

**Item 1 - Cover Page**

# **TAG Associates LLC**

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New York, N.Y. 10019-5890**

**Main Phone Number: 212-275-1500**

**[www.tagassoc.com](http://www.tagassoc.com)**

**March 27<sup>th</sup>, 2018**

**This Brochure provides information about the qualifications and business practices of TAG Associates LLC (“TAG Associates” or “TAG” or “Adviser”). If you have any questions about the contents of this Brochure, please contact us at the telephone number provided above. 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.**

**TAG Associates LLC is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training.**

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

## **Item 2 - Material Changes**

There have been no material changes since the last Brochure dated March 27<sup>th</sup>, 2017.

In the past we have offered or delivered information about our qualifications and business practices to clients on at least an annual basis. You will receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our fiscal year, which is on December 31<sup>st</sup>. We may also provide you with a new Brochure or other ongoing disclosure information about material changes as necessary and without charge.

Currently, our Brochure may be requested by contacting Jorge Gonzalez at 212-275-1500, without charge.

Additional information about TAG Associates LLC (“TAG”) is available via the SEC’s website [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC’s website provides information about any persons affiliated with TAG who are registered, or are required to be registered, as investment adviser representatives of TAG.

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#### **Item 4 - Advisory Business**

TAG Associates is a leading multi-client family office and portfolio management services adviser with approximately \$8.7 billion of assets under management as of December 31, 2017. Formed in 1983, TAG has an experienced staff of approximately 67 people, including senior relationship managers, portfolio management professionals, accountants, bookkeepers and administrators. TAG is a registered investment advisor (“RIA”), a commodity trading advisor (“CTA”) and a commodity pool operator (“CPO”). When the company was founded in 1983, the multi-client family office was a relatively new and somewhat unproven concept. Over the years, TAG’s independence, steadfast commitment to its clients’ success, and continued growth allowed it to fine tune the process of managing wealth. Maintaining the wealth of this generation for future generations is at the heart of the decision making process.

##### **TAG Services**

On January 1, 2002, TAG Associates LLC acquired all the operating business assets of, and succeeded to the business of, TAG Associates, Ltd (“TAG Ltd”). All references below to activities prior to January 1, 2002 were performed by TAG Ltd. All activities described after January 1, 2002 are performed by TAG Associates LLC.

TAG offers its clients either a comprehensive package of services (such clients are “Comprehensive Wealth Management clients”) or, on a stand-alone basis, portfolio management services (such clients are “Portfolio Management clients”). Comprehensive Wealth Management clients receive both portfolio management services as well as other non-investment financial management services. All of the Adviser’s services are customized to the individual needs of TAG’s clients. The services TAG provides are outlined in the attached Exhibit A (at the end of this Item 4): “Summary of Client Services.”

TAG Associates LLC provides investment management services and other financial advice and services primarily to high net worth individuals. TAG also provides services to trusts, estates, pension and profit-sharing plans, endowments, foundations and other business entities. It also periodically assists its individual clients in negotiating significant transactions such as entering into or continuing employment arrangements. TAG does not issue publications or other reports on a subscription or other fee basis.

When providing Portfolio Management services to its clients, TAG serves as an overall portfolio manager. Its services include evaluating a client’s financial situation and needs, setting investment goals and objectives and formulating an asset allocation strategy. TAG also discusses and assists the client in evaluating any investment restrictions that client prefers for his or her portfolio, such as prohibiting investments in certain securities or industries. Once consensus has been reached with the client, TAG selects the investment managers, monitors strategies and managers, reports periodically (no less than quarterly) on the results of the portfolio and makes change recommendations as necessary. In addition, TAG provides financial management services, tax planning and compliance services and estate and trust planning. TAG has also advised clients on derivative securities transactions such as collars, swaps, etc.

TAG's assets under management as of December 31, 2017 totaled \$8,679,210,000 of which \$344,510,000 is managed on a discretionary basis and \$8,334,700,000 is managed on a non-discretionary basis.

### TAG-Managed Investment Entities

TAG Associates serves as the investment manager and TAG Portfolio Management Group LLC, an affiliate, serves as the general partner or manager to a number of Funds of Funds (the "TAG Funds") for its clients and third party investors.

All TAG Funds are exempt from registration under the Investment Company Act of 1940 (the "Company Act"). For those Funds that are exempt companies under Section 3(c)(1) of the Company Act, all investors must qualify as "accredited investors" within the meaning of Regulation D under the Securities Act of 1933. For those Funds that are exempt companies under Section 3(c)(7) of the Company Act, all investors must qualify as "Qualified Purchasers" under the Company Act.

