

Item 1 – Cover Page

Tricadia Capital Management, LLC

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March 31, 2011

This brochure (this “Brochure”) provides information about the qualifications and business practices of Tricadia Capital Management, LLC (“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 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 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 is 137758.

## **Item 2 – Material Changes**

On July 28, 2010, the SEC adopted amendments to Form ADV and the rules concerning delivery of brochures to clients of registered investment advisers. This Brochure, dated March 31, 2011, is a new document prepared according to the SEC's new requirements and rules. As such, this document is materially different in structure and requires certain new information that our previous brochure did not require.

In the future, this Item 2 will discuss only specific material changes that are made to the previous brochure and provide clients with a summary of such changes. We will also reference the date of our last annual update of our brochure.

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

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## **Item 4 – Advisory Business**

### **Tricadia's Business**

Tricadia provides discretionary portfolio management and advisory services to privately-offered pooled investment vehicles (each, a "Fund," or together the "Funds"). Tricadia has been in business since 2005. Tricadia Holdings, L.P. owns 100% of Tricadia, and Michael Barnes and Arif Inayatullah control Tricadia Holdings, L.P.

### **Advisory Services**

Tricadia serves as investment adviser to several Funds (the "Tricadia Funds"). Each of the Tricadia Funds relies upon the 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 Tricadia Funds in accordance with the investment strategy of the relevant Fund and not based upon the individual needs of the investors in the Fund.

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

### **Client Restrictions**

Tricadia generally permits its clients, including the Tricadia Funds, to impose restrictions on their investment advisory accounts (the "Advisory Accounts") with respect to: (i) the specific types of investments or asset classes that Tricadia will or will not purchase for their Advisory Accounts; (ii) the nature of the issuers of investments that Tricadia will or will not purchase for their Advisory Accounts; and/or (iii) the risk profile of instruments Tricadia will or will not purchase for their Advisory Accounts, or the risk profile of the Advisory Account as a whole.

### **Client Assets**

As of March 1, 2011, Tricadia manages \$2,735,430,000.00 in client assets on a discretionary basis.

## **Item 5 – Fees and Compensation**

### **Compensation for Advisory Services**

#### Generally

Tricadia (and its affiliates) generally charge advisory fees to Tricadia's advisory clients based on: (i) client assets under management; and (ii) the performance of an Advisory Account over a specific time period (such as a year).

Tricadia's fees are generally non-negotiable, but under special circumstances, the rate and type of fee may vary based on:

- the nature of a particular client or investor in a Tricadia Fund;
- the applicable investment strategy;
- any restrictions or requirements imposed on Tricadia;
- the amounts invested; or
- the relationship the client or investor has with Tricadia or its affiliates.

As a general policy and as discussed further below, Tricadia deducts its fees directly from the Advisory Accounts. Investment advisory contracts terminate on, or shortly following, one party's receipt of written notice of termination from the other party. Investors may withdraw from Tricadia Funds pursuant to the terms of the relevant Fund's offering memorandum. Similar advisory services may be available from other investment advisers at lower cost.

#### *Asset-Based Fees*

The asset-based fees (or "management fees") normally are charged at an annual rate of 0% to 2.0% of the average value of the client's net assets under management. Asset-based fees are generally payable monthly or quarterly in advance

#### *Performance-Based Fees*

Tricadia's performance-based fee<sup>1</sup> normally ranges from 0% to 22.5% of the increase in the net asset value of an Advisory Account ("net appreciation") for the relevant time period, which may be subject to a performance measure (for example, a high water mark, hurdle rate, loss carry forward or other adjustment) (each a "Performance Measure"). "Net appreciation" generally includes net investment profits (realized and unrealized), less investment transaction costs, applicable fees and all other accrued expenses. A performance fee is generally accrued monthly and is payable quarterly or as of December 31st of each year (or on the termination of an investment management agreement or the withdrawal of an investor from a Tricadia Fund).

The performance-based fee may be paid to a Tricadia affiliate. Investors directly invested in Tricadia Funds are subject to the management and performance fees of the applicable Fund, as described in that Fund's offering documents.

