

Item 1 – Cover Page

Tricadia CDO Management, LLC

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March 29, 2016

This brochure (this “Brochure”) provides information about the qualifications and business practices of Tricadia CDO Management, LLC (“Tricadia CDO Management” or “Tricadia”). If you have any questions about the contents of this Brochure, please contact us at (646) 388-5900. 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.

Tricadia CDO Management is an SEC-registered investment adviser. Registration of an investment adviser does not imply any level of skill or training. The oral and written communications of an investment adviser provide you with information about which you determine to hire or retain an investment adviser.

Additional information about Tricadia CDO Management and its affiliates also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. The CRD number for Tricadia CDO Management is 128838.

This Brochure does not constitute an offer to sell or the solicitation of an offer to purchase any securities of any entities described herein. Any such offer or solicitation will be made solely to qualified investors by means of a private placement memorandum.

## **Item 2 – Material Changes**

Our last version of this Brochure was dated July 29, 2015.

We have revised this Brochure to clarify the relationship between Tricadia and Mariner Investment Group, LLC (and affiliates thereof) and the relationship between Tricadia and Tiptree Financial Inc., to add conflict of interest disclosure relating to the relationship between Tricadia Capital and Credit Suisse Group AG, to reflect revisions made to Tricadia's compliance program and to remove information regarding an account that is no longer managed by Tricadia. We have also updated certain information, such as our assets under management, and have also made certain clarifying or technical corrections. If you would like to receive a "blackline" showing all of the changes from our prior version, please request one using the contact information below.

Pursuant to SEC rules, we will ensure that you receive a summary of any material changes to this Brochure and subsequent brochures within 120 days of the close of Tricadia CDO Management's fiscal year.

You may request the most recent version of our brochure by contacting James McKee, Tricadia CDO Management's Chief Compliance Officer, at (646) 525-3824.

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## **Item 4 – Advisory Business**

### **Tricadia's Business**

Tricadia CDO Management provides discretionary portfolio management and advisory services to issuers of collateralized debt obligations.

Tricadia CDO Management has been in business since 2003. Tricadia Holdings, L.P. owns 100% of Tricadia CDO Management, and Michael Barnes and Arif Inayatullah control Tricadia Holdings, L.P.

### **Advisory Services**

Tricadia serves as investment adviser to several issuers of collateralized debt obligations (the "Securitized Vehicles"). CDOs are instruments representing interests in pools, the underlying asset classes of which may include bonds (including other CDOs, asset backed securities and other structured investments), debentures, syndicated loans or private placement debt. Tricadia CDO Management manages accounts that invest almost exclusively in Structured Investments (including ABS and CDOs).

Each of the Securitized Vehicles relies on an exception from the definition of an "investment company" provided by Section 3(c)(7) of the U.S. Investment Company Act of 1940, as amended. Tricadia generally manages the Securitized Vehicles in accordance with the governing documents of the relevant Securitized Vehicle and not based upon the individual needs of the investors in the Securitized Vehicle.

Please see Item 8 for information about the Securitized Vehicles' investment strategies, investments in which those Securitized Vehicles invest, and risk factors associated with those strategies and investments.

### **Client Restrictions**

The governing documents of each Securitized Vehicle generally contains restrictions on (i) the specific types of investments or asset classes that Tricadia will or will not purchase for the Securitized Vehicles; (ii) the nature of the issuers of investments that Tricadia will or will not purchase for the Securitized Vehicles; and/or (iii) the risk profile of instruments Tricadia will or will not purchase for the Securitized Vehicles, or the risk profile of the Securitized Vehicle as a whole.

### **Client Assets**

As of December 31, 2015, Tricadia managed on a discretionary basis approximately \$72,118,445 in client assets, which consisted of the Securitized Vehicles.

## Item 5 – Fees and Compensation

### Compensation for Advisory Services

#### Generally

Tricadia generally charges advisory fees to Tricadia's advisory clients based on client assets under management.

Tricadia's fees generally depend on the nature of the services to be provided, may or may not be negotiable, and are set forth in each applicable management agreement.

As a general policy and as discussed further below, each Securitized Vehicle pays Tricadia directly. Pursuant to each management agreement to which Tricadia is a party, Tricadia in general may not be terminated as investment adviser by the Securitized Vehicle without cause, but may withdraw as investment adviser with or without cause following the Securitized Vehicle's receipt of written notice. Similar advisory services may be available from other investment advisers at lower cost.

#### *Asset-Based Fees*

The asset-based fees (or "management fees") typically are charged at an annual rate of up to 0.46% of the value of the Securitized Vehicle. Asset-based fees are generally payable at the time distributions are made.

Investors directly invested in Securitized Vehicles are subject to the management fees of the applicable Securitized Vehicle, as described in that Securitized Vehicle's offering documents.

#### Securitized Vehicle-Specific Compensation

The following chart provides the fees payable to Tricadia by the Securitized Vehicles:

<b>Name of Securitized Vehicle</b>	<b>Collateral Manager</b>	<b>Asset-Based Fee</b>
TABS 2004-1, Ltd.	Tricadia CDO Management	Up to 0.152%
TABS 2005-2, Ltd.	Tricadia CDO Management	Up to 0.40%
TABS 2005-4, Ltd.	Tricadia CDO Management	Up to 0.30%

## **Additional Expenses**

Tricadia's fees are exclusive of, as applicable, brokerage commissions, transaction fees, origination fees, back office costs, administration fees and other related costs and expenses, which are the clients' responsibility. Trustees, custodians, administrators and other third parties may impose fees on Tricadia's clients, such as trustee fees, custodial fees, administration fees, transaction fees and other fees and expenses. These charges, fees and expenses are generally exclusive of and in addition to Tricadia's fees.

The Securitized Vehicles also generally will bear legal, administration fees and operating fees (including entity-level taxes and other governmental fees and expenses), internal and external accounting expenses incurred in preparing, printing and delivering all reports (including such expenses incurred in connection with any governing document), insurance premiums and all filing costs and fees, as well as the cost of any fees related to the monitoring or purchase of assets, including, without limitation, the cost of any research software, pricing facilities or credit databases used by Tricadia. The Securitized Vehicles will also pay any extraordinary expenses they may incur, including any litigation expenses.

Item 12 below further describes the factors that Tricadia considers in selecting broker-dealers for client transactions and determining the reasonableness of their compensation (for example, commissions).

## **Compensation-Based Conflicts**

### *No Arm's Length Negotiation between Tricadia and the Securitized Vehicles*

The fee arrangements between Tricadia and some of the Securitized Vehicles were not the product of an arm's-length negotiation with a third party. Where applicable, Tricadia discloses this conflict in the relevant offering documents to potential investors in the Securitized Vehicles.

### *Incentive for Tricadia to favor clients that pay higher fees*

Management fees or performance fees paid by certain Tricadia clients may be higher than those paid by other Tricadia clients, which could lead to a tendency for Tricadia to favor its clients that pay higher fees, for example, in the allocation of scarce investment opportunities or investment decisions. Please see Item 10 below for information regarding Tricadia's trade allocation and aggregation of trade policies, and Item 11 below for information regarding Tricadia's Code of Ethics.

### *Tricadia may be incentivized to originate or acquire an investment in order to earn an origination fee*

A Securitized Vehicle may pay Tricadia or its affiliate an "origination fee" or "servicing fee" in connection with an investment that Tricadia or its affiliate originates on behalf of that Securitized Vehicle. Those fees will be payable from the issuer/borrower involved in the investment and will be payable in respect of the additional due diligence, underwriting and other investment services to be performed by Tricadia or its affiliate in connection with that investment. As a result, Tricadia or

its affiliate, as applicable, will have an interest in originating those investments and performing those services, and will be compensated in connection with those investments even if they are not successful or otherwise do not perform as expected.

