

Arden Asset Management LLC

Part 2A of Form ADV

The Brochure

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This brochure provides information about the qualifications and business practices of Arden Asset Management LLC (“AAM LLC” or “Arden”). Please contact Arden’s Chief Compliance Officer, Thomas Kennedy, at 212-751-5252 if you have any questions about the contents of this brochure or if you would like to request additional or updated copies of the brochure.

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 Arden is also available on the SEC’s website at: www.adviserinfo.sec.gov.

Material Changes

As of the date hereof, the Advisory Business section below has been amended to reflect the following. On August 4, 2015, Aberdeen Asset Management Inc. (Aberdeen), announced that it has entered into an agreement to acquire Arden Asset Management LLC, Arden Asset Management (UK) Ltd. and Arden Capital Management, L.L.C. The transaction is subject to regulatory approval from the UK Financial Conduct Authority and notification to the Irish Central Bank. It is also subject to obtaining the approval of the Board and shareholders of certain funds. The aim is to complete the transaction during the fourth quarter of 2015.

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Advisory Business

Arden Asset Management, Inc. (“AAM, Inc.”) was formed in September 1993 as an investment manager of portfolios of hedge funds. AAM, Inc. assigned all of its investment management activities to Arden effective January 1, 2006. Arden is a limited liability company organized under the laws of Delaware which was specifically incorporated to provide investment management services. Arden is controlled primarily by AAM, Inc. as the controlling member, although various individual senior Arden staff have been issued membership interests entitling them to share in the profits of Arden. No individual member’s economic interest is equal to or exceeds 25% of Arden. AAM, Inc. is owned and controlled by Averell H. Mortimer. Mr. Mortimer owns 65% of AAM, Inc. and he has contributed a non-controlling 35% interest to The Mortimer Family 2009 Trust, a trust established for the benefit of his children.

Arden Asset Management (UK) Limited (“AAM U.K.”) is a wholly owned subsidiary of Arden with offices in London, United Kingdom, where it has been authorized and regulated by the U.K.

Financial Conduct Authority since 2002. This entity provides Arden with research coverage for underlying managers and funds, and client service coverage for clients/investors, in either case that are located in Europe and Asia. AAM U.K. also acts as the distributor of the UCITS Funds (defined hereinafter). Additional information about Arden's relationship with AAM U.K. is described below in the "Other Financial Industry Activities and Affiliations" section of this Brochure.

Arden provides investment advisory services and management services to commingled private investment funds (the "Funds") on a discretionary basis according to the objectives and investment policies described in each Fund's respective offering and/or operational documents. Arden serves as investment manager or management company to several offshore Funds that are generally organized as Cayman corporations or partnerships and several domestic Funds generally organized as Delaware limited partnerships or limited liability companies. Arden provides these services either directly, or as delegated by related person Arden Capital Management, L.L.C., which serves as general partner to certain Funds.

Additionally, Arden serves as investment adviser to: a) several funds of hedge funds that are Delaware limited liability companies registered under the Investment Company Act of 1940, as amended (the "Company Act"), as non-diversified, closed-end, management investment companies ("CERF"); and b) the series of a diversified, open-end management investment company organized as a Delaware statutory trust ("OERF") (collectively the "Registered Funds"). The Registered Funds have also registered their respective units and shares under the Securities Act of 1933 (the "33 Act"). An unaffiliated broker-dealer serves as the distributor on a reasonable best efforts basis, subject to various conditions as described in each Registered Fund's prospectus. Certain of Arden's personnel are registered representatives of the broker-dealer and engage in wholesaling and client service activities on behalf of the Registered Funds, and such personnel may also offer investment opportunities to clients in the form of Arden limited partnership interests or interests in Arden's offshore private investment vehicles.

Arden also serves as investment manager to an investment company authorized and regulated by the Irish Central Bank pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011, as amended ("UCITS Funds").

Arden also serves as investment adviser, manager or management company to, or provides investment advice and/or management services (including sub-advisory services) to, other customized portfolios, on either a discretionary or non-discretionary basis and Arden may provide such services following similar or different strategies as it uses for the Funds and the Registered Funds. Customized portfolio clients may impose reasonable investment restrictions on their accounts. Throughout this Brochure, descriptions of services Arden provides and other information may make reference to "Funds", "Registered Funds", "UCITS Funds" or "clients". Unless the context applies only to Funds, Registered Funds, or is otherwise noted, such references may be read generally to include other customized portfolios or accounts for which Arden provides investment management services. However, references to "Funds" do not include the "Registered Funds" or "UCITS Funds", unless otherwise noted.