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<sup>1</sup> Please note that certain performance-based compensation is in the form of an allocation (to Tricadia or its affiliate), instead of a fee. For purposes of this Brochure, any reference to the payment of a performance-based fee will also include, as applicable, the allocation of a performance-based allocation.

### Fund-Specific Compensation

The following chart provides the fees of the Tricadia Funds. Unless otherwise noted, asset-based fees are presented as an annual rate and are based on the average net asset value of the relevant Fund's assets during the course of a year. Unless otherwise noted, performance-based fees are based on the net appreciation of the Fund's assets during the relevant time period (usually during the course of a year).

<b>Name of Fund</b>	<b>Asset-Based Fee</b>	<b>Performance-Based Fee</b>
Mariner-Tricadia Credit Strategies, Ltd.	2.0%	17.5% or 20% (varies by class) (subject to a Performance Measure)
Mariner-Tricadia Credit Strategies Fund, L.P.	2.0%	17.5% or 20% (varies by class) (subject to a Performance Measure)
Mariner-Tricadia Credit Strategies Fund II, L.P.	2.0%	20% (subject to a Performance Measure)
Structured Credit Opportunities Fund II, L.P.	0-1.0% (varies by class)	Percentage based on formula set forth in the Fund's documentation (varies by class) (subject to a Performance Measure)
Tricadia Distressed and Special Situations Fund, L.P.	1.5%	22.5% (subject to a Performance Measure)
Tricadia Distressed and Special Situations, Ltd.	1.5%	22.5% (subject to a Performance Measure)
SGT Financials Recovery Fund L.P.	1.0% (invested capital)	17% profit participation based on a distribution waterfall

### **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. Custodians, broker-dealers, any third party investment advisers and other third parties may impose fees on Tricadia's clients, such as management fees, custodial fees,

deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus. These charges, fees and commissions are generally exclusive of and in addition to Tricadia's fees.

The Tricadia Funds also generally will bear legal, administration fees, internal and external accounting and auditing expenses incurred in preparing, printing and delivering all reports (including such expenses incurred in connection with any fund 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 Tricadia Funds 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 or recommending 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 Tricadia Funds*

The fee arrangements between Tricadia and some of the Tricadia Funds 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 Tricadia Funds.

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

Management 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 Tricadia Fund 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 Fund. 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.

## **Sales Compensation**

In general, employees of Mariner Group Capital Markets Inc. (“Mariner Broker-Dealer”) who (i) refer or help solicit investment advisory clients for Tricadia, or (ii) solicit investors for Funds for which Tricadia serves as an investment adviser, may be compensated from the revenues payable to Mariner Investment Group, LLC or its affiliates under the services agreement described under Item 10 below. Under limited circumstances, such as when Mariner Broker-Dealer retains a third party solicitor to assist it, that compensation may be higher than otherwise.

This practice of compensating Mariner Broker-Dealer employees for referring or helping to solicit advisory clients or investors for Funds for which Tricadia serves as investment adviser presents a conflict of interest, as it gives those employees an incentive to recommend investment products based on the compensation received, rather than on a client’s needs. Tricadia discloses this conflict to potential investors in the Tricadia Funds.

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

### Generally

As described in Item 5 above, Tricadia’s clients pay performance-based fees. All performance-based fees are calculated and paid in accordance with Section 205 and Rule 205-3 under the U.S. Investment Advisers Act of 1940 (the “Advisers Act”). Further, the Tricadia Funds will not accept investors who do not satisfy the eligibility criteria of Rule 205-3. As set forth in Item 5, performance-based fees generally range from 0% to 22.5% of “net appreciation” of the Advisory Account for the relevant time period, and may be subject to a Performance Measure. Tricadia only advises clients that are charged performance-based fees.

### Conflicts

#### *Side-by-Side Management*

While all Tricadia Funds pay Tricadia performance-based fees, Tricadia faces conflicts related to the side-by-side management of accounts which either (i) pay differing levels of performance-based fees or (ii) pay performance-based fees along with accounts managed by Tricadia CDO Management, LLC that do not. (See Item 10 below for further information on Tricadia CDO Management, LLC.)