#### **Item 6 –Conflicts Related to Performance-Based Fees and Side-By-Side Management**

Tricadia faces conflicts related to the side-by-side management of accounts that do not pay performance-based fees along with accounts managed by Tricadia Capital Management, LLC or Tiptree Asset Management Company, LLC, affiliates of Tricadia, that do. (See Item 10 below for further information on Tricadia Capital Management, LLC and Tiptree Asset Management Company, LLC).

#### **Item 7 – Types of Clients**

As noted in Item 4 above, Tricadia provides discretionary portfolio management and advisory services to the Securitized Vehicles.

Investors that directly invest in Securitized Vehicles will generally be subject to minimum investment amounts as described in the Securitized Vehicles' offering documents. Those minimum investment amounts for Securitized Vehicle investors may be modified in accordance with the Securitized Vehicle documents.

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

The following is a summary of (i) the strategies and methods Tricadia uses in formulating advice or managing assets (and their material risks) and (ii) the material risks associated with the types of securities that Tricadia primarily recommends to its clients. Clients and prospective clients should refer to a separate disclosure document that the client has or will receive that sets out a more detailed explanation of the material risks of investment strategies or methods of analysis that are or will be used to manage the client's account. Investors in the Securitized Vehicles should refer to the offering documents of the Securitized Vehicles for more detailed explanations of the material risks of investment strategies or methods of analysis that are or will be used to manage the Securitized Vehicles.

**Securitized Vehicles:** TABS 2004-1, Ltd., TABS 2005-2, Ltd., TABS 2005-4, Ltd.

**Securitized Vehicle strategies and related risks:**

**-Fundamental**

- *Description:* This strategy involves assessing whether a particular security will face any loss of principal or interest based on an evaluation of the relevant deal structure and the use of default and recovery models.
- *Risks:* Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the security.

**Types of investments and related risks:**

**-Asset-backed securities (“ABS”)**

- *Related Risks*
  - Credit card receivables, automobile, boat and recreational vehicle installment sales contracts, commercial and industrial bank loans, home equity loans and lines of credit, manufactured housing loans, corporate debt securities and various types of accounts receivable commonly support ABS. However, there can be no assurance that innovation in the relevant markets will not transform ABS by adding new classes of assets, new structures or other features not now familiar in the asset-backed markets.
  - ABS securities generally do not have the benefit of the same security interest in the related collateral as mortgage loans or mortgage-backed securities. The risk of investing in ABS is ultimately dependent upon payment of consumer loans by the debtor.
  - The collateral supporting ABS is often of shorter maturity than mortgage loans and is less likely to experience substantial prepayments. ABS are often backed by a pool of assets representing the obligations of a number of different parties and may use credit enhancement techniques such as letters of credit, guarantees or preference rights.
  - The value of an asset-backed security may be affected by changes in the market's perception of the asset backing the security and the creditworthiness of the servicing agent for the loan pool, the originator of the loans or the financial institution providing any credit enhancement, as well as by the expiration or removal of any credit enhancement.
  - In general, “premium” securities (securities whose market values exceed their principal or par amounts) are adversely affected by faster than anticipated prepayments, and “discount” securities (securities whose principal or par amounts exceed their market values) are adversely affected by slower than anticipated prepayments. Since many ABS will be discount securities when interest rates are



high, and will be premium securities when interest rates are low, these ABS may be adversely affected by changes in prepayments in any interest rate environment.

-Collateralized debt obligations ("CDOs")

- *Related Risks*

- CDOs may invest in concentrated portfolios of assets. The concentration of an underlying portfolio in any one obligor would subject the holder of the related CDO securities to a greater degree of risk with respect to defaults by such obligor and the concentration of a portfolio in any one industry would subject the holder of the related CDOs to a greater degree of risk with respect to economic downturns relating to such industry or region.
- The Securitized Vehicle's investments in CDOs involve significant leverage. Leverage is embedded in all classes of a CDO other than the most senior tranche. While the leverage presents opportunities for increasing the Securitized Vehicle's total return, it has the effect of potentially increasing losses as well.
- CDO securities are issued on a non-recourse basis and holders of CDO securities must rely solely on distributions on the CDO collateral or proceeds thereof for payment. If distributions on the CDO collateral are insufficient to make payments on the CDO securities, no other assets will be available for payment of the deficiency and following liquidation of the CDO collateral, the obligations of such issuer to pay such deficiency will be extinguished.
- CDOs are subject to significant interest rate risk. Some of the CDO collateral of an issuer of a CDO bears interest at a fixed rate, while the CDO security typically bears interest at a floating rate. As a result, there could be a floating/fixed rate mismatch between such CDO security and the CDO collateral which bears interest at a fixed rate. In addition, the CDO collateral which bears interest at floating rates will pay interest at rates that adjust more frequently or less frequently, on different dates and based on different indices than the interest rates on the CDO security. As a result of such mismatches, an increase or decrease in the level of the floating rate indices could adversely impact the ability of the CDO to make payments on such CDO security.
- CDO securities in which the Securitized Vehicle may invest may be deemed by rating agencies to have substantial vulnerability to default in payment of interest and/or principal. Other securities may have the lowest quality ratings or may be unrated. Lower rated and unrated securities in which the Securitized Vehicle may invest have large uncertainties or major risk exposures to adverse conditions and are considered to be predominantly speculative. In addition, the market values of CDO securities also tend to be more sensitive to changes in economic conditions than higher rated securities. In certain cases, failure to achieve certain collateral quality thresholds set forth in applicable CDO documents may result in the default or liquidation of a CDO security.
- At times, the fixed income markets have in the past experienced significant falloffs in liquidity. While such events may sometimes be attributable to changes in interest rates or other factors, the cause is not always apparent. During periods of market illiquidity, a CDO may not be able to sell assets in its portfolio or may only be able to do so at unfavorable prices. That liquidity risk could adversely impact the value of the Securitized Vehicle's portfolio.

## -Agency and non-agency residential mortgage-backed securities (“RMBS”)

- *Related risks:*
  - Holders of RMBS bear various risks, including credit, market, interest rate, structural and legal risks. RMBS represent interests in pools of residential mortgage loans secured by one to four family residential mortgage loans. These loans may generally be prepaid at any time. Residential mortgage loans are obligations of the borrowers thereunder only and may not be insured or guaranteed by any other person or entity, although such loans may be securitized by government agencies and the securities issued are guaranteed.
  - The rate of defaults and losses on residential mortgage loans will be affected by a number of factors, including general economic conditions and those in the area where the related mortgaged property is located, the borrower’s equity in the mortgaged property and the financial circumstances of the borrower. If a residential mortgage loan is in default, foreclosure of such residential mortgage loan may be a lengthy and difficult process, and may involve significant expenses. Furthermore, the market for defaulted residential mortgage loans or foreclosed properties may be very limited.

## **Item 9 – Disciplinary Information**

Form ADV Part 2 requires investment advisers such as Tricadia to disclose legal or disciplinary events involving the firm or its partners, officers, or principals that are material to your evaluation of its advisory business or the integrity of its management. At this time, Tricadia has no information to report that is applicable to this item.

