



Auda Hedge, LLC

888 Seventh Avenue
41st Floor
New York, NY 10106
(212) 863-2300

March 2011

This Brochure provides information about the qualifications and business practices of Auda Hedge, LLC ("**Auda Hedge**" or the "**Firm**"). If you have any questions about the contents of this Brochure, please contact Auda Hedge's Chief Compliance Officer ("**CCO**"), Robert Kirby at (212) 863-2300. 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.

Auda Hedge is a registered investment adviser. Registration of an Investment Adviser does not imply that the firm or any of its principals or employees possesses a particular level of skill or training in the investment advisory business or any other business.

Additional information about Auda is available on the SEC's website at www.adviserinfo.sec.gov.

NEW YORK

LONDON

BAD HOMBURG

HONG KONG

Item 2: Material Changes

On July 28, 2010, the SEC published "Amendments to Form ADV" which amends the disclosure document that we provide to clients as required by SEC Rules. This Brochure is a new document prepared by Auda Hedge according to the SEC's new requirements and rules. As such, this document is materially different in structure from the former Form ADV II and Schedule F and requires certain new information that the previous Form ADV II and Schedule F did not require.

In the future, this Item will discuss only specific material changes that are made to the Brochure and provide clients with a summary of such changes. We will also reference the date of our last annual update of our Brochure.

Item 3: Table of Contents

Item 4: Advisory Business.....	4
Item 5: Fees and Compensation	4
Item 6: Performance-Based Fees and Side-By-Side Management	4
Item 7: Types of Clients	4
Item 8: Methods of Analysis, Investment Strategies and Risk of Loss.....	5
Item 9: Disciplinary Information	5
Item 10: Other Financial Industry Activities and Affiliations	6
Item 11: Participation or Interest in Client Transactions, Code of Ethics and Personal Trading.....	6
Item 12: Brokerage Practices	6
Item 13: Review of Accounts	6
Item 14: Payment for Client Referrals	7
Item 15: Custody	7
Item 16: Investment Discretion	7
Item 17: Voting Client Securities.....	7
Item 18: Financial Information	8

Item 4: Advisory Business

Auda Hedge, LLC ("**Auda Hedge**" or the "**Firm**") primarily provides investment advisory services to pooled investment vehicles for which it may serve as general partner or investment advisor. Generally, these vehicles operate as funds of hedge funds (the "**Funds**"). Auda Hedge's advisory services primarily include identification of underlying private fund managers, recommendation of securities and investments in affiliated and unaffiliated investment limited partnerships and real estate and operating companies. Auda Hedge also provides these services to unrelated pooled investment vehicles, which operate as hedge fund of funds, pursuant to sub-advisory arrangements with certain investment managers (the "**Sub-Advisory Funds**").

Auda Hedge may also provide investment advisory services to Managed Accounts that directly make investments in securities and other financial instruments. In addition, Auda Hedge provides investment supervisory services to certain individually Managed Accounts over which it does not have discretionary authority.

Auda Hedge comprises 14 employees managing \$322,949,127 in assets for 16 investment advisory vehicles in separately managed accounts. Of the 14 employees, 4 perform investment advisory functions including research.

Item 5: Fees and Compensation

Auda Hedge offers investment advisory services for a percentage of assets under management (AUM) as well as performance based fees. For its investment advisory services related to the Funds, Auda Hedge receives a Management Fee at an annual rate of 0.55% to 1% of the net assets of each Fund. These fees typically are paid on a quarterly basis.

All fees for the Funds will be disclosed in the relevant Fund's offering documents, which are provided to prospective investors.

In managing separate accounts for clients, Auda Hedge may charge fees that are more or less than those described above.

Item 6: Performance-Based Fees and Side-By-Side Management

For its investment advisory services related to the Funds, Auda Hedge receives a Performance Fee, which generally range up to 8% of net profits and may or may not include a hurdle rate.