#### *Performance-based fees may incentivize riskier investment behavior*

Tricadia’s (or its affiliate’s) receipt of performance-based fees may incentivize Tricadia to make investments that are riskier or more speculative than Tricadia would make if Tricadia (or its affiliate) did not receive performance-based fees. Further, “net appreciation,” which is the basis for most performance-based fees, includes unrealized appreciation of client assets, and may result in Tricadia receiving greater performance-based fees than would be the case if net appreciation was



based only on realized gains. Tricadia discloses this conflict in the relevant offering documents to potential investors in the Tricadia Funds.

## **Item 7 – Types of Clients**

As noted in Item 4 above, Tricadia provides discretionary portfolio management and advisory services to the Tricadia Funds (which may be organized as domestic or foreign partnerships, corporate or other incorporated or unincorporated entities).

Investors that directly invest in Tricadia Funds will generally be subject to minimum investment amounts as described in the Funds' offering documents. Those minimum investment amounts for Fund investors may be modified, depending on the investor relationship and in accordance with the Fund 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 Tricadia Funds should refer to the offering documents of the Funds for more detailed explanations of the material risks of investment strategies or methods of analysis that are or will be used to manage the Funds.

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**Funds:** Mariner-Tricadia Credit Strategies, Ltd., Mariner-Tricadia Credit Strategies Fund, L.P., Mariner-Tricadia Credit Strategies Fund II, L.P., Structured Credit Opportunities Fund II, L.P.

### **Fund strategies and related risks:**

#### **-Capital Structure Arbitrage**

- *Description:* This strategy involves exploiting pricing inefficiencies and informational asymmetries through a offsetting long and short positions within the capital structures of specific companies.
- *Risks:* The market movements of the different parts of the capital structure of companies are unpredictable and often path dependent with large relative price fluctuations. Because the

price paths of the securities are highly sensitive to changing default probabilities, prospective valuations and, therefore, price expectations, can be widely divergent. Miscalculating the likely outcome of a company can be costly, and miscalculating the hedge can exacerbate potential losses.

#### -Relative Value

- *Description:* This strategy involves taking long and short positions with correlated credit portfolios or single name credits. This strategy will include negative basis trades, and involves taking long and short positions in securities that are highly correlated with similar risk characteristics, yet priced differently. Different relative value strategies include statistical arbitrage, pairs trading, yield curve arbitrage and basis trading.
- *Risks:*
  - Two or more buy or sell orders may not be able to be executed simultaneously at the desired prices, resulting in a loss being incurred on both sides of a multiple trade transaction.
  - The transaction costs of “relative value” transactions can be especially significant because separate costs are incurred on each component of the transaction. Consequently, a substantial favorable price movement may be required before a profit can be realized.
  - Even if a “relative value” strategy correctly identifies a mispricing, the ability of the strategy to capture such mispricing depends on Tricadia’s ability to maintain the relative value position until the market returns to fair value. Tricadia may not be able to do so for a number of reasons (including, without limitation, financing costs, stop-loss limits and market disruptions) and may, accordingly, incur substantial losses on a position which would otherwise have been profitable.

#### -Credit Term Structure

- *Description:* This strategy involves taking long and short positions to exploit anomalies in the term structure of credit. This can involve taking advantage of mispriced credit exposure at certain points in the term structure of single name credits relative to other points in the same term structure. Positions may use traditional fixed-income and credit securities, as well as other structured credit products and credit derivatives.
- *Risks:* This strategy relies on predictions about the future pricing movements of points in a credit term structure. Future changes in pricing cannot be predicted with certainty, and losses may occur if predictions are not accurate.