In 1999, TAG Ltd established the TAG Relative Value Client Fund, L.P. (the "Client Fund"). The Adviser is the investment manager and an affiliate of the Adviser is the general partner. This partnership is a "fund of funds." It allows TAG clients to participate in the underlying investments of the Client Fund.

In 2000, the TAG Relative Value Fund, L.P. was established for investors who are not clients of the Adviser. This partnership is identical to the Client Fund, above, other than that the Adviser and its affiliate will receive fees and compensation for serving as investment manager and general partner of this partnership. The assets of TAG Relative Value Fund, L.P. were combined with the assets of the Client Fund as of January 1, 2015. Investors in TAG Relative Value Fund, L.P. became Class B Limited Partners of the Client Fund and the existing investors of the Client Fund became Class A Limited Partners.

In 2001, the TAG Relative Value Offshore Fund Ltd. was established for investors who are offshore or tax-exempt. The Adviser is the investment manager of the Fund. Investors that are not clients of the Adviser will compensate the Adviser for its investment management services.

In 2003, the TAG Master Relative Value Fund, LLC was reorganized to serve as a master fund to its feeder funds. The Adviser is the investment manager and an affiliate of the Adviser is the manager.

In 2005, the Adviser established the TAG Diversified Strategies Fund, L.P. of which the Adviser is the investment manager and an affiliate of the Adviser is the general partner. This entity is a "fund of funds". Investors that are not clients of the Adviser may invest in share classes that will pay the Adviser certain fees for serving as the investment manager of this partnership.

In 2008, the TAG Distressed Debt Fund II, LLC was established. This entity is a "fund of funds." The Adviser is the investment manager and an affiliate of the Adviser is the manager.

It allows investors to invest in certain underlying partnerships that the Adviser has identified as attractive investments. Investors that are not clients of the Adviser will compensate the Adviser and its affiliate for its investments management services. It is not accepting new capital.

In 2010, the TAG Distressed Debt Fund III, LLC was established. This entity is a "fund of funds." The Adviser is the investment manager and an affiliate of the Adviser is the manager. It allows investors (client and non-client) to invest in certain underlying partnerships that the Adviser has identified as attractive investments. Investors that are not clients of the Adviser will compensate the Adviser and its affiliate for its investment management services. It is not accepting new capital.

In 2015 the TAG Yield Opportunities Fund, LLC was established. This entity is a "fund of funds." The Adviser is the investment manager and an affiliate of the Adviser is the manager. It allows investors to invest in certain underlying partnerships that the Adviser has identified as attractive investments. Investors that are not clients of the Adviser will compensate the Adviser and its affiliate for its investment management services.

The Adviser and its affiliates do not charge the Adviser's clients that invest in any of the above mentioned Funds any additional fees, or earn other compensation for serving as investment manager, manager or general partner of such Funds. Clients of the Adviser pay for investment management services based on separate agreements with the Adviser. In all cases, each investor must meet the required relevant investor suitability standards.

The Adviser may, from time to time, consider offering interests in additional similarly structured investment vehicles. This would provide the Adviser with an opportunity to present investment opportunities to its clients in which they would not otherwise participate. The dual-class structure of the investment vehicles affords the Adviser an opportunity to be compensated for its efforts in identifying, structuring and organizing such investment vehicles.

#### TAG as Subadvisor of certain Series of the SALI Multi-Series Fund

In 2013, TAG Associates LLC assumed investment subadvisory responsibilities for the Cascade River Fund Series Interests (the "Cascade River Fund Series") of the SALI Multi-Series Fund, L.P. SALI Fund Management, LLC is the investment manager of the Fund. This entity is a "fund of funds". It allows insurance companies selling private placement life insurance to participate in the underlying investment vehicles of the Cascade River Fund Series on behalf of their policyholders. The entity pays a management fee directly to the investment manager. The investment manager remits a portion of that fee to the investment subadvisor as per a subadvisory agreement between the investment manager and the investment subadvisor.

In 2014, the TAG Associates Insurance Fund Series Interest (the "TAG Fund Series") of the SALI Multi-Series Fund, L.P was established. SALI Fund Management, LLC is the investment manager of the Fund. TAG Associates LLC is the investment subadvisor of the "TAG Fund Series". This entity is a "fund of funds". It allows insurance companies selling private placement life insurance to participate in the underlying investment vehicles of the TAG Fund Series on behalf of their policyholders. Investors pay a management fee directly to the investment manager. The investment manager remits a portion of that fee to the investment subadvisor as

per a subadvisory agreement between the investment manager and the investment subadvisor. Policyholders who are existing fee-paying clients of TAG Associates will pay only the portion of the management fee allocable to the investment manager. Clients of the Adviser pay for investment management services based on separate agreements with the Adviser.