As of February 27, 2015, Arden has approximately \$5,800 million in assets under management on a discretionary basis, and approximately \$5,500 million in assets under advisement on a non-discretionary basis, and total assets under management/advisement of approximately \$11,300 million. Arden's assets under management/advisement as of February 27, 2015 equals (i) the approximate sum of the net asset value (i.e., assets minus liabilities) of all of the Funds, Registered Funds, UCITS Funds and customized portfolios described above, as well as (ii) deferred balances payable by the Funds and customized portfolios to Arden and (iii) the reported assets of accounts or vehicles to which Arden provides advice on a non-discretionary basis.

On August 4, 2015, Aberdeen Asset Management Inc. ("Aberdeen") announced that it has entered into an agreement to acquire Arden Asset Management LLC, Arden Asset Management (UK) Ltd. and Arden Capital Management, L.L.C. The transaction is subject to regulatory approval from the UK Financial Conduct Authority and notification to the Irish Central Bank. It is also subject to obtaining the approval of the Board and shareholders of certain funds. The aim is to complete the transaction during the fourth quarter of 2015.

Aberdeen is a Delaware corporation formed in 1993, with its principal place of business at 1735 Market Street, 32nd Floor, Philadelphia, Pennsylvania 19103. Aberdeen is a wholly-owned subsidiary of Aberdeen Asset Management PLC ("Aberdeen PLC"), which is the parent company of an asset management group managing approximately \$483.3 billion in assets as of June 30, 2015 for a range of pension funds, financial institutions, investment trusts, unit trusts, offshore funds, charities and private clients, in addition to U.S. registered investment companies.

Fees and Compensation

Fees charged may include flat fees, a base percentage of assets under management, and where appropriate, fees charged may include an incentive fee structured in a manner designed to comport with Rule 205-3 of the Investment Advisers Act of 1940 (the "Advisers Act").

Asset-based management fees are generally paid quarterly in arrears, are tiered in some cases based upon the net assets under management for the Fund or account, are subject to breakpoint discounts in some cases based upon capital under management by Arden, and are generally up to 2.00% annually, as described in the relevant offering and/or operational documents. The formulas for calculation of incentive fees vary from Fund to Fund but are generally up to 15% of investment performance, subject to a hurdle rate and/or loss carryforward in some cases, as described in the relevant offering and/or operational documents. Unless otherwise noted in the Funds' offering memorandum, or other operational document, incentive fees are generally assessed and payable at the end of each calendar quarter. Such management and incentive fees are calculated after application of underlying manager fees and expenses. As described below, Arden provides services to Funds, Registered Funds, UCITS Funds and other clients that are "funds of funds" and that invest in other investment vehicles ("underlying funds") whose managers ("underlying managers") typically charge: (i) an asset-based fee (that generally is in the range of 1% to 2% annually) and (ii) a profits-based fee (that generally is approximately 20%), and in some cases higher rates, and which fee rates vary for each such underlying fund. Additionally, the fees of Arden do not include the expenses of any service providers hired by the Funds, Registered Funds or UCITS Funds and/or any operating and overhead expense reimbursements paid to Arden and do not include expenses indirectly borne through investments in underlying funds or customized

portfolios. Each Fund, Registered Fund, UCITS Fund or customized portfolio sets forth any such additional operational expenses in its offering documents, prospectus and/or operational documents provided to prospective investors.

Any fee reductions or rebates received from an underlying fund in connection with any Fund, Registered Fund, UCITS Funds or customized portfolio are credited for the benefit of or refunded to such client promptly upon receipt of those amounts from the underlying managers. Arden may waive or modify the management fee and/or incentive fee for certain investors in the Funds without notice to or consent of any other investor. Offering documents/and or operational documents of a particular Fund or client may cap the amount of expenses payable by such Fund or client account.

It should be noted that, without notice to other investors, the Funds may enter, and several of the Funds have in the past entered, and expect in the future to enter, into “side letter” agreements with certain prospective or existing investors (including investors affiliated with Arden) granting them, among other things, greater portfolio transparency, special liquidity rights (in the ordinary course or upon specified events), fee waivers or adjustments, future capacity rights in the Fund, different voting rights or restrictions, reduced minimum subscription amounts, additional rights to reports and other information and other more favorable investment terms than the standard terms that are described in the applicable Fund’s offering documents and/or operational documents. As a result of such agreements, certain investors may, among other things, receive information not generally available to other investors in a Fund as well as be able to redeem at a time when redemptions are otherwise not permitted. The granting of preferred terms to certain investors in a Fund is solely at the discretion of Arden, and the Funds shall have no obligation to offer such differing or additional rights, terms or conditions to all investors in such Fund or other Funds.

Factors Arden may consider in negotiating fees or other terms to which any investor may be subject may include, without limitation, the nature of the services required, the extent of reporting or other administrative services required, the type of assets invested, the amount of assets invested, Arden’s prior relationship with the applicable investor or its affiliates, other investments with Arden by the applicable investor or its affiliates, the other terms to which the investor’s investment with Arden would be subject and the impact such special terms might have on other investors.