#### -Stressed/Distressed

- *Description:* These strategies involve investing in long and/or short positions in stressed or distressed credit investments at significant discounts to underlying value. Typically,

investments are in the securities and other assets of issuers in weak financial condition, experiencing poor operating results, needing substantial capital investment, facing special competitive or product obsolescence problems, affected by a credit downgrade (such as a downgraded security), involved in various stages of bankruptcy or reorganization proceedings, or experiencing some other type of "special situation."

- *Risks:*
  - Investments of this type may involve substantial financial and business risks that can result in significant or even total losses. Among the risks inherent in investments in financially troubled issuers is the fact that it is frequently difficult to obtain reliable information as to their true financial prospects. The market prices of distressed securities are subject to abrupt and erratic market movements and excessive price volatility, and the "bid-ask" spreads for such securities may be greater than normally expected.
  - Many events in a bankruptcy are the product of contested matters and adversary proceedings which are beyond the control of the creditors. Following a bankruptcy filing, a company may lose its market position and key employees and otherwise become incapable of restoring itself as a viable entity. In a liquidation, the liquidation value of the company may not equal the liquidation value that was believed to exist at the time of the investment.
  - The duration of a bankruptcy proceeding is difficult to predict and a creditor's return on investment can be adversely affected by delays while the plan of reorganization is being negotiated, approved by the creditors and confirmed by the bankruptcy court.
  - The administrative costs in connection with a bankruptcy proceeding are frequently high and will be paid out of the debtor's estate prior to any return to creditors.
  - Creditors can lose their ranking and priority if they exercise "domination and control" over a debtor and other creditors can demonstrate that they have been harmed by such actions, especially in the case of investments made prior to the commencement of bankruptcy proceedings; and certain claims, such as claims for taxes, may have priority by law over the claims of certain creditors.

#### -Event Driven/Special Situations

- *Description:* This strategy involves taking long and/or short positions based on the perceptions of issuer dynamics or pricing inefficiencies. This strategy includes investments in opportunities created by significant events or special situations and may involve a long or a short view with respect to an issuer depending on the anticipated outcome of particular events or transactions.
- *Risks:*
  - The Fund may invest in companies involved in (or the target of) acquisition attempts or tender offers or companies involved in work-outs, liquidations, spin-offs, reorganizations, bankruptcies and similar transactions. In any investment opportunity involving that type of business enterprise, there is a risk that the transaction in which that business enterprise is involved either will be unsuccessful,

take considerable time or will result in a distribution of cash or a new security, the value of which will be less than the purchase price of the security or other financial instrument in respect of which that distribution is received.

- If an anticipated transaction does not in fact occur, the Fund may be required to sell its investment at a loss. Because there is substantial uncertainty concerning the outcome of transactions involving financially troubled companies in which the Fund may invest, there is a potential risk of loss by the Fund of its investment in such companies.

## **Types of investments and related risks:**

### **-Fixed-income securities**

- *Related Risks*
  - Fixed-income securities pay fixed, variable or floating rates of interest. The value of fixed-income securities in which the Fund may invest will change in response to fluctuations in interest rates and credit spreads. Except to the extent that values are independently affected by currency exchange rate fluctuations, when interest rates decline, the value of fixed-income securities generally can be expected to rise. Conversely, when interest rates rise, the value of fixed-income securities generally can be expected to decline.
  - The Fund has no control over the future direction of interest rates or credit spreads and this strategy is largely dependent upon Tricadia's ability to determine accurately such interest rate and credit spread movements. While the Fund may hedge to reduce such interest rate related risks, no assurance can be given that the Fund will be successful in that respect.
  - Fixed-income securities and bank loans are subject to the risk of the issuer's inability to meet principal and interest payments on its obligations.

### **-Derivative instruments**

- *Related Risks*
  - Various derivative instruments may be utilized, such as credit default swaps or total return swaps. The use of derivative instruments involves a variety of material risks, reflecting the often extremely high degree of leverage embedded in such instruments. The derivatives markets are frequently characterized by limited liquidity, which can make it difficult as well as costly to close out open positions in order either to realize gains or to limit losses. Many derivatives are valued on the basis of dealers' pricing of these instruments. However, the price at which dealers value a particular derivative and the price which the same dealers would actually be willing to pay for such derivative, should the Fund wish or be forced to sell such position, may be materially different. Such differences can result in an overstatement of the Fund's net asset value, and may have a materially adverse effect on the Fund in situations in which the Fund is required to sell derivative instruments in order to raise funds for margin purposes or to pay withdrawals. The pricing relationships between derivatives and the underlying instruments on which

they are based may not conform to anticipated or historical correlation patterns, resulting in unanticipated losses.