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

### **Investment Advisers**

#### Generally

Tricadia two three registered investment adviser affiliated parties, Tricadia Capital Management, LLC (“Tricadia Capital”) and Tiptree Asset Management Company, LLC (“TAMCO”). Tricadia Capital and TAMCO are separately registered with the SEC under file numbers 801-65759 (Tricadia Capital) and 801-76681 (TAMCO).

Tricadia Capital is also registered as a commodity pool operator with the Commodity Futures Trading Commission under National Futures Association identification number 0392426.

Tricadia Capital (filing adviser) files its Form ADV together with Tricadia Capital, LLC, Tricadia Distressed and Special Situations GP, LLC, Tricadia Distressed and Special Situations II GP, LLC, Tricadia Europe LLP, Tricadia Financials GP, LLC, SCOPES II GP, LLC and Tricadia Convexity GP, LLC

(relying advisers). TAMCO (filing adviser) files its Form ADV together with Telos Asset Management LLC and Muni Capital Management, LLC (relying advisers).

Tricadia is also associated with Mariner Investment Group, LLC (“Mariner”), an investment adviser registered with the SEC under file number 801-62016. Mariner is also registered as a commodity pool operator under National Futures Association identification number 0249051. Mariner advises pooled investment vehicles and separately managed accounts.

Mariner currently provides certain significant support services (e.g., accounting, human resources, marketing, compliance and legal support, investor relations etc.) to Tricadia and its affiliates (collectively the “Services”) as part of an existing agreement between Mariner and Tricadia Holdings, L.P. (the “Mariner Agreement”). The Mariner Agreement provides for the right of termination of this relationship and related Services upon notice and satisfaction of specific conditions set forth therein. Although the Services currently support a significant part of Tricadia’s ongoing business activities and obligations, the Tricadia does not believe that the Services are unique or otherwise irreplaceable. Notwithstanding that belief, however, the potential termination of the Mariner Agreement and the corresponding termination of the relationship between Mariner and Tricadia and its affiliates, should be considered by the investor as part of its decision to invest.

#### Conflicts

See “Securitized Vehicles- Conflicts” below.

### **Mariner Group Capital Markets, Mariner Europe and Mariner Japan**

#### Generally

Through its relationship with Mariner, Tricadia is also associated with Mariner Group Capital Markets, Inc. (“Mariner Group Capital Markets”), a broker-dealer registered with the SEC and a FINRA member. Mariner Group Capital Markets is a limited purpose broker-dealer and generally serves as placement agent in private offerings in the United States and Canada. Mariner Group Capital Markets does not maintain client accounts or execute securities transactions on behalf of clients and Tricadia does not execute trades on behalf of its investment advisory clients through Mariner Group Capital Markets.

Through its relationship with Mariner, Tricadia is also associated with Mariner Investment (Europe) LLP (“Mariner Europe”) and Mariner Japan Inc. (“Mariner Japan”). Mariner Europe is a Mariner affiliate located in London and is authorized and regulated by the Financial Conduct Authority in the United Kingdom. Mariner Japan, a Mariner affiliate located in Tokyo, is registered with the Kanto Finance Bureau and regulated by the Financial Services Agency – Japan.

## Conflicts

*Compensation provides an incentive to recommend Tricadia products*

To the extent that Mariner Group Capital Markets, Mariner Europe and Mariner Japan personnel receive compensation for selling Tricadia products, they have a conflict of interest in consulting with prospective clients and investors as to the opening and closing of a Securitized Vehicle for clients. Where applicable, Tricadia discloses this conflict to potential investors.

## **Back Office Services Group**

### Generally

Through its relationship with Mariner, Tricadia is associated with The Back Office Services Group, LLC ("BOSG"), an affiliate of Mariner. BOSG provides certain accounting, administration and other back office services to clients and affiliates of Tricadia Capital and TAMCO.

### Conflicts

*Tricadia may be incentivized to benefit financially BOSG as an associated party*

Tricadia may be incentivized to retain BOSG, an associated party, on behalf of the Securitized Vehicles, and Tricadia's desire to benefit its associated party financially may conflict with Tricadia's duty to act in the best interests of its advisory clients.

## **Tiptree**

### Generally

Tricadia is affiliated with Tiptree Financial Inc. and Tiptree Financial Partners, L.P. (collectively, "Tiptree"). Tiptree was established in 2007 and was managed by Tricadia Capital or its affiliates until June 2012. Tiptree owns several financial services business. Tiptree Financial Inc. is traded on the NASDAQ under the symbol "TIPT". One of Tiptree's subsidiaries, TAMCO, is registered with the SEC as an investment adviser and primarily serves as collateral manager for issuers of securitized asset funds. While Tiptree and its subsidiaries largely have their own employees, executives and investment personnel separate from Tricadia, Michael Barnes, co-managing partner of Tricadia, serves as Executive Chairman of Tiptree.

### Conflicts

*Allocation of Business Time between Tricadia and Tiptree*

Although he will devote as much time to Tricadia's Securitized Vehicles as he deems appropriate to perform his advisory duties, Michael Barnes may have conflicts in allocating his time and services among Tricadia's Securitized Vehicles and Tiptree. Accordingly, during certain periods or in certain circumstances, Michael Barnes may be unable as a result of such conflicts to make investments or to take other actions that he might consider to be in the best interests of Tricadia's clients. Michael

Barnes intends to devote such time and attention to the business and affairs of each Securitized Vehicle as he deems necessary.

#### *Allocation of Investment Opportunities between Tricadia and Tiptree*

Neither Tricadia nor Tiptree will generally be required to offer investment opportunities of which they become aware to the other party or any benefit received by them from any such investment opportunity or to inform the other party of any such investments. In addition, both Tricadia or Tiptree may make an investment on its own behalf (in the case of Tiptree), or on behalf of funds or accounts that they or any subsidiary thereof manages or advises, without offering such investment opportunity to the other party or making any such investments on behalf of the other party (or clients of the other party). Affirmative obligations may exist or may arise in the future, whereby Tricadia or Tiptree are obligated to offer certain investments to the other party before or without participating in such opportunity. Tricadia or Tiptree may make investments on behalf of itself (in the case of Tiptree), or on behalf of funds or accounts that they or any subsidiary thereof manages or advises, that the other party has declined to invest in for its own account (in the case of Tiptree) or the account of any of its clients.

Please see below for information regarding Tricadia's trade allocation and aggregation of trade policies, and Item 11 below for information regarding Tricadia's Code of Ethics.

### **ORIX**

#### Generally

Mariner is affiliated with ORIX USA Corporation ("ORIX"). ORIX receives a portion of Mariner's revenues through its ownership interest (the "ORIX Interest") in MIG Holdings LLC (Mariner's parent).

#### Conflicts

##### *Preferential treatment for ORIX as an investor in the Securitized Vehicles*

As ORIX holds the ORIX Interest, may be an investor in certain Securitized Vehicles and has the right (but not the obligation) to provide additional financing to MIG Holdings LLC or contribute additional funds to Securitized Vehicles, numerous conflicts of interest exist (or may in the future exist). For example, Tricadia may feel obligated or otherwise deem it advisable to permit ORIX to invest in Securitized Vehicles on terms (for example, preferential investment, withdrawal and distribution rights, favorable trade allocations and pricing, lower fees and transparency) that are better than those available to other unaffiliated investors (or alternatively, to favor the Securitized Vehicles in which ORIX invests over other Securitized Vehicles).

Please see below for information regarding Tricadia's trade allocation and aggregation of trade policies, and Item 11 below for information regarding Tricadia's Code of Ethics.