Item 7: Types of Clients

Auda Hedge primarily acts as investment advisor to pooled investment vehicles and separately managed accounts.

Investors in the Funds must meet the requirements for an "accredited investor" under the Securities Act of 1933, as amended (the "**1933 Act**") and a "qualified purchaser" under the Investment Company Act of 1940, as amended (the "**Investment Company Act**").

The minimum investment in an Investment Vehicle or Client Account is generally in the amount of US \$25,000,000, although Auda Hedge may accept investments in a lesser amount.

Item 8: Methods of Analysis, Investment Strategies and Risk of Loss

Methods of Analysis and Investment Strategies

Auda Hedge utilizes a fundamental method of security analysis with respect to underlying managers who manage the assets of its clients. This analysis is generally based on contact with managers and historical performance. Other criteria for manager selection generally include a review of focused investment style, action-oriented decision-making, manager compensation tied to performance and personal commitment to the manager's own strategy.

Auda Hedge may implement other manager review strategies or criteria and may modify existing practices in the future. Analysis done with respect to other investments is based on corporate and investment-related fundamentals such as management and profitability.

The main sources of information used by Auda Hedge include: (i) financial newspapers and magazines; (ii) inspections of corporate activities; and (iii) research materials prepared by others.

Auda Hedge implements an investment strategy whereby hedge funds, as well as the underlying hedge fund of funds, may employ a variety of long term and short term strategies.

Risk of Loss Factors

Investing in non-public companies involves risk of loss and investors must have the financial wherewithal and appropriate experience to evaluate and bear the risks of an investment in the Funds. The Funds face significant investment risks in attempting to carry out their investment strategies. These include, but are not limited to, risks that the investments in the Funds' portfolios will decline in value. In making an investment decision, prospective investors must rely on their own examination of the Funds and their offering terms.

While not a comprehensive list of risk factors, the following should be considered and Investors are urged to consult their professional advisers before deciding to invest in the Funds.

Fund of Funds Structure

As funds of hedge funds, the Funds are subject to risk factors that may affect the value of their portfolios. These factors include, but are not limited to : i) illiquidity of the underlying portfolio funds, ii) lack of control over, or even satisfactory knowledge of, the trading activities of the portfolio managers, iii) third party custody of the fund of funds assets; and iv) dependence on the portfolio managers and their administrators for all relevant net asset value reporting.

Use of Leverage

The Funds generally do not use leverage however the underlying portfolio funds may borrow, trade on margin, draw upon lines of credit and many other forms of leverage. While leverage presents potential opportunities for increasing the Fund's or an underlying portfolio fund's total return, it conversely also has the effect of potentially magnifying losses as well.

Item 9: Disciplinary Information

Neither Auda Hedge, its affiliates nor its Managing Principals have been subject to any disciplinary action, whether criminal, civil or administrative (including regulatory) in any jurisdiction. Likewise, no persons involved in the management of the Firm have been subject to such action.

Item 10: Other Financial Industry Activities and Affiliations

Although Auda Hedge has no Financial Industry affiliations, certain employees may hold advisory board memberships. Auda Hedge is a registered investment advisor that is 100% owned by Auda U.S. LLC, the parent company of Auda Hedge.

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

Participation or Interest in Client Transactions

Auda Hedge and its affiliates act as investment advisor and general partner to certain related investment partnerships and offer and sell interests in the partnerships to Auda Hedge's advisory clients and to others. The offering documents for such offerings contain disclosures about, among other things, Auda Hedge's duties as investment advisor to the partnerships and its role as general partner, its respective compensation and the possibility of conflicts of interest.

From time to time, Auda Hedge and its affiliates invest client accounts in securities that Auda Hedge or its employees or affiliates also buy and sell for their own accounts. In such cases the client's interest are always paramount. Investment activity is reviewed carefully and continuously to ascertain, among other things, whether any possible conflicts of interest are presented by such investments. If a conflict is determined to exist, it is resolved in favor of the client. In addition, Auda Hedge and its employees and affiliates may take positions in securities for their own accounts that are inconsistent with recommendations made to clients.