#### TAG Associates Holdings, LLC

The Principal Owner of TAG is TAG Associates Holdings, LLC, a Delaware limited liability company, an entity majority owned by Gary L. Fuhrman and David Basner.

#### TAG EisnerAmper LLC

TAG Associates also owns 50% of the membership interests in TAG EisnerAmper LLC, a RIA and CTA, an entity organized to provide investment advisory and family office services to clients of, and others referred by EisnerAmper LLC, a certified public accounting firm. TAG EisnerAmper LLC was founded in 2003 and is a joint venture between TAG and Eisner Holdings LLC, an affiliate of EisnerAmper LLP. TAG and EisnerAmper personnel provide all investment advisory services and the entity's fees are allocated among its members pursuant to the LLC operating agreement. To date, only investment advisory services have been provided to TAG EisnerAmper LLC clients. Additional information concerning TAG EisnerAmper LLC (CRD #126530) can be found on the Securities & Exchange Commission's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

[Exhibit A appears on the next three (3) pages.]



TAG ASSOCIATES, LLC  
Summary of Client Services, 2011  
Form ADV, Part 2 – Advisory Business (Item 4)

Exhibit A

PORTFOLIO MANAGEMENT		
Planning	Implementation	Monitoring
<ul style="list-style-type: none"> <li>Set investment goals &amp; objectives</li> </ul>	<ul style="list-style-type: none"> <li>Select investment managers</li> </ul>	<ul style="list-style-type: none"> <li>Produce portfolio reports</li> </ul>
<ul style="list-style-type: none"> <li>Formalize an appropriate asset allocation strategy</li> </ul>	<ul style="list-style-type: none"> <li>Design investment reporting system</li> </ul>	<ul style="list-style-type: none"> <li>Typically monthly or quarterly</li> </ul>
<ul style="list-style-type: none"> <li>Provide benchmarks to measure performance</li> </ul>		<ul style="list-style-type: none"> <li>On an absolute dollar return basis</li> </ul>
		<ul style="list-style-type: none"> <li>On a relative basis versus similar managers &amp; indexes</li> </ul>
		<ul style="list-style-type: none"> <li>Consider changes in strategy, managers, etc.</li> </ul>

FINANCIAL MANAGEMENT		
<ul style="list-style-type: none"> <li>Consider asset/liability oriented issues</li> </ul>	<ul style="list-style-type: none"> <li>Design customized financial reporting system</li> </ul>	<ul style="list-style-type: none"> <li>Produce financial reports</li> </ul>
<ul style="list-style-type: none"> <li>Need for liquidity, etc.</li> </ul>	<ul style="list-style-type: none"> <li>Focus on highlighting tax issues, liquidity needs, etc.</li> </ul>	<ul style="list-style-type: none"> <li>Update versus projections, etc.</li> </ul>
<ul style="list-style-type: none"> <li>Asset cash flow considerations</li> </ul>	<ul style="list-style-type: none"> <li>Establish banking/credit relationships</li> </ul>	<ul style="list-style-type: none"> <li>Communicate results to appropriate third party advisors</li> </ul>
<ul style="list-style-type: none"> <li>Plan for large tax payments, etc.</li> </ul>		
<ul style="list-style-type: none"> <li>Review hedging options</li> </ul>		
<ul style="list-style-type: none"> <li>One large block of stock, etc.</li> </ul>		

TAX RELATED		
<ul style="list-style-type: none"> <li>Identify tax savings opportunities</li> </ul>	<ul style="list-style-type: none"> <li>Manage IRS and state tax audits</li> </ul>	<ul style="list-style-type: none"> <li>Consider changes in:</li> </ul>
<ul style="list-style-type: none"> <li>Prepare periodic tax projections</li> </ul>	<ul style="list-style-type: none"> <li>Periodically review estate plan</li> </ul>	<ul style="list-style-type: none"> <li>Tax laws</li> </ul>
<ul style="list-style-type: none"> <li>Prepare tax returns</li> </ul>	<ul style="list-style-type: none"> <li>Investment related</li> </ul>	<ul style="list-style-type: none"> <li>Investment products</li> </ul>
	<ul style="list-style-type: none"> <li>Interfamily driven</li> </ul>	<ul style="list-style-type: none"> <li>Business relationships</li> </ul>
	<ul style="list-style-type: none"> <li>Residence driven</li> </ul>	<ul style="list-style-type: none"> <li>Employee benefit plans</li> </ul>
	<ul style="list-style-type: none"> <li>Transaction driven</li> </ul>	<ul style="list-style-type: none"> <li>Family relationships</li> </ul>

