

**ITEM 1  
COVER PAGE**

**Part 2A OF FORM ADV: FIRM BROCHURE**

**MACD ADVISORS LLC  
(D/B/A RIDGELEIGH CAPITAL)**

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March 23, 2015

This brochure provides information about the qualifications and business practices of MACD Advisors LLC, which primarily conducts advisory business under the name Ridgeleigh Capital (the “**Firm**”, “**we**,” “**us**,” or “**our**”). If you have any questions about the contents of this brochure, contact us at 973-218-2640. 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.

Additional information about us also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

We are a registered investment adviser under the Investment Advisers Act of 1940, as amended (the “**Advisers Act**”). Such registration under the Advisers Act does not imply any level of skill or training.

## **ITEM 2**

### **MATERIAL CHANGES**

The initial and prior version of this brochure was dated June 18, 2014 (the “**Prior Brochure**”). There have been no material changes to the Prior Brochure.

Our brochure may be requested, free of charge, by contacting our President, Chief Investment Officer and Chief Compliance Officer, Ajay G. Shroff, at (973) 218-2640 or [ajay@ridgeleighcap.com](mailto:ajay@ridgeleighcap.com).

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## **ITEM 4**

### **ADVISORY BUSINESS**

#### **A. General Description of Advisory Firm**

We are a Delaware limited liability company originally organized on May 7, 2014. We do business as Ridgeleigh Capital. We have been in business for approximately ten (10) months.

We serve as the investment adviser to various entities (individually, a “**Client**” and collectively, the “**Clients**”).

From time to time, we or our affiliates may launch, sponsor, or provide investment advisory services to additional pooled investment vehicles or managed accounts.

Our principal owner is Ajay G. Shroff.

#### **B. Description of Advisory Services**

As an investment adviser, we provide non-discretionary investment advisory services for our Clients. For a detailed discussion of our strategies, see “Item 8 Methods of Analysis, Investment Strategies and Risk of Loss,” below.

Pursuant to our investment advisory agreement with each Client, we provide advisory services and manage (on a non-discretionary basis) Client assets in accordance with one or more of our established investment strategies. These services may include: (i) development and implementation of investment strategies, including asset allocation strategies, (ii) identification and sourcing of investment opportunities, (iii) analysis and assessment of investment opportunities, (iv) execution of investments, (v) monitoring of investments and (vi) disposition of investments. In furtherance of each Client’s investment objectives and strategies, we may recommend an investment in third-party private investment funds, funds of funds and other pooled vehicles (“**Investment Funds**”) managed by professional fund managers, including hedge fund managers, private equity managers, and other asset class managers (“**Fund Managers**”). In the future, we may also recommend an investment in a fund advised by us or to a fund advised by an affiliated investment manager or an investment manager in which we, our officers and/or employees have an interest. We may also recommend that a Client invest assets of the Client in businesses in which we or our officers and/or employees may have an interest. In any circumstance in which we recommend that a Client invest assets of the Client in such funds or businesses, such an investment will only be made upon the prior approval of the Client after written disclosure to the Client of any conflicts of interest of the Firm. We tailor our advisory services and investment strategies to the needs and goals of each Client, factoring in such Client’s risk profile, desired asset allocation, liquidity needs, tax considerations, and any applicable investment restrictions, among other items.

#### **C. Wrap Fee Programs**

We do not participate in wrap fee programs.

**D.     Assets Under Management**

As of February 28, 2015, we had approximately \$530,900,000 regulatory assets under management on a non-discretionary basis and no regulatory assets under management on a discretionary basis.

## ITEM 5 FEES AND COMPENSATION

### A. Advisory Services and Fees

Written investment advisory agreements govern the terms of compensation and the manner in which we charge fees to each of our Clients. The fees we charge for our advisory services may be negotiable depending on the circumstances of the Client's account and the service levels we provide to the Client. We generally bill our fees on a monthly, quarterly and/or annual basis. Our fees are generally payable in arrears. Clients are generally invoiced for the payment of such fees.

In addition to our fees and compensation, we receive reimbursements for all reasonable operational, legal and research-related expenses incurred by us in our oversight of Client accounts. These expenses may include (subject to the terms of the relevant investment advisory agreement) (i) general overhead costs, including the base and bonus compensation of our employees or contractors and the cost of rent for our principal place of business as well as the cost of phone, internet, and information technology services used at our principal place of business, (ii) brokerage commissions, transfer fees, registration costs, taxes and other similar costs and transaction-related expenses and fees (including advisory fees to Fund Managers), (iii) custodial charges and fees (if any), (iv) fees and charges of agents used on behalf of the Clients, (v) fees and charges of legal, accounting and other third party advisers and service providers to us, (vi) the cost of a Bloomberg terminal and macro-economic research, and (vii) travel related expenses to meet potential Fund Managers, business partners and Client representatives.