### *Incentive to retain ORIX or its affiliates as service providers*

ORIX or its affiliates are likely to act as service providers to Tricadia or its clients from time to time. When ORIX or its affiliates act as service providers (for example, as a broker-dealer or lender) to Tricadia or its clients, ORIX or its affiliates (as applicable) will receive compensation for services provided to Tricadia or its clients (as applicable). Tricadia may be incentivized to select and retain ORIX or its affiliates as service providers for Tricadia or its clients, regardless of whether ORIX or its affiliates may be more costly than or provide lesser quality services to Tricadia or its clients (as compared to non-ORIX affiliated service providers).

### **Credit Suisse Group AG**

#### Generally

An affiliate of Credit Suisse Group AG (“Credit Suisse”) holds a non-voting equity interest in Tricadia’s parent company and certain affiliates. This interest entitles such holder to payments based on the revenues of the applicable Tricadia entities for a stated period of time.

#### Conflicts

### *Incentive to retain Credit Suisse or its affiliates as service providers*

Credit Suisse or its affiliates are likely to act as service providers to Tricadia or its clients from time to time. When Credit Suisse or its affiliates act as service providers (for example, as a broker-dealer or lender) to Tricadia or its clients, Credit Suisse or its affiliates (as applicable) will receive compensation for services provided to Tricadia or its clients (as applicable).

Tricadia may be incentivized to select and retain Credit Suisse or its affiliates as service providers for Tricadia or its clients, regardless of whether Credit Suisse or its affiliates may be more costly than or provide lesser quality services to Tricadia or its clients (as compared to non-Credit Suisse affiliated service providers).

### **Board/Creditor Committee Representation**

#### Generally

Portfolio managers of Tricadia or its affiliates may serve as members of the board of directors or a creditors’ committee of a company the securities of which may be held in Securitized Vehicles. The provision of services on a creditors’ committee is typically the result of a subject issuer filing for bankruptcy or entering reorganization proceedings. As a general matter, employee membership on the board of a publicly traded company or creditors’ committee for a debtor in bankruptcy requires pre-clearance from Tricadia’s Chief Compliance Officer, and may be permitted when it is deemed to be in the best interests of Tricadia and/or its clients or in their respective or collective opinion does not otherwise present an unreasonable risk.

## Conflicts

*Tricadia may not be permitted to disclose certain information*

As a member of such a committee, portfolio managers of Tricadia or its affiliates may acquire material non-public information about corporations or other entities or their securities. Tricadia and its affiliates are not obligated, and may not be permitted, to disclose any of that information to or for the benefit of their clients, or otherwise act on the basis of that information in providing services to its clients. This may cause a conflict of interest between Tricadia's (or its affiliates') legal or contractual duty not to disclose material non-public information and its duty to act in the best interest of its advisory clients.

Tricadia gives careful consideration to the benefits and drawbacks associated with personnel serving as a member of the board of directors or a creditors' committee. Whenever practicable and appropriate, Tricadia seeks to limit the application of contractual or regulatory restrictions on its trading activity. These types of restrictions are an inherent risk associated with the active management of certain types of assets (for example, bank debt or distressed corporate bonds) and cannot be mitigated in all cases.

## **Securitized Vehicles**

### Generally

Tricadia advises the Securitized Vehicles, as described in Item 4 above. In addition, Tricadia Capital and TAMCO (individually or through affiliates) advise pooled investment vehicles and separately managed accounts.

### Conflicts

*Tricadia may engage in activities (on behalf of itself or other clients) which may conflict with its activities on behalf of a client*

Subject to Tricadia's Code of Ethics and other conflict mitigation policies and procedures implemented by it (as applicable), Tricadia, or its affiliates, and any of their respective partners, directors, members, officers and employees, may engage directly or indirectly in any business or other activities, including exercising investment advisory and management responsibility and buying, selling or otherwise dealing with securities for their own accounts, for the accounts of family members, for the accounts of any Securitized Vehicles and for the accounts of individual and institutional clients.

Tricadia and its affiliates may give advice and take action in the performance of their duties to one account which may differ from the timing and nature of action taken with respect to another account. For example, Tricadia may recommend that a client take a long position in a particular security or instrument while, at the same time, Tricadia is recommending that another client take a short position with respect to the same security or instrument. Therefore, the portfolio strategies that Tricadia or its affiliates use for one account could conflict with the transactions and strategies

Tricadia employs in managing another client and may affect the prices and availability of the securities and other financial instruments in which its clients invest.

Tricadia does not have an obligation to purchase or sell for any Securitized Vehicle any investment which Tricadia or its affiliates, as applicable, may purchase or sell, or recommend for purchase or sale, for its or their own accounts, or for any other client account.

*Tricadia may have an incentive to favor certain clients (or itself) over others*

Some of the Securitized Vehicles and other clients sponsored or managed by Tricadia or its affiliates have overlapping objectives and strategies. Additionally, Tricadia or its affiliates may own interests in those Securitized Vehicles. In various circumstances, particularly when Tricadia or its affiliates sponsors a new account or investment vehicle, if Tricadia or its affiliate provide most of the initial seed money, such account or investment vehicle may be wholly or principally owned by Tricadia or its affiliates. Tricadia's (or its affiliates') ownership interest in these accounts or investment vehicles may give Tricadia an incentive to favor these clients over other clients. However, as discussed below, generally all accounts managed using the same investment strategy will participate *pro rata* (based on the available capital within an account to a particular strategy) in all investment opportunities that Tricadia allocates to any other account using that strategy. These allocations are subject to exceptions and subjective factors, as discussed below.

*Clients of Tricadia Capital own interests in collateralized debt obligation issuers managed by Tricadia*

Clients of Tricadia's affiliates, including clients of Tricadia Capital, own interests in collateralized debt obligation issuers managed by Tricadia. None of these clients is required to hold any of these interests. As a result, Tricadia and its affiliates face conflicts of interest between the interests of such clients and the collateralized debt obligation issuers in purchasing or selling securities for these issuers or in voting or exercising rights associated with the interests held by clients of Tricadia's affiliates. Where applicable, Tricadia discloses this conflict in the relevant offering documents to potential investors in the Securitized Vehicles.

*Trade Aggregation*

If Tricadia or its affiliates believes that the purchase or sale of a security is in the best interest of more than one of their respective clients, it may (but is not obligated to) aggregate the orders to be purchased or sold to seek favorable execution or lower brokerage commissions, to the extent permitted by applicable regulation or law. However, Tricadia or its affiliates are not required to bunch or aggregate orders of their respective portfolio managers to the extent that portfolio management decisions are made separately or if Tricadia or its affiliates (as applicable) determines it would not be consistent with its investment management duties to do so. Aggregation of orders under these circumstances should, on average, decrease the cost of execution.

Due to prevailing trading activity, it is frequently not possible to receive the same price or execution on the entire volume of securities purchased or sold. When this occurs, the various prices may, in Tricadia's sole discretion, be averaged and participating Securitized Vehicles will be charged or



credited with the average price. In such cases, each client that participates in the aggregated transaction will share transaction costs *pro rata* based upon each client's participation in the transaction. Aggregation may advantage or disadvantage a Securitized Vehicle.

#### *Allocation Practices*

Items 4 and 5 above contain a description of Tricadia's a Securitized Vehicles and the compensation Tricadia receives for managing those a Securitized Vehicles. Tricadia's affiliates manage (and may manage) separately managed accounts, private equity or other hedge fund-type accounts that have similar fee structures, and in particular instances, much higher fee structures than those described under Items 4 and 5. Since that compensation may create a conflict of interest, that disclosure should be read in conjunction with the disclosure set forth below.

