

MB Family Advisors, LLC

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This brochure provides information about the qualifications and business practices of MB Family Advisors, LLC. The information contained herein has not been approved or verified by the United States Securities and Exchange Commission (the "SEC") or by any state securities authority. The delivery of this brochure at any time does not imply that the information contained herein is correct as of any time subsequent to the date shown above.

If you have any questions about the contents of this brochure, please contact our Chief Compliance Officer, Mark Berman, at 212-396-4733 or markb@mbfamadvisors.com. Additional information can also be found on the SEC's website at www.adviserinfo.sec.gov.

Material Changes

This brochure has been updated to reflect the following: (i) de-registration of MB Family Advisors, LLC as a commodity pool operator and commodity trading advisor; (ii) assets under management; and (iii) other general updates.

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ADVISORY BUSINESS

MB Family Advisors, LLC (“MB Advisors”) is an investment management company which provides investment advisory services to private investment funds and discretionary and non-discretionary separately managed accounts.

Founded in 2008, MB Advisors currently has approximately \$51.9 million of discretionary assets under management and \$58.1 million of non-discretionary assets under management, in each case, as of 8/1/2014.

Mark Berman is the founder and sole owner of MB Advisors.

MB Advisors currently provides investment advisory services to qualified individuals and entities through: (i) MB Dislocation Opportunity Fund, LP (“MB Dislocation Fund”), a fund of funds which invests in collective investment vehicles (including fund of funds, registered and unregistered investment funds and exchange traded funds) and managed accounts that are managed by a number of independent portfolio managers, in each case, specializing in, among other strategies, credit, arbitrage and/or other strategies that MB Advisors believes are appropriate for the current investment environment and (ii) separately managed accounts which are tailored to the investment objectives of individual clients. As of the date of this brochure, each of the separately managed accounts is pursuing an investment strategy reasonably similar to (although in some cases broader or narrower than) the investment strategy of MB Dislocation Fund.

FEES AND COMPENSATION

MB Advisors generally charges management fees of up to 1.25% per annum on client assets. Management fees are charged quarterly and are generally paid in advance. Management fees are withdrawn from each client’s account and clients are generally not eligible for partial refunds in the case of early withdrawals, but specific details are set forth in each respective client’s limited partnership agreement, investment management agreement and/or confidential private placement memoranda. “Client” as used herein shall refer to MB Dislocation Fund, a separately managed account and/or an investor in such funds or accounts, as appropriate.

All clients will incur third-party brokerage commissions and other transaction costs directly (or, in the case of the MB Dislocation Fund and separately managed accounts pursuing a similar strategy, indirectly), as explained in further detail in the **Brokerage Practices** section below. Additional third-party costs borne by clients may include: tax preparation fees; administrator fees; legal fees; auditing fees; consulting and other professional fees and expenses; research, due diligence and investment related costs and expenses; and liability insurance for MB Advisors and its members, officers and employees (including errors and omissions and directors and officers liability insurance). In all cases, details concerning applicable fees and expenses are set forth in each respective client’s limited partnership agreement, investment management agreement and/or confidential private placement memoranda.

MB Advisors’ clients may also be charged performance-based fees of up to 20% of net profits. Performance-based fees are drawn from clients’ accounts either in the form of an incentive fee or a performance allocation (sometimes referred to as a “carried interest”), and are generally paid or allocated either to MB Advisors or an affiliate. Performance-based fees may be subject to (i) a loss

carryforward (sometimes referred to as a “high water mark”) whereby losses in any given period are recorded and carried forward and such fees are collected only when subsequent profits exceed such losses and (ii) a preferred return (sometimes referred to as a “hurdle rate”) whereby the performance-based fees are collected only after a client has achieved a certain rate of return on its investment.

SIDE-BY-SIDE MANAGEMENT AND ALLOCATION POLICY

Because MB Advisors has multiple clients, at times it may need to allocate investment opportunities of limited availability across its clients’ accounts. In such situations, some accounts may offer higher management and performance-based fee potential than others. MB Advisors has an incentive to favor accounts for which it receives higher performance-based fees since it may receive a greater profit if the investment generates a positive return. To seek equitable treatment of all clients irrespective of such fee considerations, MB Advisors has adopted an allocation policy that sets out the criteria for determining allocations, the most important of which are each client’s investment objective and strategy, risk exposure, existing portfolio composition and available liquidity. These determinations often require subjective assessments by MB Advisors. For a copy of MB Advisors’ allocation policy, please contact the Chief Compliance Officer at the number or address listed on the cover of this brochure.