Each Client account generally will also be responsible for its own extraordinary expenses (such as, to the extent applicable, litigation expenses and indemnification expenses).

We do not receive brokerage commission or other compensation attributable to the sale of securities or other investment products.

For a discussion of the factors that we consider in recommending broker-dealers for client transactions and determining the reasonableness of commissions and compensation for such broker-dealers, see "Item 12 Brokerage Practices – Selection of Broker-Dealers and Reasonableness of Compensation."

### B. Payment of Fees

Each Client presently qualifies as a "qualified purchaser" as defined in the Investment Company Act of 1940, as amended (the "**Investment Company Act**").

Pursuant to the terms of the Client's investment advisory agreement, if the investment advisory relationship is terminated (or funds are withdrawn) as of any date other than the last business day of the applicable payment period, we typically charge a prorated management fee and/or other specified fees based on the ratio that the number of days for which investment advisory services were rendered bears to the total number of days in that payment period, and we return any unearned fees to the Client. In the event that the investment advisory relationship is

terminated (or funds are withdrawn) other than at the end of a performance fee calculation period, such termination (or withdrawal) date shall typically be treated as the end of a performance fee calculation period, and, if earned, we will charge such Client a performance fee in connection with such Client's account, as applicable.



## ITEM 6

### PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

In some cases, we will enter into performance or incentive fee or allocation arrangements with eligible Clients. The terms and conditions of such fees or allocations are subject to individualized negotiations with each Client. We will structure any performance or incentive fee or allocation arrangement in accordance with Section 205(a)(1) of the Advisers Act and the rules and regulations thereunder, including the exemption set forth in Rule 205-3 of the Advisers Act permitting performance fee arrangements with “qualified clients.”

Performance-based fee or allocation arrangements may create an incentive for us to recommend investments that may be riskier or more speculative than those that we may recommend under a different fee or allocation arrangement. In the allocation of investment opportunities, performance-based fee or allocation arrangements may also create an incentive for us to favor accounts with performance or incentive fee or allocation arrangements over accounts that do not have such arrangements or, alternatively, favor accounts with higher performance-based fees or allocation arrangements over accounts with lower performance-based fees or allocation arrangements. We have adopted an Investment Allocation Policy and Procedures (the “**Allocation Policy**”) designed to ensure that all of our Clients are treated fairly and equitably and to prevent this form of conflict from influencing the allocation of investment opportunities among our Clients. In accordance with our Allocation Policy, while each of our Clients may not participate in each individual investment opportunity on an overall basis, each Client generally will be entitled to participate equitably with our other Clients.

The Allocation Policy seeks to allocate investment opportunities among our Clients in a fair and equitable manner. Allocations of investment opportunities are not necessarily made on a pro rata basis as our current Client accounts may pursue distinct investment strategies. Rather, we make independent allocation decisions with respect to each Client account. Allocations of investment opportunities among the Client accounts are based on a variety of considerations, including potentially different or conflicting investment objectives and strategies; the life cycle of various portfolios; risk parameters (including, without limitation, the use of leverage); cash and liquidity availability (e.g., allocation size may vary depending on a Client account’s cash availability, the other liquidity obligations of the applicable Client account or commitments made to other investments); follow-on investments (e.g., such investments may be allocated in accordance with the allocation of the original investment); investment time frames; and legal, tax, and regulatory considerations.

**ITEM 7**  
**TYPES OF CLIENTS**

We currently provide non-discretionary investment advisory services to Client accounts, which are offered to various entities.

Any applicable initial minimum investment is subject to negotiation. Such minimum investment amounts and minimum investor criteria are set forth in the applicable investment advisory agreement for each Client account.

## **ITEM 8**

### **METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

#### **A. Methods of Analysis and Investment Strategies**

Depending on the investment objectives and strategies of each particular Client, we may recommend that the Client invest a portion of the Client's assets in Investment Funds that employ different investing strategies. We may also recommend an allocation of Client assets to a wide variety of other investments, including direct investments in debt and equity securities of publicly traded companies, derivatives, investments in private companies, exchange traded funds ("ETFs"), mutual funds, exchange traded notes ("ETNs"), and hard assets, including real estate, in each case to the extent consistent with the Client's investment objectives and strategies.

We use a broad range of methods to identify, analyze and assess potential and existing investment opportunities.