ADMINISTRATIVE/ CONTROLLERSHIP		
• Consider asset/liability management techniques	• Select advisors/systems	• Consider changes in:
○ Insurance alternatives	• Pay bills/Collect receipts	○ New products/services
○ Custodial alternatives	• Handle domestic staff	○ Personal circumstances
○ Cash management systems	• Negotiate house closing, mortgages	○ Professional relationships
• Determine optimum information flow	• Manage “the process”	• Revisit “the process”
○ Which professionals?	○ Right People	
○ What information?	○ Right Information	
○ In what time frame?	○ Right time	

## **Item 5 - Fees and Compensation**

TAG offers its clients two alternative sets of services and fee arrangements: (1) Comprehensive Wealth Management services, and (2) Portfolio Management services. Fees may vary from the stated fee schedule and are subject to negotiation.

TAG is objective in its recommendations regarding the selection and retention of investment managers and other professionals when choosing investment products and developing strategies for our clients. TAG chooses from the entire universe of available talent.

TAG receives no fees, directly or indirectly, from investment managers or investment funds in which its clients invest. Nor does it accept any indirect payments from other professionals it may hire on behalf of its clients. Clients will, however, pay investment advisory fees to investment managers in addition to fees payable to TAG for non-affiliated fund investments, as well as any customary brokerage and related fees.

Separate management and performance-based fees are charged to investors who are not clients of the Adviser who invest in some of the funds of funds it manages. Additional information on these TAG Funds is available in Item 4.

TAG charges an annual retainer for its Comprehensive Wealth Management services under which the client is provided with portfolio management, tax and/or financial advisory services. The fee for tax and for advisory services is based upon an analysis of the volume and complexity of the client's financial affairs. Comprehensive Wealth Management clients may also pay a fee that is based on a percentage of assets under management for portfolio management services. In some cases a fixed fee is negotiated for all services. TAG's stated minimum fee for Comprehensive Wealth Management services is \$150,000 per year. The specific manner in which fees are charged is established in each client's written agreement with TAG.

The annual portfolio management fee for stand-alone Portfolio Management clients is based on a percentage of assets under management. This fee is applied to currently investable assets only. TAG's stated minimum fee for stand-alone Portfolio Management services is \$100,000 per year. The stated fee schedule, when calculated based on assets under management, is as follows:

<u>Assets under Management</u>	<u>Annual Fee</u>
First \$10 Million	1.00%
Next \$10 Million	0.75%
Assets above \$20 Million	0.50%

Payment of TAG's fees may be made directly by the client or by the custodian, if any, holding the client's securities and funds. If made by such custodian, TAG will send the client a copy of any bills sent to a custodian for payment reflecting the specific manner in which the fee was calculated, and in turn, such custodian will send a statement of fees paid out of the client's account to the client. Fees and payment terms for special projects are negotiated individually.

This management fee is payable quarterly during the quarter in which the fees are incurred. (For example, the bill sent to a client on February 15 relates to the quarter beginning January 1 and ending March 31.) The fee is based on the net asset value of the assets being managed on the closing of the last day of the preceding quarter (for example, the fee on February 15 is based on the net asset values on December 31 of the preceding quarter). Billings for partial quarters, in a start-up mode or in a termination mode are pro-rated based on the number of days during which the services are rendered. Under the Portfolio Management Agreement, the Adviser does not receive any other fees or payments, either from the client or any third party, in connection with providing such services.

#### Non-Client Investors in TAG Managed Funds of Funds

Separately, TAG and TAG Portfolio Management Group charge investors who are not clients of the Adviser management and performance-based fees on some of the funds of funds it manages. These TAG Funds are identified in Item 4. Investors that are not clients of TAG Associates with investments in TAG Diversified Strategies Fund and the TAG Relative Value Funds pay fees quarterly in advance, unless other fee arrangements have been made. Investors that are not clients of the Advisor in the TAG Distressed Debt Funds and the TAG Yield Opportunities Fund pay quarterly in arrears. See Item 6 for a further explanation of the performance-based fees charged to investors that are not clients of TAG in such TAG Funds.