Generally, all Arden fees are calculated by the Fund’s, Registered Fund’s, or UCITS Funds’ administrator or the client’s custodian, and deducted directly from client or Fund/Registered Fund/UCITS Funds accounts by such Fund’s/Registered Fund’s/UCITS Funds’ administrator or client’s custodian. In limited circumstances, Arden will bill clients for fees incurred. Generally, investors in Funds, Registered Funds or UCITS Funds cannot select the method for the deduction of fees, however, clients for whom Arden may design and manage a customized portfolio are able to benefit from optional structuring features; among them the method by which management and incentive fees are calculated and paid to Arden.

Performance Based Fees and Side-by-Side Management

As stated in the Fees and Compensation section above, for certain Funds and customized portfolios, Arden charges performance based fees which are fees based on a share of capital gains on, or capital appreciation of, the client’s assets.

The fact that Arden receives performance based compensation may create an incentive for Arden to make investments on behalf of clients that are riskier or more speculative than would be the case in the absence of such compensation. In addition, the performance based fee received by Arden is based primarily on realized and unrealized gains and losses. As a result, the performance based fee earned could be based on unrealized gains that clients may never realize.

Arden manages accounts that are charged a performance based fee as well as accounts that are not charged a performance based fee. The fact that Arden is compensated based on account performance for some clients and not others may create an incentive for Arden to favor accounts for which it receives a performance based fee. Arden attempts to address this potential conflict of interest by maintaining allocation policies and procedures designed to ensure that clients are treated fairly over time.

Types of Clients

The Funds, CERF and other customized portfolios for which Arden provides investment management services or to which Arden provides investment advice are generally “funds of funds” or accounts that invest in other investment vehicles (the “underlying funds”) which are in turn managed by money managers. Arden’s strategy for discretionary accounts is to allocate capital of the Funds and CERF to a group of money managers, who in turn invest in underlying securities and investments. Arden makes investments with money managers by purchasing ownership interests for the relevant Fund, CERF or customized portfolio which interests are issued by underlying funds managed by such money managers, but Arden may alternatively invest in separately managed accounts managed by such money managers. Arden’s strategy with respect to the OERF and the UCITS Funds are to allocate assets of the OERF and the UCITS Funds among a number of sub-advisers that employ a variety of alternative investment strategies. Arden also advises non-discretionary clients on their allocations to underlying funds in a similar manner according to the client’s needs.

The Funds for which Arden provides management services often impose minimums for investment in the range between \$250,000 and \$1,000,000, depending on the Fund in question, though such minimums may be waived for certain investors. Minimum investments in the Registered Funds and the UCITS Funds are detailed in the respective Registered Fund’s and UCITS Funds’ prospectus.

Methods of Analysis, Investment Strategies and Risk of Loss

The investment objectives of Funds, Registered Funds, UCITS Funds and other clients whose portfolios are managed by Arden typically involve providing clients with capital appreciation through the allocation of each portfolio’s assets among various money managers. Funds and other accounts often are formed with the goal of achieving superior, risk-adjusted returns with a relatively low correlation to the major equity and fixed income markets (i.e., to achieve capital appreciation on an absolute return basis) over a full market cycle. Arden’s typical investment approach is to construct portfolios of money managers that exhibit low volatility of investment returns and relatively low correlation to the performance of equity, fixed income and other traditional asset classes. Arden intends to invest with money managers that seek to create value by employing a variety of investment strategies that include, but are not limited to, relative value, event driven, macro, equity long/short, tactical and other strategies. Clients’ investments with

money managers are generally made through entities that are organized as corporations, limited partnerships or other limited liability vehicles.

Arden uses a wide range of resources to identify attractive money managers and promising investment strategies for consideration for inclusion in the Funds, Registered Funds and UCITS Funds. These resources consist primarily of proprietary sources, such as professional and personal relationships between Arden's principals and strategic investors, hedge fund managers, consulting firms, family office groups, trading desks at financial institutions, prime brokerage operations and a variety of service providers, including law firms, accounting firms and administration firms. In addition, Arden may utilize a variety of public resources including third party databases, trade seminars and other events.

Arden screens money managers and investment strategies to identify suitable prospects for inclusion in the Funds, and Registered Funds. Screening criteria may include quantitative measures such as past performance and risk exposures, qualitative factors such as the reputation, experience and integrity of the money manager, and operational factors, such as breadth, infrastructure and risk controls of the organization. Following this screening, Arden conducts due diligence on any underlying fund or money manager in which it is considering making an investment. The due diligence process typically involves multiple phone calls and meetings with the money manager to understand the manager's investment philosophy, investment strategy, risk exposures and operational infrastructure.