With respect to any investment, we engage in a due diligence process to review the quality of such Investment Fund or other investment prior to its initial investment and will conduct "follow-up" due diligence and performance monitoring on a periodic basis. As a general matter, our due diligence analysis and performance monitoring is intended to identify Fund Managers and investment opportunities capable of generating superior risk adjusted returns over time in the relevant asset class or style of investing. In connection with such diligence, we generally review available information including, in the case of Investment Funds, the applicable offering documents, and may request additional information from Fund Managers or other parties as we deem necessary.

Our due diligence process utilizes various quantitative and qualitative research techniques to evaluate direct investments as well as Investment Funds. Our direct investment due diligence process (which includes investments in public companies, private placements that are not Investment Funds and co-investments) may include (i) background investigations of the principals of an issuer, (ii) review of securities filings or other reports of the issuer, if available, including financial statements, (iii) in-person and/or telephonic meetings with management, (iv) financial modelling, (v) industry analysis and peer group comparison analysis, (vi) ongoing review of periodic performance, (vii) preparation of an investment thesis memorandum, and (viii) review of such other information as we may request. Our Investment Fund due diligence process may include (i) background investigations of the principals of a Fund Manager or Investment Fund, (ii) reference checks, (iii) in-person and/or telephonic meetings with Fund Managers, (iv) if relevant, analysis of past performance using financial analysis tools and software to measure a variety of performance, risk and volatility measures over different time periods, (v) peer group comparisons, (vi) review of quarterly and annual communications from Fund Managers, (vii) ongoing review of periodic performance, and (viii) review of such other information as we may request. We may work with unaffiliated advisors for purposes of obtaining analyses that would assist in the investment decision-making and monitoring processes.

Despite these methods of analysis, it is possible that we may recommend an investment that ultimately fails to meet a Client's investment objectives. Further, it is possible that an

investment may incur significant losses on invested assets or result in a complete loss of invested capital. There are material risks associated with any investment, including investments in Investment Funds, and Clients should be able to bear a complete loss in connection with any investment recommended by us.

## **B. Risk of Loss**

Investing in securities involves risk of loss that Clients should be prepared to bear. More specifically, investing in assets we recommend involves several material risks, including those set forth below. There can be no assurance that Clients will achieve their investment objectives or that any of our recommendations will be successfully implemented. In addition to the risks listed below, Clients should review the respective offering, organizational and similar documents relating to any Investment Fund recommended by us. Each Client is also encouraged to consult with us to review the specific risk parameters of, and assets that comprise, the Client's account at any given time and from time to time.

The Firm, as well as the Investment Funds it recommends investments in, may pursue a wide range of investment strategies using a variety of financial instruments. The following is intended only as a summary of certain key risks that potential investors could face from such investment activities.

Risk of Loss of Assets. All investments involve the risk of the loss of capital. No guarantee or representation is made that any investment will achieve its investment objective or avoid losses. We recommend investments that we believe have a risk/reward profile consistent with the Clients' guidelines and tolerances. These investments may result in significant losses.

Business and Market Risks. The investments we recommend may involve a high degree of business and financial risk that can result in substantial losses. In particular, these risks could arise from changes in the financial condition or prospects of the entity in which the investment is made, changes in national or international economic and market conditions, and changes in laws, regulations, fiscal policies or political conditions of countries in which investments are made, including the risks of war and the effects of terrorist attacks. The possibility of partial or total loss of capital will exist, and Clients should not invest unless they can readily bear the consequences of such loss.

Risks Associated with Publicly Traded Securities. We may recommend investments in publicly traded securities and in Investment Funds that invest in publicly traded securities. Investments in securities of publicly traded companies may be sensitive to movements in the stock market and trends in the overall economy.

Risks Associated with Certain Instruments. We may recommend direct or indirect investments in instruments that pose unique risks, such as derivatives, high-yield bonds, foreign exchange instruments, swap agreements, futures, convertible securities and commodities, among others. The price movements of such instruments may be highly volatile and are influenced by, among other things: interest rates; changing supply and demand relationships; credit ratings; trade, fiscal, monetary, and exchange control programs and policies of governments; and U.S. and international political and economic events and policies. Moreover, the markets for such

instruments may be comparatively illiquid and inefficient, creating the potential for substantial mispricings. A more detailed summary of the risks associated with certain of these instruments is included below.