Item 12 further describes the factors that TAG considers in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation (e.g., commissions).

## **Item 6 - Performance-Based Fees and Side-By-Side Management**

Performance-based fees are fees based on a share of capital gains on, or capital appreciation of, the assets of a client. Investors (non-clients of the Adviser) of the following funds pay performance-based fees:

- TAG Relative Value Client Fund, L.P.: Class B Limited Partners (“Incentive Allocation”)
- TAG Relative Value Offshore Fund, Ltd.: share classes AA and BB (“Incentive Fees”)
- TAG Distressed Debt Fund II, LLC and TAG Distressed Debt Fund III, LLC: Class B Members (“Carried Interest”)

These performance-based fees are subject to hurdle-rates and high-water marks. TAG structures any performance or incentive fee arrangements in conformity with the requirements of Section 205(a)(1) of the Investment Advisers Act of 1940. Since these investors are not TAG clients, they also pay management fees as stated in the offering documents of such TAG Funds.

As noted in the offering documents (Private Placement Memorandums) of the TAG Funds, performance-based fees may create an incentive for the General Partner or the Investment Manager of each such Fund to make investments that are riskier or more speculative than would be the case in the absence of performance-based fees. Before making an investment in any such Fund, each prospective investor (client or non-client of TAG) is provided with a copy of the Private Placement Memorandum that detail the fee arrangements, risk factors and potential conflicts of interest applicable to such TAG Fund, including risks associated with performance fees charged by underlying managers of such TAG Funds.

### **Item 7 - Types of Clients**

TAG Associates LLC provides investment management services and other financial advice and services primarily to high net worth individuals. TAG also provides services to trusts, estates, pension and profit-sharing plans, endowments, foundations and other business entities.

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

### **INVESTING IN SECURITIES AND OTHER ASSETS INVOLVES RISK OF LOSS THAT CLIENTS SHOULD BE PREPARED TO BEAR.**

In formulating investment strategies, capital preservation is TAG's paramount consideration.

#### **Portfolio Information - Data Sources**

TAG currently utilizes computer software and databases in evaluating various investment products as follows:

PerTrac 7.0 (PerTrac Financial Solutions) is a statistical analysis/asset allocation software product.

Morningstar Mutual Fund provides qualitative and quantitative information/data on approximately 60,000 + mutual funds, ETFs, Money Market Funds and indices. This information can be accessed and analyzed through the PerTrac system.

Through PerTrac, TAG also maintains internal databases of qualitative and quantitative information covering over 100,000 records of investment Limited Partnerships, Registered Investment Advisor management organizations, and indices.

The majority of this information is obtained through various money manager direct data vendors and on-line services, e.g., HFR & EurekaHedge. However, in some instances TAG obtains information directly from various investment limited partnerships and managed account managers.

To perform valuations of assets, TAG uses the Advent Axys Portfolio software as its brokerage accounting/performance analysis system. Pricing information is provided through Advent/Interactive Data Corp. Index information is also provided through Advent/Interactive Data Corp.

TAG utilizes a Bloomberg Terminal to access financial and other news in real time format, as well as business-related data, access analytics, and research tools. TAG believes it is one of the most comprehensive sources of daily business and financial information available.



## Investment Strategies

In general, TAG Associates serves as an overall portfolio manager. The Adviser's services include setting investment goals and objectives and formulating an asset allocation strategy for our clients based on his or her financial situation and needs, together with establishing investment objectives and restrictions (if any). There are situations where investment restrictions required by a particular client may increase the portfolio's risk and these are discussed with the client before implementation. Once consensus has been reached with the client, TAG recommends the investment managers, monitors the strategies and managers, reports periodically (no less than quarterly) on the results of the portfolio and makes change recommendations as necessary. Certain clients also engage TAG to provide financial management services, tax planning and compliance services and estate and trust planning as part of offering overall wealth management services to those clients.

In establishing investment goals for TAG clients, we consult financial newspapers and magazines, research materials prepared by others, corporate rating services and the portfolio information data sources discussed above. Where appropriate to a particular client's investment goals, TAG engages in classic security analysis of evaluating the expected performance of a particular security or type of investment. To implement TAG's investments strategies, clients are introduced and may engage traditional third-party managers of stocks and/or bonds, including mutual funds. Long-term investment recommendations often include subscriptions to hedge funds or private equity managers, including TAG Funds managed by the Adviser and discussed in Item 4 above.