When a transaction is suitable for more than one client, Tricadia and its affiliates will generally attempt to allocate purchase and sale opportunities on a fair and equitable basis over time among their respective clients. Tricadia and its affiliates may consider some or all of the following factors in making allocation decisions among Securitized Vehicles and other client accounts:

- investment objectives,
- investment policies,
- investment restrictions,
- risk tolerance,
- time horizon,
- tax sensitivity,
- desired capitalization range,
- nature and size of the account,
- suitability,
- tolerance for portfolio turnover,
- availability of cash or buying power,
- account "ramp-ups", and
- whether the Securitized Vehicle or other client account is eligible to participate in a trade pursuant to applicable compliance regulations.

Allocations are designed with a view towards ensuring that over time no Securitized Vehicle (or group of Securitized Vehicles) will be systematically favored over any other Securitized Vehicle (or

group of Securitized Vehicles). Allocation methodologies may include *pro rata* (based on account size or available capital for a particular investment strategy) or a “round robin” allocation as described further in Tricadia’s “Trade Aggregation and Allocation Policy” (that is, rotating the Securitized Vehicles that do not participate in allocations due to the limited investment opportunities as described below). In the event an order is only partially filled, Tricadia will generally attempt to allocate the position *pro rata* based upon the original allocation statement (“Pro Rata”).

There are exceptions to this policy. For example, if the Pro Rata allocation results in a cash position that is different from the desired cash level, or if the position would be inconsistent with the investment objectives of one or more Securitized Vehicles, Tricadia may deviate from the Pro Rata formula. Tricadia may also deviate from its policy in order to address liquidity concerns and other practical limitations associated with partial fills or small allocations by allocating to participating Securitized Vehicles a minimum number of shares or bonds (such as 1,000 shares or 1,000 bonds).

Securities may not be allocated Pro Rata or otherwise as described above in the case of a transaction involving so few shares or bonds such that normal allocations among Securitized Vehicles would be impracticable or result in a nonconforming allocation for one or more particular client (such as when securities only trade in larger blocks). In those cases, Tricadia personnel will use their best efforts to allocate amounts obtained from partial fills fairly.

In following the allocation policy described above, it is possible that the allocation process will at times result in Tricadia or its affiliates favoring client accounts that:

- pay higher fees;
- are partially or wholly owned by Tricadia, its affiliates or their employees; or
- Tricadia or its affiliates otherwise have a financial or reputational incentive to favor over other client accounts.

Tricadia or its affiliates may cause their clients to share proportionately in the legal fees and other expenses it incurs in investigating and negotiating potential transactions for those clients.

Depending upon, among other things, a Securitized Vehicle’s governing documents, Tricadia may cause a Securitized Vehicle to invest in privately-offered pooled investment vehicles, unit investment trusts or other collective investment vehicles (such as CDOs), for which Tricadia or any of its affiliates serves as investment adviser or manager (each, an “Affiliated Fund”). Tricadia or its affiliates, in its capacity as manager, general partner or investment adviser to the Affiliated Funds, may receive ongoing fees from its activities as manager, general partner or investment adviser.

To the extent Tricadia (or its affiliates), on behalf of its clients, purchases or causes the purchase of security interests offered by an Affiliated Fund, Tricadia (or its affiliates) may voluntarily choose to waive all or a portion of the ongoing fees it would otherwise be entitled to receive and credit those fees to the investing clients. Any ongoing fee waiver, however, will only occur for as long as the

client accounts hold these specific security interests in an Affiliated Fund. Accordingly, Tricadia or its affiliates will face conflicts of interest when purchasing and selling those securities.

## **Item 11 – Code of Ethics**

### **General Conflicts as to Tricadia**

Tricadia is a multi-product investment adviser that has several related or associated parties as described above in Item 10. As such, Tricadia and its affiliates (collectively, the “Firm”) and their partners, officers and employees (“Personnel”) may have multiple advisory, transactional, financial and other interests in securities, instruments, companies or investment vehicles that may be purchased or sold by Tricadia for the Securitized Vehicles. Tricadia has established a variety of restrictions, procedures, and disclosures designed to address conflicts of interest arising between Securitized Vehicles on the one hand and the Firm’s business on the other.

It is Tricadia’s policy that Personnel involved in decision-making for Securitized Vehicles must seek to act in the best interest of their advisory clients. More specifically, where asset management Personnel (“Advisory Personnel”) know of conflicts among Securitized Vehicles or between Securitized Vehicles and the Firm and/or Personnel, it is Tricadia’s policy to disclose their existence through delivery of this Brochure or otherwise at Tricadia’s discretion depending upon the circumstances, and to comply with legal requirements, if relevant, with respect to obtaining consents or other approvals.

### **Cross Trades and Principal Trades**

*Tricadia may cause its clients to make investments in affiliated entities*

Tricadia or its affiliates may act in multiple capacities (for example, act as principal or agent as described below in addition to acting as adviser on behalf of a client), and may effect transactions with or for an account in instances in which Tricadia, its affiliates and/or their personnel may have multiple interests. Tricadia may invest Securitized Vehicles, or recommend that clients invest, in Affiliated Funds. Investments in Affiliated Funds may be of any class or category of shares with the understanding that fees associated with such class or category need not be the lowest fees offered.

*Tricadia may be compensated for causing its clients to make investments in affiliated entities*

In addition, Tricadia has no obligation to determine whether investments in other Affiliated Funds or a comparable, non-affiliated collective investment fund or vehicle, would be subject to lower fees and expenses. In connection with such investment, unless provided otherwise in the client’s advisory agreement, the client will pay all fees pertaining to the Affiliated Fund and no portion of the Affiliated Fund’s advisory, administrative or other fees will be offset against fees payable in accordance with the advisory agreement. The client may prospectively revoke its consent to invest in Affiliated Funds at any time by written notice to Tricadia.

### *Tricadia personnel may engage in principal trades*

Personnel may invest in the Securitized Vehicles and, in such regard, purchase securities from a “client”. As a result of their affiliation with the Firm, Personnel may be permitted to invest in classes of interests offered by the Securitized Vehicles that waive or do not charge management fees.

In the event that Tricadia or its affiliates are required to sell any remaining assets in a Securitized Vehicle following the expiration of a Securitized Vehicle’s term, Tricadia or its affiliates (as applicable under the terms of the Securitized Vehicle documentation) will be permitted to bid on such assets on normal commercial terms and on an arm’s-length basis; provided, however, that Tricadia or one of more of its affiliates purchases the relevant asset at a price at least equal to the market value of the relevant asset.

### *Tricadia may cause its clients to engage in cross trades*

In accordance with Tricadia’s policy regarding cross trades, Tricadia may buy and sell the same security between Securitized Vehicles when it believes, in its sole discretion, that such a transaction would be advantageous or otherwise beneficial to each of the Securitized Vehicles involved. For example, a cross trade may be effected in a less liquid or otherwise difficult to transact in security (for example, difficult to locate or hard to borrow short), when, in the professional opinion of Advisory Personnel, it would reduce the risk of market impact or otherwise reduce the costs associated with the contemplated trade. Certain accounts limit or place conditions on cross trades. These limits or conditions are set forth in the applicable documentation for the accounts.

### **Tricadia’s Code of Ethics**

In the ordinary course of performing its investment advisory services and under specific conditions, Tricadia and its affiliates may recommend to their respective clients the purchase or sale of securities (or various classes of the same security) in which Tricadia, its affiliates and/or their personnel also have a position or interest. For example, Tricadia may recommend to one or more Securitized Vehicles that they purchase or sell interests in a Securitized Vehicle.