- With respect to many derivative instruments, including credit default swaps and total return swaps, the Fund will have a contractual relationship only with the synthetic asset counterparty, and not with the issuer(s) of the reference obligations, unless certain defined events occur. Accordingly, the Fund generally will have no right directly to enforce compliance by the reference entity with the terms of any such reference obligation and the Fund will not have any rights of set-off against the reference entity. In addition, the Fund generally will not have any voting or other consensual rights of ownership with respect to the reference obligation. The Fund also will not directly benefit from any collateral supporting the reference obligation and will not have the benefit of the remedies that would normally be available to a holder of such reference obligation.
- In the event of the insolvency of the synthetic asset counterparty, the Fund will be treated as a general creditor of such counterparty, and will not have any claim of title with respect to the reference obligation. Consequently, the Fund will be subject to the credit risk of the synthetic asset counterparty, as well as that of the reference entity.

#### -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 do not have the benefit of the same security interest in the related collateral. The risk of investing in ABS is ultimately dependent upon payment of consumer loans by the debtor.
  - The collateral supporting ABS is 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 is 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.

-Mortgage-backed securities ("MBS")

- *Related Risks*

- The Fund may invest in commercial mortgage-backed securities ("CMBS") and residential mortgage-backed securities ("RMBS"). The collateral underlying CMBS generally consists of mortgage loans secured by income producing property, such as regional malls, other retail space, office buildings, industrial or warehouse properties, hotels, rental apartments, nursing homes, senior living centers and self storage properties. Performance of a commercial mortgage loan depends primarily on the net income generated by the underlying mortgaged property. The market value of a commercial property similarly depends on its income-generating ability. As a result, income generation will affect both the likelihood of default and the severity of losses with respect to a commercial mortgage loan. Any decrease in income or value of the commercial real estate underlying an issue of CMBS could result in cash flow delays and losses on the related issue of CMBS.
- Property-specific issues with respect to the underlying mortgaged property, such as significant government regulation of a particular industry, reliance on franchise, management or operating agreements, transferability on purchase or foreclosure of related valuable assets such as liquor and other licenses and ease of conversion of a commercial property to an alternative use will impact both risk of loss and loss severity with respect to the underlying mortgage loan pool and the CMBS.
- Mortgage loans underlying a CMBS issue may provide for no amortization of principal or may provide for amortization based on a schedule substantially longer than the maturity of the mortgage loan, resulting in a "balloon" payment due at maturity. If the underlying mortgage borrower experiences business problems, or other factors limit refinancing alternatives, such balloon payment mortgages are likely to experience payment delays or even default. As a result, the related issue of CMBS could experience delays in cash flow and losses.
- Holders of RMBS bear various risks, including credit, market, interest rate, structural and legal risks. Residential mortgage loans are obligations of the borrowers only and are not typically 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 that 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.
- Numerous residential mortgage loan originators that originate subprime mortgage loans have recently experienced serious financial difficulties and, in some cases, bankruptcy. Those difficulties have resulted in part from declining markets for mortgage loans as well as from claims for repurchases of mortgage loans previously sold under provisions that require repurchase in the event of early payment

defaults, or for material breaches of representations and warranties made on the mortgage loans, such as fraud claims. Those difficulties may adversely affect the performance and market value of RMBS originated, serviced or subserviced by these companies. As a result, the performance and market value of CDO Securities backed by RMBS also may be adversely affected.