TYPES OF CLIENTS

As discussed in the **Advisory Business** section above, MB Advisors currently provides investment advisory services to qualified individuals and entities through: (i) MB Dislocation Fund, a fund of funds which invests in collective investment vehicles (including fund of funds, registered and unregistered investment funds and exchange traded funds) and managed accounts that are managed by a number of independent portfolio managers, in each case, specializing in, among other strategies, credit, arbitrage and/or other strategies that MB Advisors believes are appropriate for the current investment environment and (ii) separately managed accounts which are tailored to the investment objectives of individual clients. As of the date of this brochure, each of the separately managed accounts is pursuing an investment strategy reasonably similar to (although in some cases broader or narrower than) the investment strategy of MB Dislocation Fund. Investors in MB Dislocation Fund and the separately managed accounts are subject to certain minimum investment amounts, which can be waived by MB Advisors and its affiliates in their discretion. Such minimums vary depending on whether an investor invests through MB Dislocation Fund or a separately managed account and the details of such minimum investment amounts are in each respective client’s limited partnership agreement, investment management agreement and/or confidential private placement memoranda.

INVESTMENT STRATEGIES AND RISK OF LOSS

Fund of Funds

MB Dislocation Fund is a fund of funds which invests in collective investment vehicles (including fund of funds, registered and unregistered investment funds and exchange traded funds) and managed accounts that are managed by a number of independent portfolio managers, in each case, specializing in,

among other strategies, credit, arbitrage and/or other strategies that MB Advisors believes are appropriate for the current investment environment.

MB Dislocation Fund's investment strategy involves a number of material risks. These risks include, among many others, the ability of the investment managers to the underlying investment funds and managed accounts correctly implementing their respective investment and trading strategies. To do so, these investment managers must correctly assess the credit quality of issuers of debt and/or assess future price movements of credit instruments, loans, stocks, bonds, options, currencies and other securities and assets and the movements of interest rates, among many other variables.

A more complete discussion of the investment objective, strategy and risks involved is contained in MB Dislocation Fund's Confidential Private Placement Memorandum and should be read by all prospective investors carefully, particularly the Risk Factors section therein.

Separately Managed Accounts

Separately managed accounts are tailored to the investment objectives of individual clients. As of the date of this brochure, each of the separately managed accounts is pursuing an investment objective strategy reasonably similar to (although in some cases broader or narrower than) those of MB Dislocation Fund. The investment objective and strategy of each separately managed account is discussed in advance with each client and may be set forth in the applicable investment management agreement for such account. The risk factors set forth above for MB Dislocation Fund will generally apply to a separately managed account pursuing a substantially similar investment objective and strategy to the relevant fund.

DISCIPLINARY INFORMATION

MB Advisors does not believe that it or any of its members, officers, employees or affiliates have been involved in any legal or regulatory action, or other disciplinary event that is material to an investor's or prospective investor's evaluation of its investment advisory business.

FINANCIAL INDUSTRY AFFILIATIONS

MB Advisors has one (1) affiliated entity. This entity is MB Dislocation GP, LLC, the general partner to MB Dislocation Fund.

CODE OF ETHICS AND PERSONAL TRADING POLICIES

MB Advisors maintains a code of ethics which includes policies regarding the trading of securities in personal brokerage or similar accounts by its principals and employees. The code of ethics does not restrict principals and employees of MB Advisors from maintaining or trading in such accounts, but establishes that any activity that either abuses or attempts to abuse confidential knowledge about client accounts or profits or attempts to profit at their expense is considered a violation of the foundation of

trust upon which MB Advisors' business is built and is strictly prohibited. All principals and employees of MB Advisors are required to submit annual reports on all securities holdings and quarterly reports on all security transactions in accounts they control, either directly or indirectly. Submitted reports are reviewed by the Chief Compliance Officer or his delegate. Violations of such policies are punishable by sanctions, including termination of employment.

A copy of MB Advisors' code of ethics is available by contacting the Chief Compliance Officer at the number or address listed on the cover of this brochure.

BROKERAGE PRACTICES

With respect to MB Dislocation Fund and those separately managed accounts that pursue the fund of funds investment strategy, the managers to the underlying investment funds and managed accounts have discretion over the selection of brokers used for securities transactions for such funds and accounts. The selection of brokers by MB Advisors or the managers to the underlying investment funds and managed accounts, as relevant, may take into account the following factors, among others: the ability to effect prompt and reliable executions at favorable prices (including the applicable dealer spread or commission, if any); the operational efficiency with which transactions are effected, taking into account the size of order and difficulty of execution; the financial strength, integrity and stability of the broker; the broker's risk in positioning a block of securities; the quality, comprehensiveness and frequency of available brokerage, research and other products and services considered to be of value; and the competitiveness of commission rates in comparison with other brokers satisfying the other selection criteria.