Short Sales of Securities. We may recommend that securities be sold short, or Investment Funds that we recommend may engage in short selling. Selling securities short involves selling securities that the investor does not own. In order to make delivery to the purchaser of such securities, an investor may borrow securities from a third party lender. The investor subsequently must return the borrowed securities to the lender by delivering to the lender securities the investor purchases in the open market. The investor must generally pledge cash or other securities with the lender equal to or greater than the market price of the borrowed securities. This deposit will be increased or decreased in accordance with changes in the market price of the borrowed securities. Accordingly, an investor could, in theory, be exposed to an unlimited loss in the event of an unlimited increase in the market price of a borrowed security. Purchasing securities to close out the short position can itself cause the price of the securities to rise, thereby limiting profits or exacerbating losses. The risk also exists that the securities necessary to cover a short position will not be available for purchase. Additionally, arbitrage strategies involving short sales are exposed to the risk of the loss of the hedge if the stock sold short is called by the lending broker, or the position cannot otherwise be maintained, forcing premature liquidation.

Derivatives. We may recommend the purchase of derivative instruments, or Investment Funds that we recommend may invest in a variety of derivative instruments. The pricing of these derivatives is uncertain, variable, and based primarily on theoretical models, the outputs of which may vary substantially from the prices actually recognized in the market. The market for many types of derivative instruments is comparatively illiquid and inefficient, creating the potential for substantial mispricings, as well as sustained deviations between theoretical and market value. In addition, the derivatives market is, in comparison to other markets, a relatively new market, and even the most sophisticated market participants may misunderstand how the market in derivatives will perform during periods of unusual price volatility or instability, market illiquidity, or credit distress. The primary risks associated with the use of derivatives are (i) model risk, (ii) market risk, and (iii) counterparty risk. Such investments in over-the-counter derivatives are subject to greater risk of counterparty default and less liquidity than exchange-traded derivatives, although exchange-traded derivatives are subject to risk of failure of the exchange on which they are traded and the clearinghouse through which they are guaranteed. Counterparty risk includes not only the risk of default and failure to pay mark-to-market amounts and return risk premium, but also the risk that the market value of over-the-counter derivatives will fall if the creditworthiness of the counterparties to those derivatives weakens.

The prices of derivative instruments can be highly volatile. Price movements of derivative instruments are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies. In addition, governments from time to time intervene, directly and by regulation, in certain markets. Such intervention often is intended directly to influence prices and may, together with other

factors, cause all of such markets to move rapidly in the same direction because of, among other things, interest rate fluctuations.

Low Credit Quality Securities. We may recommend, or Investment Funds that we recommend may invest in, particularly risky investments that also offer the potential for correspondingly high returns. As a result, a Client may lose all or substantially all of its investment in any particular instance. In addition, there is not necessarily a minimum credit standard that is a prerequisite to an investment in any security. The debt securities in which an Investment Fund is permitted to invest may be rated lower than investment grade and hence may be considered to be “junk bonds” or distressed securities.

Non-U.S. Investments – Economic, Political, and Legal Risks. We may recommend, or Investment Funds that we recommend may invest in, assets outside the United States. Non-U.S. investments pose a range of potential economic, political, and legal risks that may not exist in the United States. The economies of individual countries may differ with respect to growth of gross domestic product or gross national product, rate of inflation, capital reinvestment, resource self-sufficiency, and balance of payments position. Each country has different standards of regulation with respect to matters such as government approval requirements, as well as insider trading rules, restrictions on market manipulation, shareholder proxy requirements, and timely disclosure of information. Reporting, accounting, and auditing standards of different countries vary, and little information may be available to investors in securities or other assets of such issuers. Other potential risks that could have an adverse effect on investments include (depending on the country involved) nationalization, expropriation, confiscatory taxation, negative diplomatic developments, and other governmental actions that make it difficult or impossible to liquidate assets and distribute proceeds. The laws of various countries governing business organizations, bankruptcy, and insolvency may make legal action difficult and provide little, if any, legal protection for investors. The securities markets in many non-U.S. countries may be significantly less developed than the securities markets in the United States.

Multiple Investment Funds. We may recommend an allocation of Client assets to a broad range of Investment Funds. There can be no assurance that utilizing multiple Fund Managers and Investment Funds will cause overall profits in any Client’s account to exceed total losses. Furthermore, any profits realized by an Investment Fund may incur a significant reduction due to management and/or incentive fees (or allocations) payable (or allocable) to the Fund Manager of such fund.

Reliance on Fund Managers. Although we will monitor the performance of each investment, we will rely upon the Fund Manager of an Investment Fund to follow the investment program described in the Investment Fund’s offering documents and other agreements. There is no guarantee that such Fund Manager will do so, which can result in a deviation between the Client’s desired investment strategy and the one employed by the Fund Manager.