- Violations of consumer protection laws or other federal laws may result in losses on RMBS by limiting the ability of the issuer to collect all or part of the principal or interest on the related underlying loans and in addition could subject such issuer to damages and administrative enforcement.
- A number of legislative proposals have been introduced at both the federal, state and municipal level that are designed to discourage predatory lending practices. An originator's failure to comply with these laws could subject the issuer of a RMBS to monetary penalties and could result in the borrowers rescinding the loans underlying that RMBS.

#### -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 Fund's investment in CDOs involves 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 Fund'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 Fund 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 Fund 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.

- 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 Fund's portfolio.

#### -Futures contracts

- *Related Risks*

- Futures and futures options may be traded for speculative or hedging purposes. The prices of such contracts are highly volatile. Because of the low margin deposits normally required in futures trading, a high degree of leverage is typical of a futures trading account. As a result, a relatively small price movement in a futures contract may result in substantial losses to the investor.
- Commodity exchanges limit fluctuations in futures contract prices during a single day. During a single trading day trades may not be executed at prices beyond the "daily limit." Once the price of a futures contract for a particular commodity has increased or decreased by an amount equal to the daily limit, positions in the commodity can be neither taken nor liquidated unless managers are willing to effect trades at or within the limit.
- Futures positions may be illiquid because certain commodity exchanges limit fluctuations in certain futures contract prices during a single day by regulations referred to as "daily price fluctuation limits" or "daily limits." Under such daily limits, during a single trading day no trades may be executed at prices beyond the daily limits. Once the price of a contract for a particular future has increased or decreased by an amount equal to the daily limit, positions in the future can neither be taken nor liquidated unless traders are willing to effect trades at or within the limit. This could prevent the Fund from promptly liquidating unfavorable positions and subject the Fund to substantial losses.

#### -Options

- *Related Risks*

- The Fund may purchase and sell ("write") options on securities, currencies and commodities on national and international commodities and securities exchanges, and in the domestic and international over-the-counter market. The seller ("writer") of a put option which is covered (*e.g.*, the writer has a short position in the underlying security, currency or commodity) assumes the risk of an increase in the market price of the underlying security, currency or commodity above the sales price (in establishing the short position) of the underlying security, currency or commodity plus the premium received, and gives up the opportunity for gain on the underlying security, currency or commodity below the exercise price of the option.



If the seller of the put option owns a put option covering an equivalent number of shares with an exercise price equal to or greater than the exercise price of the put written, the position is "fully hedged" if the option owned expires at the same time or later than the option written. The seller of an uncovered put option assumes the risk of a decline in the market price of the underlying security, currency or commodity below the exercise price of the option. The buyer of a put option assumes the risk of losing its entire investment in the put option. If the buyer of the put holds the underlying security, currency or commodity, the loss on the put will be offset in whole or in part by any gain on the underlying security, currency or commodity.

- The writer of a call option which is covered (e.g., the writer holds the underlying security, currency or commodity) assumes the risk of a decline in the market price of the underlying security, currency or commodity below the value of the underlying security, currency or commodity less the premium received, and gives up the opportunity for gain on the underlying security, currency or commodity above the exercise price of the option. The seller of an uncovered call option assumes the risk of a theoretically unlimited increase in the market price of the underlying security, currency or commodity above the exercise price of the option. The buyer of a call option assumes the risk of losing its entire investment in the call option. If the buyer of the call sells short the underlying security, currency or commodity, the loss on the call will be offset, in whole or in part, by any gain on the short sale of the underlying security, currency or commodity.
- Options may be cash settled, settled by physical delivery or by entering into a closing purchase transaction. In entering into a closing purchase transaction, the Partnership may be subject to the risk of loss to the extent that the premium paid for entering into such closing purchase transaction exceeds the premium received when the option was written.

