for its clients by aggregating trades, it will generally do so for all clients for which the trades are both suitable and consistent with the respective investment advisory contracts.

#### *Brokerage Committee*

TriOaks has established a brokerage committee to, among other things, review and make determinations on an as-needed basis relating to the broker-dealers with whom TriOaks executes transactions and the soft dollar benefits TriOaks receives.

#### *Directed Brokerage*

Investors in parallel funds may require TriOaks to use certain brokers and dealers. Under those circumstances, a disparity may exist between the commissions borne by the Funds and the commissions borne by the parallel funds that do not direct TriOaks to use particular brokers or dealers. Furthermore, TriOaks will generally be unable to seek better execution services or be able to aggregate a parallel fund's transactions with orders for the Funds. As a result, TriOaks may be unable to obtain best execution on behalf of the parallel fund, which may pay materially disparate commissions, greater spreads or other transaction costs, or receive less favorable net prices on transactions than would otherwise be the case.



### **Item 13. Review of Accounts**

The portfolio managers of TriOaks review and subject each Fund to risk analysis on a daily basis. This analysis includes a review of each day's trading in terms of actual trades, netted trades and daily profit and loss.

Investors in the Feeder Funds receive audited annual financial statements and, for U.S. persons, tax information on an annual basis. TriOaks expects that the Feeder Funds' audit and tax information with respect to a given fiscal year will be available within 90 days following the end of such fiscal year.

TriOaks may furnish, at the Funds' expense, additional reports and information concerning TriOaks and the Funds to certain investors and not to other investors — generally in order to meet such investors' institutional or regulatory needs to receive such reports and information, but only if TriOaks believes that such additional reports and information do not contain material information not distributed to other investors.

Reports for investors in parallel funds are determined on a case-by-case basis but are expected to include the same reporting that is provided for the investors in the Funds.

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

Certain broker-dealers or other counterparties may provide TriOaks with certain “soft dollar” research, client referrals or other services as a result of TriOaks executing trades with such persons. Please see Item 12 of this brochure entitled “Brokerage Practices.”

TriOaks currently does not use placement or selling agents in connection with the offering of the Funds. However, TriOaks reserves the right to pay placement and/or referral fees, both initial and ongoing, to persons who introduce prospective investors. All prospective investors whose investments may be subject to any form of placement fee and/or referral fee payable by the investor will be informed prior to the effective date of their investment, and given the opportunity to revoke or withdraw their prospective investment prior to it being made.

## **Item 15. Custody**

Under Rule 206(4)-2 of the Advisers Act, TriOaks is deemed to have custody of the securities and other assets of the U.S. Feeder, the Cayman Feeder and the Master Fund even though TriOaks does not physically hold the securities and other assets, and such securities and assets are not held or registered in TriOaks' name. TriOaks is exempt from many of the provisions of Rule 206(4)-2 because TriOaks relies on the exception from the "Custody Rule" under Rule 206(4)-2(b)(4) of the Advisers Act, pursuant to which it is exempted from, or deemed to be in compliance with, certain requirements of Rule 206(4)-2 relating to the custody of client funds or securities. TriOaks relies on the so-called "Pooled Vehicle Annual Audit Exception," which, among other things, requires that each such Fund be subject to audit at least annually by an independent public accountant that is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board, and requires that each such Fund distribute its audited financial statements to all investors within 120 days of the end of its fiscal year. TriOaks will not have custody of the assets of any parallel funds.

**Item 16. Investment Discretion**

Pursuant to the governing documents of the Funds, TriOaks has complete investment authority with respect to all securities owned by the Funds. There are no limitations on this authority. This authority is conveyed by investors subscribing to the Funds in their subscription agreements. Subject to any investment restrictions or limitations that the investor in a parallel fund may negotiate with TriOaks, TriOaks will generally have broad investment authority with respect to all securities in such parallel funds.

## **Item 17. Voting Client Securities**

TriOaks has the authority to vote the securities held by the Funds. In accordance with SEC Rule 206(4)-6, TriOaks has adopted proxy voting policies and procedures reasonably designed to ensure that TriOaks votes proxies in the best interest of its clients. Neither the Funds nor any investor in the Funds may direct TriOaks' vote with respect to any particular solicitation and all decisions relating to voting proxies shall be made by TriOaks. In the case of parallel funds it will be stated in the pertinent investment advisory agreement whether or not TriOaks has proxy voting authority and responsibility. If TriOaks does have authority to vote securities held by parallel funds it will do so in a way that is consistent with TriOaks' proxy voting policies and procedures.

TriOaks' will vote proxies on behalf of the Funds in the interest of maximizing investor value. To that end, TriOaks will vote in a way that it believes is consistent with its fiduciary duty and will cause the value of the issue to increase the most. TriOaks takes into account the recommendation of the relevant company's board of directors in considering how to vote, but will vote against the board's recommendation if it determines that it would be in the best interests of the Funds to do so. Decisions will not be made on social, ethical, moral or other non-economic grounds. Consideration will be given to both the short and long term implications of the proposal.

TriOaks will follow procedures designed to identify conflicts or potential conflicts that could arise between its own interests and those of Funds. If it is determined that any such conflict or potential conflict is not material, TriOaks may vote proxies notwithstanding the conflict. If it is determined, however, that a conflict of interest or potential conflict of interest is material, the Chief Compliance Officer will work with appropriate personnel to agree upon a method to resolve such conflict before voting proxies affected by the conflict. If the Chief Compliance Officer determines that a material conflict of interest exists, TriOaks may, but is not required to, engage the services of an outside proxy voting service or consultant who will provide an independent recommendation on the direction in which TriOaks should vote on the proposal. In such circumstances, the proxy voting service's or consultant's determination will be binding on TriOaks. TriOaks may also elect to abstain from voting if it deems such abstinence in the clients' best interests, may consider disclosing the conflict to affected Funds and investors for purposes of seeking consent to vote the proxies in question or may consider employing an alternative method of addressing the identified conflict of interest.

Investors in the Funds may request a copy of TriOaks' proxy voting policies and procedures, as well as relevant proxy voting records, by making a written request to John Cipriano at the contact details on the cover page.

**Item 18. Financial Information**

Not applicable.

**Item 19. Requirement for State-Registered Advisers**

Not applicable.