Code of Ethics and Personal Trading

Auda Hedge adopted a Code of Ethics governing personal trading by its personnel. Auda Hedge's employees are required to pre-clear non-public securities transactions and to report their personal securities transactions and holdings with Compliance. Clients or prospective clients may obtain a copy of the Code of Ethics by contacting Compliance at (212) 863-2300.

Item 12: Brokerage Practices

As Auda Hedge is a hedge fund of funds, it does not engage in the trading of exchange-listed securities and so its investments are not made through brokerage firms.

Item 13: Review of Accounts

Auda Hedge manages 16 investment advisory vehicles which are regularly reviewed by members of Auda Hedge's Investment Committee on a formal and informal basis, as well as by other members of Auda Hedge.

Auda Hedge, through its service providers, provides unaudited financial reports to its advisory clients on a quarterly basis, however, more frequent reports may be provided as stipulated in individual advisory contracts or other agreements. In addition, certain large or strategic clients or investors may (upon request) be provided with more detailed information as to portfolio holdings. Auda Hedge provides audited financial reports annually.

Item 14: Payment for Client Referrals

Auda Hedge may make cash payments to third parties who provide client referrals for advisory clients in accordance with Rule 206(4)-3 of the Act.

Item 15: Custody

As a matter of policy and practice, Auda Hedge generally maintains client funds or securities over which it has custody with a qualified custodian. An independent public accountant audits annually the pooled investment vehicles that Auda Hedge manages and the audited financial statements are distributed to the investors in the pool annually. In certain advisory agreements, Auda Hedge may be granted the authority to directly debit advisory fees and/or pay expenses in connection with the pooled investment vehicles that the Firm advises.

Item 16: Investment Discretion

To the extent the Funds managed by Auda Hedge are deemed to be the "client," Auda Hedge has complete discretion to select the underlying funds in which each Fund will invest, to determine the amount invested with each such managers and to add or eliminate managers or rebalance the investments made among managers. These decisions are based primarily upon Auda Hedge's evaluation of the performance of the underlying managers used by each client and their fit within the portfolio.

Auda Private Equity LLC, which is a related person to Auda Hedge as described above, provides investment advisory services to certain individually managed accounts that are invested in certain Funds managed by Auda Hedge. This relationship is fully disclosed to affected clients and fee rebates are enacted to ensure that duplicative levels of fees are not incurred.

Item 17: Voting Client Securities

Auda Hedge has adopted Proxy Voting Policies and Procedures (the "**Procedures**") that are designed to ensure that the Firm will make a best efforts attempt to vote proxies with respect to client securities in the best interests of its clients. The Procedures also require that Auda Hedge identify and address conflicts of interest between its related persons and its clients. If a material conflict of interest exists, Auda Hedge will determine whether voting in accordance with the guidelines set forth in the Procedures is in the best interests of the client or whether taking some other action may be more appropriate. As a fund of funds, these proxies are generally related to voting on issues related to the operative terms of underlying funds. Auda Hedge generally votes in favor of routine corporate housekeeping proposals, including election of directors (where no corporate governance issues are implicated). Generally, Auda Hedge will vote against proposals that make it more difficult to replace members of a board of directors. For all other proposals, Auda Hedge will make a best effort attempt to determine whether a proposal is in the best interests of its clients and may take into account the following factors, among others:

- (a) whether the proposal was recommended by management and Auda Hedge's opinion of management;
- (b) whether the proposal acts to entrench existing management; and
- (c) whether the proposal fairly compensates management for past and future performance.

Clients may obtain a copy of Auda Hedge's Procedures and information about how Auda Hedge voted a client's proxies by contacting Compliance at (212) 863-2300.

Item 18: Financial Information

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about Auda Hedge's financial condition. Auda Hedge, LLC has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.