#### -Private equity investments

- *Related risks:*
  - There are substantial restrictions upon the transferability of interests in private equity funds. There is (and will likely be) no public or other market for those interests. Withdrawal of limited partners from a private equity fund generally will not be permitted.
  - Private equity funds will generally establish reserves for follow-on investments in portfolio companies, operating expenses, fund liabilities, and other matters. Estimating the amount necessary for such reserves is difficult, particularly because follow-on investment opportunities are directly tied to the success and capital needs of portfolio companies. Inadequate or excessive reserves could have a material adverse effect upon the investment returns to the private equity fund's limited partners.
  - A private equity fund's limited partners generally will not contribute the full amount of their capital commitments to the fund at the time of their admission to the fund. Instead, they will be required to make incremental contributions pursuant to capital calls issued by the fund's general partner from time to time. Limited partners that fail to satisfy capital calls in a timely manner generally will be subject to significant penalties.

## -Equity

- *Related risks:*
  - Equity securities fluctuate in value in response to many factors, including, among others, the activities and financial condition of individual companies, the business market in which individual companies compete, industry market conditions, interest rates and general economic environments.
  - Events such as the domestic and international political environments, terrorism and natural disasters may be unforeseeable and contribute to market volatility in ways that may adversely affect investments made by the Fund.

8-B

**Funds:** Tricadia Distressed and Special Situations Fund, L.P. and Tricadia Distressed and Special Situations, Ltd.

## **Fund strategies and related risks:**

### -Stressed/distressed securities

- *Description:* This strategy involves investing in long and/or short positions in stressed or distressed credit investments at significant discounts to underlying value. This strategy typically involves investing in the securities and other assets of issuers in weak financial condition, experiencing poor operating results, needing substantial capital investment, facing special competitive or product obsolescence problems, affected by collateral deterioration and/or credit downgrades, involved in various stages of bankruptcy or reorganization proceedings.
- *Risks:*
  - It is frequently difficult to obtain reliable information as to their true financial prospects.
  - The market prices of distressed securities are subject to abrupt and erratic market movements and excessive price volatility, and the “bid-ask” spreads for those securities may be greater than normally expected.
  - In liquidation (both in and out of bankruptcy) and other forms of corporate reorganization, there exists the risk that the reorganization either will be unsuccessful (due to, for example, failure to obtain requisite approvals), will be delayed (for example, until various liabilities, actual or contingent, have been satisfied) or will result in a distribution of cash or a new security the value of which will be less than the purchase price of the security in respect to which such distribution was made.

### -Special Situations

- *Description:* This strategy involves investing in opportunities that present particularly attractive risk/return characteristics as a result of a temporary dislocation in the market, short-lived supply/demand imbalances, lack of liquidity, highly complex and difficult to

analyze structure, immediate need for capital as a result of a stressed operating environment and any other situation where the Fund can add value and insight as a strategic partner and capital provider.

- *Risks:*
  - The Fund may invest in companies involved in (or the target of) acquisition attempts or tender offers or companies involved in work-outs, liquidations, spin-offs, reorganizations, bankruptcies and similar transactions. In any investment opportunity involving that type of business enterprise, there is a risk that the transaction in which that business enterprise is involved either will be unsuccessful, take considerable time or will result in a distribution of cash or a new security, the value of which will be less than the purchase price of the security or other financial instrument in respect of which that distribution is received.
  - If an anticipated transaction does not in fact occur, the Fund may be required to sell its investment at a loss. Because there is substantial uncertainty concerning the outcome of transactions involving financially troubled companies in which the Fund may invest, there is a potential risk of loss by the Fund of its investment in such companies.

#### **Types of investments and related risks:**

##### **-ABS**

- *Related risks:* See risk factors related to ABS in **Section 8-A** above.

##### **-MBS**

- *Related risks:* See risk factors related to MBS in **Section 8-A** above.

##### **-CDOs**

- *Related risks:* See risk factors related to CDOs in **Section 8-A** above.

##### **-Fixed-income securities**

- *Related risks:* See risk factors related to Fixed-income securities in **Section 8-A** above.

##### **-Derivative instruments**

- *Related risks:* See risk factors related to derivative instruments in **Section 8-A** above.

#### -Private equity investments

- *Related risks:* See risk factors related to private equity investments in **Section 8-A** above.

#### -Equity

- *Related risks:* See risk factors related to equity in **Section 8-A** above.