In addition, Personnel and other related persons of Tricadia may buy and sell for their own personal accounts securities that are recommended to clients. As described more fully below, Tricadia has adopted a Code of Ethics (the “Code”) that, among other things, regulates personal transactions in such a manner that Tricadia’s primary obligation of fiduciary duty to its clients is satisfied.

Pursuant to Rule 204A-1 of the Advisers Act, Tricadia has adopted a Code which sets forth standards of business and personal conduct for all Tricadia employees. All Tricadia employees are deemed “Access Persons” (e.g., employees who have regular access to information relating to client security transactions) and are subject to all of the responsibilities under the Code. Every employee is trained (at the time of hire and periodically thereafter) concerning the Code and is required to certify annually to their compliance and understanding of the Code’s requirements.

The Code is predicated on the basic principle that employees of Tricadia will adhere to the high ethical standards and fiduciary principles, and must:

- place client interests first;
- engage in personal securities transactions consistent with the Code and disclose, mitigate or avoid any actual or apparent conflict of interest or any abuse of position of trust and responsibility;
- keep security holdings and financial circumstances of clients confidential; and
- adhere to the principal that independence in the investment decision-making process is of paramount importance.

In addition to the Code, Tricadia's compliance program is comprised of several policies, guidelines and procedures that promote ethical practices and conduct by all employees. The following policies and procedures, among others, are designed to address potential conflicts of interest:

- Gifts & Entertainment Policy;
- Political Contributions a/k/a "Pay-to-Play" Policy and Procedures;
- Inside Information Policy and Procedures;
- Restricted List Policy;
- Informational Barrier Policy and Related Policies and Procedures;
- Market Manipulation and Intentional Spreading of False or Misleading Information;
- Outside Business Activities; and
- Conflict of Interest Disclosure and Mitigation Policy.

Tricadia prohibits the use of material non-public information ("inside information") and maintains a Restricted List of securities that, in general, may not be purchased by its employees for their own accounts or for Advisory Accounts because of the actual or possible possession of inside information. Access Persons are prohibited from purchasing initial public offerings, except with the express written approval of Tricadia's Chief Compliance Officer in accordance with the Code.

The Code limits personal investment activity and requires that all employees disclose all security holdings and accounts in which they or a "family member" have a beneficial interest. Tricadia's Legal/Compliance Department also receives duplicate confirms and account statements reflecting relevant activity in those accounts. Employees are prohibited from purchasing any security, with limited exceptions, including U.S. Treasury obligations, certain exchange-traded funds (e.g., QQQ, SPDRs etc.) and registered open-end mutual fund shares. In addition, subject to pre-clearance by the Compliance Department, the following non-exempt securities may be purchased by employees:

municipal securities, closed-end funds and interests in other private entities such as hedge funds. Other than the above, employees are generally prohibited from investing in securities.

Tricadia uses the Compliance Science Personal Trading Control Center (“PTCC system”) to monitor personal investment activity, receive and approve/deny personal securities transactions, and distribute and receive compliance certifications. Trade notifications are sent directly to Tricadia’s Legal/Compliance Department, which will alert them of any trades that were made without pre-clearance. In addition, each employee must request authorization to trade non-exempt securities in their personal accounts prior to making the trade.

Quarterly Transaction Reports and Annual Securities Holdings Certifications are distributed to all employees through the PTCC system and logged and retained by Tricadia’s Legal/Compliance Department using this system.

Exceptions to these policies and procedures may be granted where Tricadia believes that the expected activity would not likely compromise client interests. An employee’s violation of Tricadia’s Code can result in remedial measures including disgorgement of profits (if any), and depending upon the facts or circumstances, more severe actions up to and including monetary fines, suspension and termination of employment. Advisory Personnel are discouraged from frequent personal trading.

Access Persons generally are prohibited from serving as board members of a publicly-traded company, however, as noted above in Item 10, exceptions may be permitted by Tricadia’s Chief Compliance Officer when it is deemed to be in the best interest of Tricadia and/or its clients or in their respective or collective opinion does not otherwise present an unreasonable risk (for example, Michael Barnes serves as Executive Chairman of Tiptree Financial Inc.). Tricadia shall have no obligation to recommend for purchase or sale by any Securitized Vehicle any instrument that the Firm or Personnel may purchase for themselves or for any other clients. Tricadia shall have no obligation to seek to obtain material non-public information about any issuer of securities, nor to effect transactions for Securitized Vehicles on the basis of any inside information as may come into its possession.

The ability of Tricadia to effect or recommend transactions for Securitized Vehicles may be restricted by applicable regulatory requirements or the Firm’s internal policies. As a result, there may be periods when Tricadia may not be able to initiate or recommend certain types of transactions for such clients, may not acquire certain instruments, or may dispose of certain instruments in a Securitized Vehicle when aggregate position limits established by the Firm or by regulators have been reached, or in other circumstances, and advisory clients will not be advised of that fact. Also, without limitation, regulatory or contractual or other limitations or considerations related to effecting transactions for certain of Tricadia’s Securitized Vehicles may not apply to other Securitized Vehicles, resulting in differences among Securitized Vehicles.

Unless approved by Tricadia’s Chief Compliance Officer, Access Persons may not undertake other business activities outside of Tricadia that may cause, or appear to cause, any conflict of interest,

and Access Persons must disclose all directorships in businesses and other interests in businesses where they either have a controlling or influencing position or receive monetary or other compensation for their involvement in that business. Each Access Person is required to report to Tricadia certain types of securities transactions in personal accounts in which they have a “beneficial Interest,” including arranging for duplicate transaction confirmations to be sent to Tricadia as well as completing initial, quarterly and annual reports.

Tricadia’s clients, prospective Tricadia clients or investors in Securitized Vehicles may obtain a complete copy of the Tricadia’s Code of Ethics free of charge by submitting a written request to Tricadia’s Compliance Department at 780 Third Avenue, 29<sup>th</sup> Floor, New York, New York 10017 or by contacting Tricadia’s Chief Compliance Officer at (646) 525-3824.

### **Other Actual or Potential Conflicts of Interests**

#### *Potential for Conflicting Trading Activity*

See “Securitized Vehicles- Conflicts- *Tricadia may engage in activities (on behalf of itself or other clients) which may conflict with its activities on behalf of a client*” in Item 10 above.

## **Item 12 – Brokerage Practices**

### **Selection of Broker-Dealers**

Tricadia generally has the authority to determine without client consultation or consent the broker-dealer or other counterparty through which securities or other instruments are bought and sold, and the commission rates or dealer spreads at which transactions are effected. However, a client may limit Tricadia’s discretionary authority over the Securitized Vehicles and instruct Tricadia as to which broker-dealer(s) it should use to execute securities transactions on behalf of the Securitized Vehicle. In those cases, Tricadia may be unable to achieve most favorable execution of client transactions. Therefore, clients who elect to select the broker-dealer(s) for execution of securities transactions on behalf of their account may incur greater costs (than clients who do not elect directed brokerage). For example, a client may pay higher brokerage commissions because Tricadia may not be able to aggregate orders to reduce transaction costs, or the client may receive less favorable prices. Tricadia will negotiate the scope of its authority with each client on an individual basis as requested.