Reliability of Valuations for Illiquid Interests. A Client’s interest in an Investment Fund or an illiquid direct investment is generally valued at an amount equal to its interest in such Investment Fund or other asset, as reported by the relevant Fund Manager, administrator or other third party. Generally, the governing documents of the Investment Funds or other illiquid asset

provide that for any securities or investments that are illiquid, not traded on an exchange or established market, or for which no value can be readily determined, the Fund Manager or other third party may determine the fair value of such investments in its best judgment. A Fund Manager's or other third party's valuations may not be indicative of what actual fair market value would be in an active, liquid, or established market.

Limited Information. We seek to obtain accurate and complete information regarding Fund Managers, Investment Funds and other illiquid investments that we recommend. Despite these efforts, it is possible that a Fund Manager or other third party will withhold or provide inaccurate information, thereby limiting our ability to properly evaluate the performance of Clients' investments or ensure that particular investment programs are being followed. This may result in significant losses to an investor based on investment strategies and positions of which we have limited or no knowledge.

Fees on Client Assets. Any interest in any Investment Fund will be subject to substantial fees both directly and indirectly, including but not limited to management and incentive fees (or allocations) payable (or allocated) to Fund Managers. These fees could be in addition to our own management and incentive fees (or allocations). This may result in multiple layers of management and other fees being paid on the same Client assets. We will not receive multiple fees in situations where Clients invest assets in a fund also advised by the Firm.

Lack of Liquidity and Transferability of Investment Fund Interests. A Fund Manager may restrict a Client's ability to redeem interests. Certain Investment Funds may permit redemptions only on a semi-annual, annual, or less frequent basis or be subject to "lock-ups" (where investors are prohibited from redeeming their capital for a specified period following an investment) and/or "gates" (where redemption at any given date is restricted to a specified percentage of the underlying fund's assets). In addition, Investment Funds are typically able to suspend redemptions by their investors in a variety of circumstances. Further, some Investment Funds may limit redemptions with respect to "side pocket" investments (where an Investment Fund classifies a particular investment as "illiquid" or "designated" and investors generally cannot redeem their interests until such investment is liquidated or otherwise realized). Illiquidity in Investment Funds may also affect the ability of Clients to make redemptions when desired or to realize fair value in the event of a redemption.

Some Investment Funds may not be registered as investment companies under the Investment Company Act, and such interests may not be transferable due to legal or other restrictions. Also, some interests in Investment Funds may not be registered under U.S. federal or state securities laws and could be subject to additional restrictions on transfer. Furthermore, interests in certain Investment Funds may not be transferable except with the prior written consent of the Fund Manager or, in the case of certain non-U.S. funds, the Investment Fund's board of directors. There is no guarantee that such written consent will be granted. Lastly, there may not be any market for Investment Fund interests or shares.

**ITEM 9**  
**DISCIPLINARY INFORMATION**

To the best of our knowledge, there are no legal or disciplinary events that we believe would be material to our Clients' or our prospective clients' evaluation of our advisory business or the integrity of our management.



**ITEM 10**  
**OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

**A. Broker-Dealer Registration**

Neither we nor any of our management personnel (i) are registered as broker-dealers or (ii) have any application pending to register with the SEC as a broker-dealer or registered representative of a broker-dealer.

**B. Futures Commission Merchant, Commodity Pool Operator, or Commodity Trading Adviser Registration**

Neither we nor any of our management personnel (i) are registered as a futures commission merchant, commodity pool operator, commodity trading advisor or an associated person of the foregoing or (ii) have any application pending to register with respect to any of the foregoing.

**C. Material Relationships and Conflicts of Interests with Industry Participants**

Our relationships and arrangements with our various Clients and other industry participants are material to our advisory business and may raise conflicts of interest. Below is a description of some of the potential conflicts of interest arising from such relationships and arrangements. Because this is not an exhaustive list of all of the conflicts of interest associated with the conduct of our investment advisory business, Clients should read this brochure and any investment advisory agreement for the particular Client account before engaging us.

**Multiple Client Accounts**

We provide investment advisory services to multiple Client accounts. There is no limit on the number of vehicles or accounts that we may manage or advise. As a result of the foregoing, we may have conflicts of interest in (i) allocating the time and resources of our personnel between and among Clients; and (ii) allocating investment opportunities between and among Clients (see Item 6 – “Performance-Based Fees and Side-By-Side Management”).

Our Code of Ethics requires that we make full disclosure of all material facts concerning any actual, apparent or potential conflicts of interest, and requires us and our personnel to follow appropriate procedures designed to minimize any such conflict.