Normally, Arden will complete its full due diligence process before investing in or with an underlying fund or manager. Arden may provide advice concerning underlying funds or managers that are opportunities sourced by its clients. There may be circumstances where an advisory client desires Arden's advice concerning an underlying fund or manager quickly and therefore the timing makes it impracticable for Arden to complete its entire due diligence process prior to rendering advice. There may also be situations where non-discretionary clients do not wish Arden to incur the cost of completing certain aspects of due diligence (if applicable) on their behalf. In these situations, affected non-discretionary clients should be aware of the potential effects of Arden's not completing those aspects of its due diligence. Arden's advice concerning an underlying manager or fund in these situations is qualified insofar as Arden would not be in a position to know whether the completion of the full process would have uncovered facts that may have changed Arden's advice concerning making an investment or the level of investment in such underlying fund or manager.

The investment program of a Fund, Registered Fund, UCITS Funds or other client whose portfolio is managed by Arden involves significant risk factors and is suitable only for experienced and sophisticated clients and investors who can bear the economic risk of the loss of their entire investment and who have limited need for liquidity in their investment. Further, due to the illiquid nature of the assets of the money managers in which Arden invests, clients and investors may redeem or withdraw their investment at a price that does not accurately reflect the value of their investment.

Although Arden will seek to select only money managers who will invest clients' assets with the highest level of integrity, Arden's investment selection process cannot ensure that selected money

managers will perform as desired and Arden will have no control over the day-to-day operations of any of its selected money managers. Arden would not necessarily be aware of certain activities at the underlying money manager level, including without limitation a money manager's engaging in unreported risks, investment "style drift" or even regulatory breach or fraud. As a result, there can be no assurance that money managers selected by Arden will conform their conduct to the desired standards. There is a risk that underlying money managers may suffer a complete failure as a result of poor performance, failure to raise assets, regulatory violations and enforcement actions, fraud or other factors, which in any case could result in a complete loss of a client's investment with such money manager. Investments with underlying money managers carry additional risks including, but not limited to, lack of liquidity, ultimate lack of diversification, lack of transparency, reliance on money managers for performance and valuation information, and dependence on key personnel risk.

An investment in a Fund, Registered Fund, UCITS Funds or other account managed by Arden carries with it the inherent risks associated with investments in securities as well as additional risks including, but not limited to, the use of short sales, use of leverage, custodian and prime broker insolvency, lack of diversification, counterparty credit, and settlement default risk. Funds, Registered Funds, UCITS Funds and other accounts managed by Arden are also subject to significant conflicts of interest. Each prospective client and investor should carefully review the applicable offering memoranda, prospectus and/or related agreements before deciding to make an investment in a Fund, Registered Fund, UCITS Funds or engaging Arden. There can be no assurances that Funds, Registered Funds, UCITS Funds and other accounts managed by Arden will achieve their investment objectives.

Disciplinary Information

Arden and its management persons have not been involved in any legal or disciplinary events in the past 10 years that would be material to a client's evaluation of the company or its personnel.

Other Financial Industry Activities and Affiliations

As mentioned above in the "Advisory Business" section of this Brochure, AAM U.K. is a wholly owned subsidiary of Arden with offices in London, United Kingdom, where it has been authorized and regulated by the U.K. Financial Conduct Authority since 2002. This entity provides Arden with research coverage for underlying managers and funds, and client service coverage for clients/investors, who in either case are located in Europe and Asia.

AAM LLC became registered as a commodity pool operator ("CPO") and commodity trading advisor ("CTA") with the U.S. Commodity Futures Trading Commission ("CFTC") and a member of the National Futures Association ("NFA") on January 1, 2013.

In reliance on a series of SEC no-action letters, Arden has an arrangement with AAM U.K. whereby Arden utilizes the investment advisory capabilities and related services, including certain personnel, of AAM U.K. in providing advice to Arden's clients. AAM U.K. is not registered with the SEC as an investment adviser. However, employees of AAM U.K. that assist in providing investment advice to Arden are subject to the regulatory oversight of both Arden and the SEC, and are subject to Arden's Code of Ethics and other compliance policies and procedures adopted by Arden pursuant to the requirements of the Advisers Act.

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

Arden may arrange for a transaction between two or more of the Funds, in which one Fund buys an interest in an underlying fund or other investment from, or sells such investment to, another Fund managed by Arden (each a “cross transaction”). Each cross transaction is effected at “fair value,” which is generally the Net Asset Value of the underlying fund; although in extraordinary circumstances, it may be at such other fair valuation determined by Arden’s Valuation Committee in accordance with valuation policies and procedures. Arden receives no compensation (other than its management fee and incentive fee), directly or indirectly, for effecting a particular cross transaction. Although Arden will receive no compensation for cross transactions, underlying funds may assess customary transfer fees or commissions in connection with any such cross transaction.