On occasion, TAG recommends short term purchases of securities sold within a year; trading in securities sold within 30 days; short sales; margin transactions; option writing, including covered options, uncovered options or spreading strategies. On occasion, TAG recommends purchases of securities intended to be sold within a year.

## Suitability Considerations

As a firm, TAG constantly seeks to identify portfolio managers whose management style, policies and practices are suitable for its clients in general. Prior to selecting any manager, TAG conducts due diligence on his or her portfolios and performance, background and experience. Once selected as suitable for TAG Associates' clients, in general, we monitor their portfolio management and performance, including, without limitation, any material changes in policies, procedures and performance.

After TAG's assessment of a client's financial situation and investment objectives, it recommends a number of investment managers we believe suitable for that client's circumstances. As specified above, these third-party managers include mutual funds, traditional managed account managers of stocks and bonds, hedge fund managers and/or private equity managers. Once the client invests with the investment manager(s), TAG monitors the account to verify that its client's selected investment strategy is being implemented and tracks the manager's overall performance. This includes reviewing a particular client's account to

avoid, for example, undue concentration in a particular security. TAG also assesses whether adjustments are needed due to changes in the particular client's circumstances or the manager's ability to accommodate client investment goals and restrictions.

In some instances, TAG may determine that a particular portfolio manager no longer meets its investment criteria or can no longer effectively manage funds for the kinds of clients it services. If that were to occur, TAG would recommend that some or all of its clients redeem their investments in such manager, recognizing that redemption may be limited due to various restrictions on withdrawals such fund may have in place. Nonetheless, a client may elect to remain with that particular manager, despite the Adviser's recommendation to redeem.

### Risk of Loss

Most hedge fund documents, including those of the TAG Funds and other investment Funds recommended by TAG, state: "Investments in Funds are speculative, illiquid and involve a high degree of risk."

The multi-manager approach recommended by TAG to its clients is designed to lessen portfolio volatility by investing with managers who employ diverse investment styles, including, without limitation, managers who have the ability and mandate to engage in short sales, which generally have the potential to be profitable in down markets. Prior to investing in any manager, TAG reviews with its client the various strategies that may be employed by such third party manager it recommends, as well as the risks of such investments. TAG provides its clients with the offering documents that describe their investment strategies and risks.

## **Item 9 - Disciplinary Information**

None

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

TAG is registered with the National Futures Association (“NFA”) as a commodity trading advisor and commodity pool operator.

In addition, David Basner, Stanley Pantowich, Gary L. Fuhrman, Jeffrey Tumulo, John Pantowich, Jonathan Bergman, Ted Katramados, Robyn Transport, Neil Shapiro, and Jorge Gonzalez are registered as associated persons of TAG. Each is also registered as an associated person with an affiliate, TAG Portfolio Management Group, LLC, which is registered with the NFA as a commodity pool operator and commodity trading advisor. Messrs. Basner, Stanley Pantowich, John Pantowich and Gonzalez are also registered as associated persons of another affiliate, TAG EisnerAmper, LLC, which is registered with the NFA as a commodity trading advisor. TAG EisnerAmper, LLC is described in Item 4.

GF Capital Asset Advisors, LLC (“GF Capital”), is under common ownership with TAG Associates. GF Capital, a registered investment adviser, and its affiliated investment entities provide “investment supervisory services” to their clients, which consist of private investment-related funds. GF Capital was formed in 2005, but did not commence operations as a registered investment adviser until February 2012. GF Capital is controlled by its manager and 100% owner, GF Capital Management & Advisors, LLC. Additional information concerning GF Capital Asset Advisors, LLC (CRD #160144) can be found on the Securities & Exchange Commission’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

As detailed in Item 4, above, TAG provides products or services other than investment advice to clients.

### **Material Relationships**

TAG has a material relationship with EisnerAmper Fund Services LLC, the NAV calculator for certain of its sponsored funds, namely, the TAG Distressed Debt Fund II, LLC, the TAG Distressed Debt Fund III, LLC and the TAG Yield Opportunities Fund, LLC. EisnerAmper Fund Services LLC is affiliated with EisnerAmper LLP, which, in turn, is affiliated with Eisner Holdings LLC. As explained in Item 4, TAG and Eisner Holdings LLC jointly own TAG EisnerAmper LLC.

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

A client or prospective client may obtain a copy of our Code of Ethics (the “Code”) by contacting David Basner or Jorge Gonzalez at 212-275-1500.