For a more detailed discussion of our Code of Ethics, see Item 11 - “Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.”

**D. Material Conflicts of Interest Relating to Other Investment Advisers**

Except as otherwise disclosed in this brochure, we do not recommend or select for our Clients, receive compensation directly or indirectly from, or have other business relationships with, other investment advisers.

**ITEM 11**  
**CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS  
AND PERSONAL TRADING**

**A. Code of Ethics**

We have adopted a Code of Ethics that is based on the principle that we, and our personnel, owe a fiduciary duty to our Clients and a duty to comply with federal and state securities laws and all other applicable laws. These duties include the obligation of personnel to conduct their personal securities transactions in a manner that does not interfere with the transactions of any Client or otherwise take unfair advantage of their relationship with Clients. We provide non-discretionary services to Clients, and all material conflicts of interests (including, without limitation, personal investments of Mr. Shroff) are disclosed to Clients when recommending purchases or sales of securities or other instruments.

We will provide a copy of our Code of Ethics, free of charge, to any Client or prospective client upon request. Our Code of Ethics may be requested by contacting our President, Chief Investment Officer and Chief Compliance Officer, Ajay G. Shroff, at (973) 218-2640 or [ajay@ridgeleighcap.com](mailto:ajay@ridgeleighcap.com).

**B. Recommending, Buying, or Selling Securities in which We or a Related Person Have a Material Financial Interest, Invest, or Buy or Sell at the Same Time; Conflict of Interests**

Although we generally do not permit such transactions, conflicts of interest may occur if we, or our related persons, were to trade in the same security at or about the same time as our Clients. A conflict of interest may also occur if we (or our personnel) sell the securities we (or they) hold, while simultaneously recommending that our Clients maintain their position in the security. In such circumstances, a sale by our related persons or by us may affect the liquidity, value, or trading price of the securities that our Clients continued to hold. In addition, we or our personnel may invest in Investment Funds we recommend to Clients, and, therefore, such persons may hold an interest in the same securities as a Client. Our Code of Ethics and our personal trading policy have been designed to limit such conflicts of interest.

We may give advice and recommend securities to certain Client accounts that may differ from advice given to, or securities recommended to, other Client accounts, even though their investment programs may be the same or similar.

On rare occasions, we may deem it to be in the best interests of our Clients to reallocate or “cross” securities transactions between Clients. Similarly, on rare occasions, we may recommend a “principal transactions” in which we recommend a transaction between us or our related person and a Client. We maintain policies and procedures intended to limit the potential conflicts of interest inherent in cross or principal transaction. Cross or principal transactions will only be effected if they are deemed to be in the best interests of the particular Clients involved, approved by the Clients involved after full disclosure of all material facts, and conducted in compliance with our policies and procedures and applicable law.

We have adopted policies that prohibit us and our personnel from trading for Clients or for ourselves or themselves, or recommending trading, in securities of a company while in possession of material nonpublic information (“**Inside Information**”) about the company, and from disclosing such information to any person not entitled to receive it, in either case in contravention of applicable securities laws. By reason of our various activities, we may have access to Inside Information or be restricted from effecting or recommending transactions in certain investments that might otherwise have been initiated. We have adopted policies and procedures reasonably designed to, among other things, control and monitor the flow of Inside Information to and within our organization, as well as prevent trading (or recommending trading) based on Inside Information.

### **Personal Trading**

We believe restricting our personnel’s personal trading is one way of avoiding conflicts of interest between our Clients and such personnel. Our personal trading policies are part of our Code of Ethics. For a full description of our Code of Ethics, see Item 11 - “Code of Ethics, Participation or Interest in Client Transactions and Personal Trading - Code of Ethics,” above.

## **ITEM 12**

### **BROKERAGE PRACTICES**

Pursuant to each Client's investment advisory agreement, or other similar agreement, we may recommend the broker or dealer used to effect transactions on behalf of our Clients. However, our recommendation of the broker or dealer may be tailored to a particular Client's investment guidelines or restrictions, where appropriate. Our Clients ultimately determine the broker or dealer used to effect any transaction we recommend. As such, we generally do not aggregate (and do not have the opportunity to aggregate) the purchase or sale of securities for various Client accounts.

#### **A. Selection of Broker-Dealers and Reasonableness of Compensation**

Consistent with our fiduciary duty to Clients, we have an obligation to seek the best price and execution of Client securities transactions when we are in a position to direct brokerage transactions. While not defined by statute or regulation, "best execution" generally means the execution of Client trades at the best net price considering all relevant circumstances.