Arden only engages in cross transactions after determining that such transactions are suitable and appropriate for each participating Fund. Cross transactions will often inure to the benefit of the selling and buying Funds. Arden may determine that a cross transaction between two managed Funds benefits both participants for a variety of reasons such as, for example, when one Fund’s investment objectives or situation make it suitable to raise cash while another Fund’s investment objectives or situation make it suitable for it to gain access to or increase its allocation to a particular underlying fund or manager. Avoidance of redemption fees, taking on aged positions with the avoidance of soft and hard lock-ups, and the preservation of high water marks, are examples of other value added benefits that can inure to the benefit of the buying or selling Funds when applicable.

When a potential cross transaction involves a Fund or account that has a significant beneficial ownership by Arden or its affiliates and control persons, it will be considered whether this transaction should be treated as a principal transaction under Arden’s procedures (and separate criteria would apply), rather than as a cross transaction. Under Arden’s procedures, cross transactions are not permitted from or to any Fund or other account deemed to comprise plan assets pursuant to regulations under The Employee Retirement Income Security Act of 1974, or to or from a Registered Fund, without consideration of additional regulatory restrictions or approvals that are required by applicable law.

Arden (and its members and/or related persons) currently serve, and may in the future serve as investment adviser, general partner, management company or investment manager to various private investment funds and may also conduct investment activities for their own accounts. Some of Arden’s clients may have substantially the same objectives. Investment decisions made for each client are made independently from those for the other clients. Two or more clients may invest in the same underlying fund. Arden anticipates that it will not invest in or redeem from underlying funds in a manner that is pro-rated or lockstep among its client accounts/funds of funds. As a result, Arden will consider each allocation to an underlying fund made on behalf of a client account/fund of funds to be an independent investment decision.

Arden has an Allocation Policy which is a component of the firm’s Compliance Manual. This policy outlines the process by which investment opportunities are allocated among the firm’s

commingled vehicles and customized portfolios by the firm's Investment Committee. All of Arden's portfolios are generally managed using the same investment process, although their investment objectives may be different. When a particular underlying hedge fund is suitable for multiple Arden portfolios, and in particular where the capacity to invest is limited, various factors are used by the Investment Committee to determine how the investment opportunity will be allocated among portfolios for which it would be suitable. Among the factors in determining such allocation are a portfolio's need to meet position or strategy minimums or target sizing, the portfolio's availability of cash to invest, whether there would only be a *de minimis* impact to the portfolio, and expected future capacity in the position. Arden seeks to allocate investment opportunities using good faith efforts and considering the various factors with respect to each portfolio's circumstances. As a result of the application of the factors, allocations and performance across Arden portfolios that are similarly situated will differ.

Arden (and its members and/or related persons) may have investments in certain of the investment vehicles managed by Arden or its affiliates as well as in investment vehicles that it also recommends and invests in for clients. Arden may determine to purchase or sell securities for one Fund, but not another, or purchase securities in different amounts for different Funds or its own account. Arden may cause its Funds to invest in other of its private investment fund clients, which may give rise to potential conflicts of interest because Arden (or its members and/or related persons) provides investment advice to both clients. However, in the case of Arden causing one of its fund of funds clients to invest in another of its fund of funds clients, it is the policy of Arden to waive fees to ensure that investors do not pay fees twice to Arden (or its members and/or related persons) with respect to the same assets.

In order to monitor dispersion between and among similar portfolios, the firm conducts comparisons between similarly situated portfolios. This analysis starts with a number of performance attribution comparisons and also looks at various other attributes including manager selection and strategy allocation. The purpose of this analysis is to minimize the dispersion as well as to understand the sources of differences in performance attribution. In addition, Arden's compliance department will monitor Arden's investment allocation procedures to ensure that they are adequate to prevent any Fund, Registered Fund or UCITS Fund from being systematically disadvantaged as a result of the allocation of investments in underlying funds, including independently monitoring dispersion between similar portfolios. With respect to investments made for Registered Funds, Arden adheres to procedures that assure that if any side letter arrangements are entered into by the Funds, the Registered Funds or customized accounts with the same underlying fund on specific terms (and with certain exceptions) they would not involve overreaching of the Registered Fund or its investors, and participation by the Registered Fund is not on a basis that is less advantageous than that of other Funds or accounts managed by Arden. Additionally, investments by Arden (and its members and/or related persons) for their own accounts in underlying funds that may be suitable investment opportunities for any Funds or Registered Funds are subject to review by Arden's compliance department.

Arden's Investment Committee applies the same general elements of its allocation policy equally to decisions on which underlying funds or managers would be suitable to be recommended for non-discretionary advisory clients as it does for making decisions to invest for discretionary clients. However, since Arden does not have discretion over allocation decisions in non-

discretionary accounts, it is likely that the actual allocations will differ as between discretionary and non-discretionary accounts. In addition, there may be situations where Arden provides non-discretionary advice concerning an underlying fund or manager where there is no discretionary Arden account for which the underlying fund or manager is suitable (or where there is no cash available in the discretionary account to make an investment) or vice versa. There may also be situations where Arden advises a non-discretionary client not to invest in an underlying fund or manager, but in which Arden does make an investment for its discretionary accounts. Finally, there may be situations where an advisory client sources an underlying fund or manager and asks for Arden's advice, and even if Arden provides a favorable opinion on that underlying fund or manager, Arden may not invest in or with such underlying fund or manager for a variety of reasons. The results of any of these scenarios could, and it should be expected will, reasonably result in a divergence in performance between and among the various accounts over which Arden acts with discretion and for which Arden provides non-discretionary advice.