TAG Associates LLC (“we” or “us”) has adopted a Code of Ethics (the “Code”) for all supervised persons of the firm discussing its high standard of business conduct and fiduciary duty to its clients. The Code includes provisions relating to protecting the confidentiality of client information, a prohibition on insider trading, a prohibition on rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other issues. All supervised persons at TAG must acknowledge the terms of the Code of Ethics annually, or as amended.

As a firm we impose no general prohibition on the security transactions of our associated persons and employees other than those imposed by our insider trading policies and applicable securities law and regulations. However, we do prohibit any TAG employees from investing in public companies in which our clients maintain influential or controlling positions. Accordingly, it is permissible for an individual member of our investment committee to invest personally in a fund or place personal funds with an advisor that we are also recommending to our clients. Any such investment or arrangement would be made at arms' length and on the same terms as are available at the time to any other client investors. TAG employees that are members of the investment committee or otherwise meet certain investor suitability requirements may also invest in the TAG Funds described in Item 4.

The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of TAG employees will not interfere with (i) making decisions in the best interest of our advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Under the Code certain classes of securities have been designated as exempt transactions (e.g., mutual funds), based upon a determination that these would not materially interfere with the best interest of our clients.

Nonetheless, because the Code of Ethics in some circumstances permits employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security also held by an employee. Investments by both clients and TAG employees in a private placement, however, should not result in benefit to a TAG employee to the disadvantage of our clients. The Code requires monthly monitoring of employee trades (other than investments in mutual funds) to reasonably prevent conflicts of interest between TAG and its clients.

We do not effect any principal transactions for client accounts. “Principal transactions” are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory client.

See Item 12 for additional information on TAG's brokerage practices.

## **Item 12 - Brokerage Practices**

### **Brokerage Discretion**

TAG recommends brokers based on its analysis of their performance and how such performance compares to those of other brokers. TAG receives no fee or economic inducement of any sort from such brokers for making such a recommendation. Recommendations are limited to those brokers who have been reviewed by TAG. Criteria such as performance and years of operation are important in determining fit or quality when making such recommendations.

### **Research and Other Soft Dollar Benefits**

TAG Associates LLC does not receive research or other products or services other than execution from a broker-dealer or a third party in connection with client securities transactions ("soft dollar benefits").

### **Aggregating Securities Transactions for Client Accounts; Directed Brokerage**

TAG primarily serves as the investment portfolio manager for its clients and generally does not directly or indirectly execute trades (see Item 4). However, TAG does from time to time execute trades for its clients. If trades in the same security are to be executed contemporaneously for two or more clients the Managing Director placing the trades will aggregate those trades.

TAG permits clients to direct TAG as to the choice of broker(s) for transactions on their behalf. Client-directed brokerage may result in TAG being unable to obtain the most favorable execution of transactions for those clients. For example, client-directed brokerage may mean such clients pay higher brokerage commissions because TAG is unable to aggregate orders with those of other clients to reduce transaction costs and may mean that such clients receive less favorable prices.

### **Other Potential Conflicts**

Due to legal and investment business considerations and as set forth in TAG's Code of Ethics, in managing any client account TAG employees may not act on material nonpublic information learned by them through these relationships or otherwise. Accordingly, TAG may suspend effecting transactions for client accounts with respect to a security when it becomes aware of material nonpublic information affecting such security.

## **Item 13 - Review of Accounts**

### **Client Performance Reviews**

Client portfolio accounts are reviewed periodically by a Managing Director and/or other qualified personnel in charge of a particular client's account. Portfolio changes can result from a change in a client's personal needs, macro-economic changes, change in laws, availability of new investment products, and superior or inferior performance by a recommended or available investment advisor or product.

A Managing Director is primarily responsible for the review process associated with his or her clients' portfolio accounts. The number varies among such directors but averages 10-20 clients per individual Managing Director. Some Managing Directors are part of TAG's Investment Committee. Investment Committee members are also primarily responsible for investment decisions related to the TAG Funds described in Item 4.

### **Nature/Frequency of Reports**

All clients receive monthly brokerage reports from the account custodians. TAG urges clients to carefully review these brokerage statements and call us with any questions.

TAG's Comprehensive Wealth Management clients receive periodic (generally, quarterly) reports that may include balance sheets, income statements, cash flows and tax projections in addition to portfolio reporting. In some cases, monthly reports are generated. In rare, and in agreed upon situations, the above-named reports may be generated on a semi-annual or annual basis.