We do not select the brokers or dealers used to effect transactions on behalf of our Clients, but we may recommend that a Client use a particular broker or dealer. The factors to be considered in recommending brokers-dealers that may be used to execute trades include, but are not limited to:

- the ability to achieve prompt and reliable executions at favorable prices;
- the competitiveness of commission rates in comparison with other brokers satisfying our overall selection criteria;
- the overall direct net economic result to Clients' assets;
- the broker-dealer's clearance and settlement capabilities;
- the operational efficiency with which transactions are effected;
- the financial strength, integrity and stability of the broker;
- the ability to effect the transaction where a large block or other complicating factors are involved;
- the availability of the broker to execute possible difficult transactions in the future;
- the quality, comprehensiveness and frequency of available research and related services considered to be of value; and
- the quality, comprehensiveness and frequency of notifications of investment opportunities.

In addition, access to the brokerage firm's securities analysts in related areas that provide us with assistance in our investment decision-making process, may be a factor in recommending a broker-dealer.

Our President, Chief Investment Officer and Chief Compliance Officer, Ajay G. Shroff, is responsible for due diligence on best execution, including ensuring that we meet our best execution obligations, updating our best execution procedures whenever appropriate, and considering any other best execution issues identified by him.

**1. Research and Other Soft Dollar Arrangements**

We have not entered into written soft dollar arrangements. We may recommend brokers that charge a higher commission or fee than another broker would have charged for effecting the same transaction; provided, that the recommendation of a broker will be made on the basis of best execution, taking into consideration the various factors described above; provided, further, that we may be influenced in our recommendation of brokers by their provision of other services, including, without limitation, research, consulting with respect to technology, operations, equipment and office space, and other services or items. Such services may be deemed to be soft dollars. As noted above, however, we have not entered into written soft dollar arrangements. We do not generate soft dollar credits that may be applied to goods or services through the trading or other activities of our Clients. The provision by a broker of research and other services and property to us creates an incentive for the Firm to recommend such broker. Any research, services or property provided by a broker may benefit any Client and such benefits may not be proportionate to commission dollars related to the provision of such research, services or property.

**2. Brokerage for Client Referrals**

When recommending broker-dealers, Client or investor referrals are not a material factor we consider.

**3. Directed Brokerage**

"Directed brokerage" refers to instances in which a Client retains the discretion to choose brokers and instructs us to direct portfolio transactions to a particular broker-dealer. Clients may direct us to execute transactions on their behalf with a particular broker-dealer. In such event, we may be unable to achieve most favorable execution of Client transactions, and directing brokerage may cost Clients more money. For example, in a directed brokerage account, the Client may pay higher brokerage commissions because we may not be able to reduce transaction costs, or the Client may receive less favorable prices.

**ITEM 13**  
**REVIEW OF ACCOUNTS**

**A. Periodic Review of Client Accounts**

We periodically review Client accounts (at least quarterly) in accordance with the terms set forth in the relevant investment advisory agreement. All reviews are conducted by our President, Chief Investment Officer and Chief Compliance Officer, Ajay G. Shroff.

**B. Additional Review of Client Accounts**

While there are no specific instances that automatically trigger a review of Client accounts, we invest substantial resources in reviewing Client accounts in accordance with the terms set forth in the relevant investment advisory agreement.

**C. Contents and Frequency of Account Reports to Clients**

Clients receive reports (at least quarterly) in accordance with the terms set forth in the relevant investment advisory agreement. Certain Clients may receive additional information and reporting that other Clients may not receive, and such information may affect a Client's investment decisions.

**ITEM 14**  
**CLIENT REFERRALS AND OTHER COMPENSATION**

**A. Economic Benefits for Providing Services to Clients**

We do not receive economic benefits from third parties (other than fees from Clients) for providing investment advice or other advisory services to our Clients.

**B. Compensation to Non-Supervised Persons for Client Referrals**

As of the date of this brochure, we do not have any arrangement with a third party whereby we directly or indirectly compensate such person for Client or investor referrals.

If we do enter into such an arrangement, all payments to any person, including solicitors, for Client or investor referrals will be made in accordance with the provisions of Rule 206(4)-3 of the Advisers Act and any other applicable laws. We will not make use of a solicitor who is subject to the disciplinary actions stated in Rule 206(4)-3(A)(1)(ii) under the Advisers Act or, if a solicitor is subject to such an action, such solicitor must represent to us that it is relying on no-action relief from the SEC allowing it to engage in cash solicitation activities and that it is in compliance with all of the obligations imposed by the SEC as a condition to such relief.