In placing orders for the purchase and sale of securities for clients, Tricadia’s policy is to seek the best execution of orders on an overall basis, which means that it seeks to ensure that the client’s total cost or proceeds is the most favorable under the circumstances. Tricadia does not adhere to any rigid formulas in making its selection of broker-dealers to effectuate securities transactions on behalf of its clients, but weighs a combination of factors or criteria. For example, in selecting brokers to effect portfolio transactions, the determination of what is expected to result in best execution on an overall basis involves a number of factors, including:

- a broker's reliability, reputation and experience in the industry,
- financial stability,
- capital commitment,
- efficiency in executing and clearing transactions (for example, ability to prospect for and provide liquidity and block trades, while avoiding unwanted market impact),
- competitive commission rates, markups and other fees and spreads, and
- general responsiveness.

Tricadia may also take into consideration research (such as investment ideas, quantitative analysis, historical data, analytical, statistical and other information) and services provided by the broker (such as periodic electronic reports).

In selecting broker-dealers for execution of securities transactions for client accounts, Tricadia may also consider a broker's assistance with arranging for representatives of Tricadia to speak at conferences and programs sponsored by the broker for investors interested in investing in hedge funds (the "Capital Introduction Events"). Through such Capital Introduction Events, prospective clients (or investors in clients managed or advised by Tricadia or its affiliates such as hedge funds), have the opportunity to meet with Tricadia representatives. Currently, Tricadia and its affiliates do not compensate brokers for organizing such events or for any investments ultimately made by prospective investors attending such events (although they may do so in the future).

Additionally, Tricadia and its affiliates may do business with (for example, effect securities transactions with) broker-dealers that have consulting or other divisions that refer business to the Firm, but Tricadia does not have any agreement or other understanding (either written or oral) to do so based upon that brokerage. Tricadia's practice of taking into account client referrals from broker-dealers when selecting broker-dealers for client accounts creates a conflict of interest for Tricadia, as it may have an incentive to select or recommend a broker-dealer based on Tricadia's interest in receiving client referrals (rather than on Tricadia's clients' interest in receiving most favorable execution).

For many transactions involving debt obligations, the markets in which Tricadia trades are over-the-counter ("OTC") markets in which there are no brokerage commissions, although mark-ups, mark-downs and clearing, structuring and other transaction costs are applicable. Tricadia buys and sells securities on behalf of accounts at the prevailing bid-ask spreads. Tricadia may also effect transactions in OTC securities or derivatives on an agency basis when liquidity permits. The purchase price of an OTC security or derivative acquired in an agency transaction could include compensation to the broker-dealer in the form of a mark-up relative to the broker-dealer's original cost in addition to a commission. Tricadia believes that each account has access, through direct contact with primary dealers and financial institutions, to fully competitive prices.



## **Borrowing**

To the extent a Securitized Vehicle uses leverage, it may borrow from a broker (such as a prime broker or other key counter-party or service provider of the Securitized Vehicle or Tricadia) at arm's-length rates. If any Securitized Vehicle engages in short sales, Tricadia may cause the Securitized Vehicle to borrow the securities sold short from an unaffiliated broker and that broker will earn and retain any interest in connection with the borrowing.

## **Trade Errors**

Tricadia seeks to exercise due care in making and implementing investment decisions on behalf its clients. If a trade error occurs, it is Tricadia's policy to seek to correct any trade error that may occur as soon after discovery as is reasonably practicable, consistent with the orderly disposition (and/or acquisition) of the securities in question. As a general matter, subject to the governing documents of the Securitized Vehicles, actual losses in a Securitized Vehicle as a result of a trade error caused by Tricadia will be reimbursed by Tricadia; however, Tricadia does not compensate its clients for lost investment opportunities (such as its failure to take advantage of investment or market improvements). Any gains in a Securitized Vehicle as a result of a trade error caused by Tricadia will remain in the Securitized Vehicle.

As a general matter, netting of gains and losses between Securitized Vehicles is not permissible. Netting of gains and losses for one Securitized Vehicle may be permitted, however, in circumstances in which more than one transaction may be effected to correct one or more trade errors made as a result of a single (or related) investment decision(s). Netting of gains and losses may also be permitted in the circumstances in which multiple trade errors resulting from more than one investment decision occur in the same Securitized Vehicle on the same day. It is Tricadia's policy that broker-dealers may not assume responsibility for trade error losses caused by Tricadia, and Tricadia does not enter into reciprocal arrangements between Tricadia and a broker with respect to the trade error in question (or any other trade) to encourage the broker to assume responsibility for such losses.

## **Item 13 – Review of Accounts**

Client accounts managed by Tricadia are monitored on no less than a monthly basis by the primary portfolio manager or associate portfolio manager with respect to the account. Matters reviewed generally include specific investments held, the percentage of assets in various types of asset classes and the relative and generally absolute performance of the account.

Tricadia provides reports as are appropriate to client or investor relationships, as required by applicable law or regulation, or as contractually agreed upon in writing.

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

Tricadia may enter into arrangements with third parties, including its affiliated parties, whereby those third parties receive fees for referring clients to Tricadia or investors to Securitized Vehicles. Tricadia compensates those third parties only if the client or investor is aware of the fee arrangement (through disclosures or acknowledgments included in a Securitized Vehicle's subscription document) and the arrangement otherwise complies with applicable rules and regulations (for example, the requirements of Rule 206(4)-3 under the Advisers Act with respect to the Accounts and a form of general disclosure with respect to the Securitized Vehicles).

## **Item 15 – Custody**

Because each Securitized Vehicle is governed by an indenture or trust agreement with a third-party trustee and custodian, Tricadia is not deemed to have custody of client assets.

All Securitized Vehicles should receive, at least quarterly, account statements from the broker-dealer, bank, or other qualified custodian that maintains the client's assets. Tricadia urges clients to carefully review those account statements and to compare the account statements received from their custodians with any statements they receive from Tricadia.

## **Item 16 – Investment Discretion**

Tricadia generally receives and exercises discretionary authority to manage investments on behalf of its clients. As noted in Item 4 above, clients may impose limitations on this discretion with respect to: (i) the specific types of investments or asset classes that Tricadia will or will not purchase for the Securitized Vehicles; (ii) the nature of the issuers of investments that Tricadia will or will not purchase for the Securitized Vehicles; or (iii) the risk profile of instruments Tricadia will or will not purchase for the Securitized Vehicles, or the risk profile of the Securitized Vehicles as a whole. Clients may also direct Tricadia to use a particular broker-dealer or broker-dealers (please see Item 12 above for further information regarding directed brokerage).

Tricadia typically assumes this authority through a power of attorney or contract provision granted or entered into by a client, or through the constituent documents of a Securitized Vehicle.

## Item 17 – Voting Client Securities

### Summary of Proxy Voting Policies and Procedures

Pursuant to Rule 206(4)-6 under the Advisers Act, Tricadia is providing this summary of its proxy voting process, as well as information as to how you may obtain Tricadia’s complete proxy voting policy and procedures and information as to how proxies were voted for securities held in Securitized Vehicles.

Generally, clients of Tricadia do not invest in securities that provide its holders with voting authority. However, in cases where Tricadia’s clients have such authority, Tricadia has adopted proxy voting policies and procedures designed to ensure that where its clients have delegated proxy voting authority to Tricadia, all proxies are voted in the best interest of its clients without regard to the interests of Tricadia or related parties. When a client retains Tricadia, the investment management agreement between Tricadia and the client generally dictates whether Tricadia will vote proxies on behalf of that client. A client may not direct Tricadia’s vote in a particular solicitation.