Soft Dollar Benefits

The term "soft dollars" refers to the receipt by an investment manager of products and services provided by brokers, without any cash payment by the investment manager, based on the volume of brokerage commission revenues generated from securities transactions executed through those brokers on behalf of the investment manager's clients. Section 28(e) of the Securities Exchange Act of 1934, as amended ("Exchange Act"), provides a "safe harbor" to investment managers who use soft dollars generated by their advised accounts to obtain brokerage and research products and services. Brokerage products and services must relate to the execution, clearance and settlement of trades. Research products and services must provide lawful and appropriate assistance to the investment manager in the performance of investment decision-making responsibilities. With respect to MB Dislocation Fund and those separately managed accounts that pursue the fund of funds investment strategy, the managers to the underlying investment funds and managed accounts have discretion to use soft dollars both within and outside of the safe harbor afforded by Section 28(e) of the Exchange Act.

The use of brokerage commissions to obtain brokerage and research products and services and to pay for products and services that fall outside of the safe harbor afforded by Section 28(e) of the Exchange Act creates a conflict of interest because the client may ultimately pay for products and services that are not exclusively for the benefit of the client and that may be primarily for the benefit of MB Advisors, its affiliates or other clients or, in the case of MB Dislocation Fund and those separately managed accounts that pursue the fund of funds investment strategy, the managers to the underlying investment funds and managed accounts, their affiliates and the clients of such managers .

Directed Brokerage

MB Advisors and its affiliates may permit clients with separately managed accounts to direct execution of transactions in their accounts to specific broker-dealers. Such clients will be reminded that their direction may prevent MB Advisors and its affiliates from achieving “best execution” and therefore end up costing the client more money.

REVIEW OF ACCOUNTS

Client accounts are reviewed on a periodic basis by the Chief Compliance Officer, depending on activity in the account and the frequency of client reporting. Investors in MB Dislocation Fund receive written or emailed statements containing individual unaudited net asset values on a quarterly basis, as well as audited financial statements on an annual basis, either from MB Advisors directly or from such fund’s independent fund administrator, as set forth in the terms of the Confidential Private Placement Memorandum. Clients with separately managed accounts receive periodic written or emailed statements containing performance information, as well as such other information as is agreed upon in the relevant investment management agreement. These reports are sent by the custodian to such account or, in the case of a separately managed account with a fund of funds investment strategy, by the managers or administrators to the underlying funds or managed accounts into which such account invests. MB Advisors may also send periodic written or emailed statements directly to the separately managed account client; provided, that such statements contain a statement recommending that the client compare such statements to those received from the account’s custodian or, in the case of a separately managed account with a fund of funds investment strategy, from the managers or administrators to the underlying funds or managed accounts into which such account invests.

CLIENT REFERRALS

MB Advisors and its affiliates have entered into arrangements with unaffiliated third parties whereby compensation is paid for referring clients to MB Advisors’ private investment funds or separately managed accounts. The payments are based on a percentage of management fees, performance-based fees, or some combination thereof, earned by MB Advisors or its affiliates with respect to such client. Because such arrangements contain inherent conflicts of interests between the referring party, on the one hand, and the client, on the other, MB Advisors and its affiliates have disclosed these conflicts to clients.

CUSTODY

MB Advisors may be considered to have custody of client assets as a result of its affiliates acting as general partner to MB Dislocation Fund. MB Advisors will send audited financial statements, prepared in accordance with GAAP, to each investor in MB Dislocation Fund within 180 days after such fund’s fiscal year end. In addition, actual custody of each client’s assets is maintained at a qualified custodian. Clients should carefully review all account statements and compare any received from MB Advisors or its affiliates with those received directly from its designated administrators or custodians.

INVESTMENT DISCRETION

MB Advisors provides investment advisory services to private investment funds and discretionary and non-discretionary separately managed accounts. With respect to its discretionary clients (currently, only MB Dislocation Fund), MB Advisors generally has discretionary investment authority to determine: the strategies pursued; the securities (including underlying investment funds in the case of MB Dislocation Fund and separately managed accounts pursuing a similar strategy) bought and sold and in what quantities; the amount of leverage employed; the broker-dealer used; and the commission rates to pay, among other things. The specific terms of the scope of MB Advisors' discretion is detailed in the relevant client's limited partnership agreement, investment management agreement and/or confidential private placement memoranda. For the avoidance of doubt, MB Advisors does not have any discretionary investment authority over (i) the collective investment vehicles (including fund of funds, registered and unregistered investment funds and exchange traded funds) and (ii) managed accounts managed by independent portfolio managers, in each case, into which MB Dislocation Fund and separately managed accounts that pursue such strategy invest.

PROXY VOTING POLICY

MB Advisors does not vote proxies on behalf of its clients.

FINANCIAL INFORMATION

MB Advisors and its affiliates have no financial condition to disclose that is reasonably likely to impair their ability to meet contractual commitments to their clients. Additionally, neither MB Advisors nor its affiliates have been the subject of a bankruptcy petition during the past ten years.

For questions or requests for additional information, please contact the Chief Compliance Officer at the number or address listed on the cover of this brochure.