In order to avoid conflicts arising from limited capacity available for investment in or with an underlying fund or manager that is identified as suitable for investment by both an advisory client and by Arden for its discretionary accounts, Arden will apply procedures that are designed to create a fair result under the circumstances. For example, and without limitation, Arden may defer consideration of a manager or underlying fund opportunity with capacity limitations simultaneously for a discretionary client or clients, when sourced by or specifically for an advisory client, instead allowing the advisory client to take the capacity in the underlying fund or manager at that time. Arden may also attempt to include advisory accounts in allocation decisions for limited opportunities, notify the affected advisory clients of Arden's proposed allocation of the opportunity for the advisory client, and ask the advisory client to determine if it will take the allocated limited opportunity within a specified timeframe, before Arden proceeds to take the opportunity for its discretionary clients.

Arden has considered its fiduciary and regulatory obligations under the Advisers Act and has adopted a Code of Ethics to address its obligations and provide safeguards against conflicts of interest. Some of the key features of Arden's Code of Ethics are highlighted below:

- (i) Standards of Conduct and Compliance with Laws – Arden has adopted certain Business Principles that each employee and other person under the supervision of Arden designated as Covered Persons under the Code of Ethics (“Covered Persons”) is required to read and abide by. In addition, Arden's Code of Ethics requires all Covered Persons to comply with all laws, rules and regulations applicable to their activities.
- (ii) Protection of Material Nonpublic Information – Arden has adopted an Insider Trading Policy that forbids Covered Persons from trading, either personally or on behalf of others, on the basis of material nonpublic information in violation of the law.
- (iii) Personal Securities Trading – Arden has adopted certain provisions regarding restrictions on personal securities trading including pre-clearance requirements

for all Covered Persons for investments in private securities, other limited offerings and initial public offerings.

- (iv) Reporting – Arden Covered Persons are required to:
 - provide duplicate copies of broker’s statements and account statements for “reportable securities” to Arden’s compliance department (or make arrangements that Arden may receive direct feeds directly from Covered Persons’ financial institutions); and
 - submit a complete report of their securities holdings or confirm that Arden’s systems accurately reflect all securities holdings within 10 days of becoming a Covered Person, and at least once a year thereafter.
- (v) Reporting Violations – Arden’s compliance department will consider reports and transaction data made to or made available to them and upon determining that a violation of the Code of Ethics has occurred, may, at their discretion, impose such sanctions or remedial action as they deem appropriate or as required by law, and make such reports as are required by applicable law.
- (vi) Educating Employees about the Code of Ethics – Arden provides each employee with a copy of the Code of Ethics and any amendments thereto. Each Covered Person must acknowledge, in writing, his/her receipt and understanding of the Code of Ethics and is required to re-certify annually. In addition Covered Persons are required to participate in initial and periodic firm-wide and individually tailored training on Code of Ethics topics.

Clients may obtain a copy of Arden’s Code of Ethics by contacting Thomas G. Kennedy via e-mail at tkennedy@ardenasset.com or by telephone at (212) 751-5252.

As disclosed in the Funds’ offering memoranda, Arden, on behalf of the Funds, may, directly or indirectly, and without notice to other investors, enter into “side letter” agreements with certain prospective or existing investors (including investors affiliated with Arden) granting them, among other things, greater portfolio transparency, special liquidity rights (in the ordinary course or upon specified events), fee waivers or reductions, future capacity rights in the Fund or in other Arden Funds, interests or shares having different voting rights or restrictions, reduced minimum subscription amounts, additional rights to reports and other information and other more favorable investment terms than the terms that are described in the relevant offering memorandum. The Funds that enter into these arrangements have no obligation to offer such differing or additional rights, terms or conditions to all interest holders, and Arden may or may not offer similar differing or additional rights, terms or conditions to other clients in customized discretionary accounts it manages or to non-discretionary accounts to which it provides investment advice. In rare instances where Arden is provided with enhanced portfolio disclosure (including potentially material non-public information concerning the portfolio holdings of an underlying fund pursuant to a confidentiality agreement with the underlying fund or its manager), Arden will not be able to share

information concerning such holdings or information or the fact of the existence of such a confidentiality agreement with advisory clients unless specifically authorized to do so by the underlying fund or its manager. In addition, while the concept of “side letters” is generally not applicable to the Registered and UCITS Funds, Arden has developed and adheres to additional procedures, the purpose of which are to address selective disclosure concerns or regulations. They specify the conditions under which disclosure of underlying portfolio holdings of the Registered and UCITS Funds can be made. A description of these procedures can be found in each such Registered or UCITS Fund’s prospectus.