Tricadia will use a third-party proxy voting service provider. If the client appoints Tricadia as its proxy voting agent, the client will also instruct Tricadia to vote its proxies in accordance with: (i) custom guidelines provided by the client or (ii) Tricadia’s Standard Guidelines. Tricadia informs the client’s custodian (including prime brokers) to send all proxies to the third party service provider. Tricadia then informs the service provider that the client has appointed Tricadia as its agent and instructs the service provider as to which guidelines to follow.

Once the appropriate guidelines have been established, each proxy must be voted in accordance with those guidelines unless a Tricadia portfolio manager believes that it is in the best interest of our client(s) to vote otherwise (the “dissent”). In order to mitigate any conflict of interest that may arise under those circumstances (between Tricadia’s self-interest and its duty to act in the best interest of its clients), if a portfolio manager wants to dissent, the following steps are taken:

- The portfolio manager must draft a written dissent to the voting instruction and submit the dissent to Tricadia’s Chief Compliance Officer and Legal/Compliance Department for review;
- All dissents are presented to Tricadia’s Compliance Committee for review.
- If Tricadia’s Chief Compliance Officer and Legal/Compliance Department collectively determine that no “Material Conflict” exists (as defined in Tricadia’s Proxy Voting Policy), then the portfolio manager’s dissent will be approved and the service provider will be informed of the voting dissention.
- If Tricadia’s Chief Compliance Officer (in conjunction with its Legal/Compliance Department) determines that a Material Conflict exists, the matter will be referred to

Tricadia's Compliance Committee for consideration. In accordance with Tricadia's procedures, the relevant Compliance Committee members will consider the matter and resolve the conflict as deemed appropriate under the circumstances.

Tricadia's clients and investors in Securitized Vehicles may obtain a complete copy of Tricadia's Proxy Voting Policy and Procedures or information on how Tricadia voted proxies for the Securitized Vehicles free of charge by submitting a written request to Tricadia's Compliance Department at 780 Third Avenue, 29<sup>th</sup> Floor, New York, New York 10017 or by contacting Tricadia's Chief Compliance Officer at (646) 525-3824.

### **Policies and Procedures for Filing Claims in Class Action Litigation**

Tricadia believes that it has a fiduciary responsibility to monitor securities class action suits and file claims on behalf of its clients. A class action is a civil lawsuit where a group or "class" is affected in the same manner or form. One or more representatives of the group file suit on behalf the class and a judge will initially decide whether or not the claims of the representatives arise from uniform facts or law common to all class members. If an individual or institution has a unique set of circumstances that might vary from the class, it may prove worthwhile for them to opt out of the class action and file suit individually.

Tricadia will arrange to file securities class action claims on behalf of their eligible clients unless a client instructs them otherwise. This policy applies to all advisory accounts managed by Tricadia or its affiliates.

## **Item 18 – Financial Information**

Form ADV Part 2 requires investment advisers such as Tricadia to disclose any financial condition reasonably likely to impair their ability to meet contractual commitments to clients. At this time, Tricadia has no information to report that is applicable to this item.

### **Other Information**

#### **Business Continuity Plan**

Tricadia's Business Continuity Plan ("BCP") is designed with an objective to provide for immediate, accurate and measured response to emergency situations and minimize the impact a specific disaster may have upon the safety and wellbeing of Tricadia's personnel and operations. The BCP details the processes in place should a disaster occur that causes temporary (or long term) displacement, including how Tricadia would: (i) protect against the loss or damage to organizational assets and critical information; and (ii) resume normal business activities, including

the reinstatement of communications with outside contacts, during any extended outage or displacement period. Tricadia prepares for business interruptions in part by:

- Maintaining back-up facilities in New York (Harrison, New York City, and Wappingers Falls) that are equipped to handle critical operations should Tricadia's primary facilities be unavailable;
- Providing all Tricadia employees with the ability to log-in to the company's information and technology systems from home (including company email, Bloomberg services and other online disaster recovery systems), which allows Tricadia's portfolio managers, traders and other key investment professionals to continue to perform critical investment-related responsibilities including trade execution and portfolio monitoring functions;
- Backing up critical data at secure off-site locations for use during a significant business interruption; and
- Designating a crisis management team composed of senior-level management to activate and manage the recovery and communication processes.

A designated senior executive reviews and approves the overall BCP on an annual basis (in consultation with other members of senior management team), while the Information Technology department reviews and maintains system-related components.

Although Tricadia has taken significant steps to implement what Tricadia believes is a reasonable business continuity plan, Tricadia cannot guarantee that its business processes will always be available or recoverable should a significant business interruption strike. However, Tricadia believes its business continuity strategy sufficiently reduces the risks associated with possible business interruptions.

If you have further questions regarding this BCP, please contact Tricadia's Chief Compliance Officer at (646) 525-3824. This information is subject to modification without notice.

### **Privacy Statement (Notice)**

Please see below.

# FACTS

## WHAT DOES TRICADIA DO WITH YOUR PERSONAL INFORMATION?

### Why?

Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.

### What?

The types of personal information we collect and share depend on the product or service we provide to you. This information can include:

- Social Security number and assets;
- Account balances and transaction history; and
- Investment experience and wire transfer instructions.

### How?

All financial companies need to share customers' personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers' personal information; the reasons Tricadia chooses to share; and whether you can limit this sharing.

Reasons we can share your personal information	Does Tricadia share?	Can you limit this sharing?
<b>For our everyday business purposes –</b> such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus	Yes	No
<b>For our marketing purposes –</b> to offer our products and services to you	Yes	No
<b>For joint marketing with other financial companies</b>	No	We don't share
<b>For our affiliates' everyday business purposes –</b> information about your transactions and experiences	Yes	No
<b>For our affiliates' everyday business purposes –</b> information about your creditworthiness	No	We don't share
<b>For our affiliates to market to you</b>	Yes	Yes
<b>For non-affiliates to market to you</b>	No	We don't share

### To limit our sharing:

- Call (646) 388-5900

#### Please note:

If you are a *new* customer, we can begin sharing your information 30 days from the date we sent this notice. When you are *no longer* our customer, we may continue to share your information as described in this notice.

However, you can contact us at any time to limit our sharing.

### Questions?

Call (646) 388-5900

## Who we are

## Who is providing this notice?

Tricadia CDO Management, LLC

## What we do

## How does Tricadia protect my personal information?

To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings.

## How does Tricadia collect my personal information?

We collect your personal information, for example, when you:

- Give us your contact information;
- Open an account or buy securities from us; and
- Tell us where to send the money or make a wire transfer.

We also collect your personal information from others, such as credit bureaus, affiliates, or other companies.

## Why can't I limit all sharing?

Federal law gives you the right to limit only:

- sharing for affiliates' everyday business purposes – information about your creditworthiness;
- affiliates from using your information to market to you; and
- sharing for non-affiliates to market to you.

State laws and individual companies may give you additional rights to limit sharing.

## What happens when I limit sharing for an account I hold jointly with someone else?

Your choices will apply to everyone on your account.

## Definitions

## Affiliates

Companies related by common ownership or control. They can be financial and nonfinancial companies.

- *Our affiliates and associated parties include companies with a "Tricadia," "Mariner," "Back Office Services Group," "Tiptree" or "Telos" name.*

## Non-affiliates

Companies not related by common ownership or control. They can be financial and nonfinancial companies.

- *Tricadia does not share with non-affiliates so they can market to you.*

## Joint marketing

A formal agreement between non-affiliated financial companies that together market financial products or services to you.

- *Tricadia does not engage in joint marketing.*