## **ITEM 15**

### **CUSTODY**

Rule 206(4)-2 of the Advisers Act imposes specific conditions on investment advisers who have actual or deemed custody of client assets. We are not deemed to have custody of Client assets. The custodian for the Client accounts will be the broker-dealer or other third-party selected by the Clients.



## **ITEM 16**

### **INVESTMENT DISCRETION**

At the outset of an advisory relationship, we generally do not receive discretionary authority from a Client to select the identity and amount of securities to be purchased and sold by the Client.

When recommending securities and assessing potential investments, we observe the investment policies, limitations, and restrictions of the Clients we advise, as stated in the applicable investment advisory agreement. Our Clients may place, and have placed, limitations on our investment authority.

For a complete discussion of our advisory business and the services we provide to our clients, see “Item 4 - Advisory Business.”

## ITEM 17

### VOTING CLIENT SECURITIES

We do not have the authority to vote our Clients' securities. We may, however, make recommendations to Clients with respect to voting securities held by our Clients. As such, we have adopted policies and corresponding procedures to comply with Rule 206(4)-6 of the Advisers Act and with our fiduciary obligations (such policies and procedures, the **"Proxy Voting Policies"**).

We are committed to recommending voting proxies in a manner consistent with the best interest of the Client accounts. While the decision whether to vote a proxy must be made on a case-by-case basis, we generally do not recommend voting if we believe the outcome of the vote is not in doubt. In the situations where we recommend voting a proxy, we generally recommend voting proxies in accordance with the following general guidelines:

Routine Matters generally are voted consistent with Management's Recommendation. Examples of Routine Matters include uncontested Election of Directors, Ratification of Auditors, and Corporate Name Change.

Non-Routine Matters are voted on a fact sensitive basis. Examples of proxy proposal issues which are so fact sensitive that no general voting policy with respect to such issues may be established by us include Merger/Acquisition approvals, Spin-offs, Liquidations, Tender Offers and Corporate Restructurings.

Notwithstanding the foregoing, we may recommend voting a proxy categorized as a "Routine Matter" contrary to the proxy voting guidelines if we determine that such action is in the best interest of the Client accounts. In the event that we recommend a vote contrary to the proxy voting guidelines, the basis for the voting recommendation will be documented.

We may occasionally be subject to conflicts of interest in the voting of proxies due to business or personal relationships we maintain with persons having an interest in the outcome of certain votes. We, our affiliates and/or our employees (or other covered persons) may also occasionally have business or personal relationships with the proponents of proxy proposals, participants in proxy contests, corporate directors and officers, or candidates for directorships.

If at any time we become aware of a conflict of interest relating to a particular proxy proposal, we will handle the proposal as follows:

- (i) if the proposal is designated in the Proxy Voting Policies above as a "Routine Matter," we will make a recommendation in accordance with the Proxy Voting Policies, provided little discretion on our part is involved; or
- (ii) if the proposal is designated in the Proxy Voting Policies above as a "Non-Routine Matter" (or not addressed in the Proxy Voting Policies), we will take such action as is necessary to ensure that our recommendation (including a recommendation whether to vote at all) is based on the applicable Client account's best interest and not affected by our conflict of interest.

We may also, from time to time, make a recommendation to a Client regarding whether to participate in any class action suits in which one or more of the Client accounts are eligible, based upon a reasonable assessment of the costs and benefits (fiscal, administrative, or otherwise) relating to such participation. We may recommend not to participate in a class action suit for any number of reasons, including, without limitation, if we determine that the anticipated out-of-pocket costs associated with any potential recovery are likely to exceed the amount of the potential recovery (e.g., because a Client account held relatively few shares of the security or the potential recovery by the Client account is not very large) or if the Client account intends to pursue its legal rights outside of the class.

Clients may obtain a copy of our current written proxy voting and class action claims policies and procedures, and/or information regarding how a proxy was voted, by contacting our President, Chief Investment Officer and Chief Compliance Officer, Ajay G. Shroff, at (973) 218-2640 or [ajay@ridgeleighcap.com](mailto:ajay@ridgeleighcap.com).

**ITEM 18**  
**FINANCIAL INFORMATION**

**A. Balance Sheet**

We are not required to attach a balance sheet because we do not require or solicit the payment of fees six months or more in advance.

**B. Contractual Commitments to Our Clients**

We have no financial condition that is reasonably likely to impair our ability to meet contractual and fiduciary commitments to our Clients.

**C. Bankruptcy Petitions**

We have not been the subject of a bankruptcy petition at any time during the past ten years.