TAG's Portfolio Management clients receive either monthly or quarterly reports reflecting overall portfolio performance as well as performance of the individual investment managers. Performance is reported in absolute dollar terms and in relative terms. That is, the portfolio and its component investment managers are compared in relation to agreed upon indexes and other like styled investment managers that form part of such client's portfolio of investments.



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

TAG from time to time enters into formal referral agreements with introducers providing for payment to such introducer of a portion of any fee income TAG receives from such referral clients. The arrangements fully comply with the requirements of Rule 206(4)-3 under the Investment Advisers Act.

Once TAG and the referred client enter into an investment advisory relationship, such client is treated in the same manner as other clients similarly situated, based on the category of services the client selects. Despite TAG's ongoing obligation to pay referral fees, it does not differentiate among clients in providing personalized investment advisory services based on how such client became a client, including, without limitation, the fees TAG charges any client, which are based on the extent of the services it provides. Thus, no conflicts of interest arise as a result of any client referral.

### **Item 15 - Custody**

TAG maintains custody of client cash and/or securities in accounts of clients who have authorized TAG to implement certain types of client transactions. TAG also maintains custody for certain other accounts due to the fact that supervised persons act as trustees or other types of fiduciaries for those accounts and as such have authority to withdraw assets or otherwise disburse funds without the client's specific consent. Under Securities and Exchange Commission ("SEC") rules custody is imputed to TAG.

TAG has retained Grant Thornton LLP to conduct an examination of client accounts in which TAG has custody of client assets. As a result, Grant Thornton LLP files a Form ADV-E with the Securities and Exchange Commission ("SEC") as part of TAG's filing with the SEC. Additional information can be found at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Clients should receive at least quarterly statements from the broker dealer, bank or other qualified custodian that holds and maintains their investment assets. TAG urges clients to review carefully such statements and compare such official custodial records to the account statements that TAG may provide to them. TAG's statements may vary from the custodial statements based on accounting procedures, reporting dates or valuation methodologies of certain securities.

## **Item 16 - Investment Discretion**

As detailed in Item 4, TAG provides overall portfolio management advice to our clients and does not, as a matter of course, exercise discretion over client brokerage accounts. In some instances our clients have given us discretion over their brokerage accounts, typically for administrative purposes to act on their behalf when a client is temporarily unavailable.

TAG recommends investment managers or private investment vehicles based on its analysis of their performance and how such performance compares to those of other investment advisors, market indexes, etc. TAG receives no fee or economic inducement of any sort from any of the above for making such a recommendation, except as discussed in Item 6 for non-client investors in the TAG Funds. Recommendations are limited to those investment managers whose performance TAG has reviewed. Criteria such as performance, years of operation and assets under management are important in determining fit or quality when making such recommendations.

### **Item 17 - Voting Client Securities**

With the exception of those securities held by the TAG Funds that TAG manages, as detailed in Item 4, TAG does not exercise voting authority over its clients' proxies. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in their portfolios. Occasionally, TAG may provide advice to clients regarding the voting of proxies related to private placement investments (e.g., hedge funds) made directly by the client.

While the securities evidencing the private equity investments made by the TAG Funds are not typically the subject of proxies, there could be certain circumstances where we, having discretionary authority over the accounts of the TAG Funds, may be asked to vote the securities of such Funds on restructuring or other corporate matters. We will ensure that a record of each securities position held by each TAG Fund is maintained and, where any such vote is to occur, we will ensure that we receive all relevant information, disclosure materials and such proxies or consents as are necessary for us to be able to cast votes in a timely manner.

We will also determine whether there is, or appears to be, a material conflict of interest that could influence the voting decision in a manner that would be adverse to the interests of a TAG Fund. If we determine that there is no material conflict of interest, then we will make the voting determination and take the required voting action. If we determine that, due to a conflict of interest, we are not capable of making an independent determination as to the voting decision, we will appoint an independent third party to make the applicable voting decision.

A TAG affiliate serves as general partner of each TAG Fund. As a result, each TAG Fund is aware of how we voted with respect to its securities.

We will provide a copy of our policies and procedures concerning the voting of client securities to clients upon request. Requests may be made to Jorge Gonzalez at 212-275-1500.

### **Item 18 - Financial Information**

Registered investment advisers are required in this Item to provide certain financial information or disclosures about the Adviser's financial condition since it has custody over certain client accounts; discussed in Items 4 and 15. TAG Associates LLC believes it has no financial commitments that would impair its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.

**Item 19 - Requirements for State-Registered Advisers**

N/A