Brokerage Practices

Though Arden generally has authority to determine the broker or dealer that would be used to purchase securities, investment by funds of funds in underlying funds generally do not involve brokers or dealers. However, Arden has adopted policies designed to ensure that selection of brokers or dealers would be done appropriately to the extent it became applicable, which policy does not allow for Arden to receive products or research services in return for payment of commissions to brokers or dealers (“soft dollars”).

As stated in the Code of Ethics, Participation or Interest in Client Transactions and Personal Trading sections above, Arden will consider each allocation to an underlying fund made on behalf of a client account/fund of funds to be an independent investment decision.

Review of Accounts

The Investment Committee of Arden serves as Arden’s investment decision-making body, with responsibility for developing, maintaining and overseeing the four elements of Arden’s investment process: (1) sourcing and selection of managers, underlying funds and/or sub-advisers, (2) due diligence of managers, underlying funds and/or sub-advisers, (3) construction of Fund and Registered Fund investment portfolios, and (4) monitoring and risk management of underlying funds and Fund and Registered Fund portfolios.

The Investment Committee is made up of Arden’s Chief Executive Officer, and the most senior members of Arden’s Research team who are also responsible for the firm’s Risk and Portfolio Analysis functions. The Investment Committee has responsibility for investment policies and priorities, as well as all traditional functions of chief investment officer and portfolio manager, including that the Investment Committee is responsible for all decisions to invest with, remain invested with or redeem from an underlying fund for many of Arden’s portfolios. The Investment Committee receives input from the other members of Arden’s investment team, and makes decisions on a consensus basis. For certain portfolios managed by Arden, members of the Investment Committee provide oversight and supervision of the investment activities of certain other members of the Committee who serve in a leadership role or who are responsible for the day to day management of those accounts, also with input from the other members of Arden’s investment team. The Investment Committee provides oversight by approving proposed investments for such portfolios, approving portfolio objectives/guidelines, strategy targets, and review of other research, P&L and performance reports and analytics. The Investment Committee typically meets at least weekly, and often meets at least 4-6 times per month.

There may be circumstances where Arden provides positive advice in writing concerning an underlying fund or manager, but a non-discretionary client chooses not to act on that advice. Arden may or may not have made a discretionary investment in or with the underlying fund or manager for its discretionary clients. If, subsequently, Arden's opinion of such underlying fund or manager changes and Arden decides to redeem from the underlying fund or manager on behalf of its discretionary clients, Arden may or may not inform its non-discretionary advisory clients of the decision to redeem. Therefore, advisory clients should not rely on stale advice from Arden to make investments in or with underlying funds or managers. Arden recommends that non-discretionary advisory clients request that investment advice provided by Arden concerning an underlying fund or manager be refreshed after the passage of 30 days. Arden cannot be held responsible for investments made with managers or underlying funds after such point in the event it has not been requested to refresh its advice/due diligence.

Investors in the Funds generally receive written unaudited monthly reports which include performance data and details regarding the various investment strategies, the applicable financial markets and portfolio outlook. In addition to monthly reports, investors in the Funds generally are also provided with written quarterly unaudited reports that include detailed analyses of the various portfolio strategies employed by the Funds. Investors in the funds generally also receive a written statement of their capital account balance as of the end of each quarter, or more frequently. Investors in the Funds are generally also provided with written annual audited year-end financial statements within 180 days after the end of the applicable Fund's fiscal year. Other customized portfolio clients may receive the same or similar reporting. Investors in the Registered Funds receive semi-annual and annual reports that are required by the Company Act.

Client Referrals and Other Compensation

Arden may in some circumstances compensate persons who introduce investors to Arden or to investment funds managed by Arden, which payments may be in the form of an up-front commission or a portion of Arden's fee or other payment by Arden, and which payment arrangements may vary on a case-by-case basis. Arden has a policy with regard to such compensation arrangements that is designed to comport with Rule 206(4)-3 and Rule 206(4)-5 of the Advisers Act as applicable. Similarly, the Boards of Managers of certain of the Registered Funds have approved the payment of distribution fees to approved broker/dealers, as described in the respective Registered Fund's prospectus.

From time to time Arden makes charitable or political contributions and donations and sponsors charity events. Such activities are at the sole discretion of Arden, but are sometimes at the request of a client, investor, prospective client, prospective investor, consultant, and other individuals and entities or affiliates with which Arden does or may do business with in the future. Arden may have an incentive to make such contributions, donations, and sponsorships for a number of reasons. For example, the individuals and entities making these requests may pay Arden (or its affiliates) advisory, management, and incentive fees for investment advisory services rendered and/or may refer clients and investors to Arden who would subsequently pay advisory, management, and incentive fees. To the extent that an individual or entity retains Arden for advisory services, Arden may also offer terms with respect to an investment in a Fund or a customized portfolio that are more favorable than those otherwise available to other clients of Arden or investors in Funds sponsored by Arden.

In the normal course of business, Arden may also provide gifts and gratuities that in some cases may take the form of charitable contributions and donations, to various individuals and entities such as clients, investors, vendors, consultants and service providers. These gifts and gratuities are not premised upon client referrals or any other type of benefit to Arden. Nevertheless, this practice may present the appearance of a conflict of interest in the event that the individual or entity refers a prospective client to Arden.

Arden maintains written policies and procedures with regard to the giving and receipt of gifts and gratuities and the giving of donations, contributions, and sponsorships. These policies and procedures require, among other things, internal approval for certain activities in order to help minimize the risks associated with potential conflicts of interest between the interests of Arden and its clients. Further, such policies and procedures prohibit giving or receiving gifts, donations, contributions, sponsorships, and other gratuities that Arden determines are lavish or excessive under the circumstances.

Custody

All client assets are held in custody by unaffiliated broker/dealers or banks; however, Arden may be deemed to have access to certain client portfolios by virtue of it or an affiliate serving as the General Partner or Managing Member, or in a similar capacity, to the Funds. Fund investors generally will not receive statements from the custodian. Instead the Funds are subject to an annual audit and the audited financial statements are distributed to each investor. The audited financial statements will be prepared in accordance with generally accepted accounting principles and distributed within 180 days of the Funds' fiscal year ends.

Investment Discretion

Subject to the investment guidelines set forth in the offering documents, prospectus and/or operational documents of the applicable Fund, Registered Fund, UCITS Funds or other discretionary account, Arden has discretion to determine the underlying funds or accounts in which the Funds, Registered Funds, UCITS Funds and other accounts advised by Arden will invest, and to determine the amount of investment in such underlying funds or accounts.

Voting Client Securities

Arden has adopted Proxy Voting Policies and Procedures (the "Procedures") that are designed to ensure that, in the event that Arden has discretion to vote proxies of direct securities held in the Funds, Registered Funds, UCITS Funds or other accounts, Arden will vote those proxies in the best interests of its clients. Arden has delegated proxy voting authority for certain Registered Fund and UCITS Funds assets to sub-advisers. In the exceptional and unlikely event that a selected sub-adviser has not accepted such delegation or has failed to exercise its delegated responsibility, Arden will endeavor to vote proxies in accordance with these Procedures. The Procedures also require that Arden identify and address conflicts of interest between Arden and its clients. If a material conflict of interest exists, Arden will determine whether voting in accordance with the guidelines set forth in the Procedures is in the best interests of the client or whether Arden should take some other appropriate action.

It should be noted that since certain client portfolios over which Arden has investment discretion or to which Arden provides investment advice generally do not hold exchange-traded securities that regularly solicit votes, consents or proxies, Arden is rarely requested to vote or advise on the proxies of traditional operating companies. In the case that Arden has discretion to make a vote or grant an approval relating to an underlying fund, Arden generally votes in favor of routine corporate housekeeping proposals (where no corporate governance issues are implicated). Generally, for other proposals, Arden will vote in accordance with the recommendation of management unless such vote would serve to subject investors to worse investment terms. Even in such event, Arden would only oppose management's recommendation if such opposition would not result in the applicable Fund's, Registered Fund's or UCITS Funds' interest in the underlying fund being redeemed, unless it determines that such redemption is in the best interest of the applicable Fund, Registered Fund or UCITS Funds. Investors in Funds, Registered Funds or UCITS Funds generally cannot direct Arden how to vote proxies related to securities held by the Fund, Registered Fund or UCITS Funds; however, clients for whom Arden may design and manage customized portfolios are able to benefit from optional structuring features; among them the ability to instruct Arden on how to vote proxies relative to securities in their portfolio. In addition, Arden may waive/renounce a client's voting rights attributable to the client's interests in portfolio funds (i) consistent with disclosure contained in that client's prospectus; (ii) as required by a client's investment policies and restrictions; or (iii) as may be required to facilitate the Registered Fund's, UCITS Funds' or another client's adherence to the Company Act.

Clients may obtain a copy of Arden's Procedures and information about how Arden voted proxies relative to securities in their portfolio (and on an accommodation basis, investors may also request information concerning how Fund's proxies were voted) by contacting Danny C. Ha via e-mail at dha@ardenasset.com or by telephone at (212) 751-5252. The Registered Funds also file an annual proxy report with the SEC on Form N-PX that may be requested by investors in the Registered Funds by calling (866) 773-7145.

Financial Information

Arden has never filed for bankruptcy and is not aware of any financial condition that is expected to affect its ability to manage client accounts.