8-C

**Fund:** SGT Financials Recovery Fund L.P.

#### **Fund strategies and related risks:**

##### -Fundamental

- *Description:* This strategy involves measuring the intrinsic value of a security by looking at economic and financial factors (including the overall economy, industry conditions, and the financial condition and management of the company itself) to determine if the company is underpriced (indicating it may be a good time to buy) or overpriced (indicating it may be time to sell).
- *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 stock.

#### **Types of investments and related risks:**

##### -Public and private regional and community bank equity interests

- *Related risks:*
  - These investments are inherently risky. Since 2009, the FDIC has shut down over 100 banks, primarily because the banks owned defaulted loans. The problem was particularly acute with banks that owned residential mortgages as large numbers of homeowners defaulted. Should economic growth decline, mortgage defaults may accelerate, and regional and community banks may hold even more defaulted loans increasing the rate of bank failures.

##### -Private equity investments

- *Related risks:* See risk factors related to private equity investments in **Section 8-A** above.

## **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 has two registered investment adviser affiliated parties, Mariner Investment Group, LLC (“Mariner”) and Tricadia CDO Management, LLC (“Tricadia CDO”). Mariner and Tricadia CDO are separately registered with the SEC under file numbers 801-62016 (Mariner) and 801-62492 (Tricadia CDO). Tricadia Loan Management, LLC is a majority-owned subsidiary of Tricadia CDO.

As part of a long-term venture relationship, Mariner provides various services and support to Tricadia, including infrastructure, portfolio risk oversight rights, legal and compliance support, back office services, investor relations and marketing support. In return for those services, Mariner has negotiated an economic and limited control interest (including contractual oversight rights but not obligations, limited policy approval or indirect control share rights) in Tricadia.

Muni Capital Management, LLC, Tiptree Capital Management, LLC and TREIT Management, LLC are unregistered investment advisers that are related persons of Tricadia and Tricadia CDO. Pursuant to a management agreement, Muni Capital Management, LLC is responsible for the day-to-day operations of Muni Funding Company of America, LLC. Pursuant to a management agreement, Tiptree Capital Management, LLC is responsible for the day-to-day operations of Tiptree Financial Partners, L.P. Pursuant to a services agreement, TREIT Management, LLC provides certain services to Care Investment Trust Inc. Each of these entities (except for TREIT Management, LLC) serves as investment adviser to pooled investment vehicles. Tricadia Europe is a Tricadia affiliate located in London and registered with the United Kingdom Financial Services Authority.

#### Conflicts

See “Pooled Investment Vehicles- Conflicts” below.

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

### Generally

Through its affiliation with Mariner, Tricadia is also an affiliated party of Mariner Group Capital Markets, Inc. ("Mariner Broker-Dealer"), a broker-dealer registered with the SEC and a FINRA member. Mariner Broker-Dealer is a limited purpose broker-dealer and generally serves as placement agent in private offerings (for example, interests in the Tricadia Funds). Mariner Broker-Dealer 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 Broker-Dealer.

Through its affiliation with Mariner, Tricadia is also an affiliated party of Mariner Europe Limited ("Mariner Europe"), a Mariner affiliate located in London and registered with the United Kingdom Financial Services Authority. Individuals hired or otherwise associated with Mariner Europe may serve as placement agents in private offerings of interests in Tricadia Funds.

### Conflicts

#### *Compensation provides an incentive to recommend Tricadia products*

To the extent that Mariner Broker-Dealer and Mariner Europe 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 an Advisory Account (for clients) and the purchase and sale of interests in the Tricadia Funds (for investors). Tricadia discloses this conflict to potential investors in the Tricadia Funds.

## **ORIX**

### Generally

Through its affiliation with Mariner, ORIX USA Corporation ("ORIX") is an affiliated party of Tricadia. 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 Tricadia Funds*

ORIX may be an investor in the Tricadia Funds and other products advised by Tricadia and/or its affiliates (together with the Tricadia Funds, the "Tricadia Products"). As ORIX holds the ORIX Interest, may be an investor in certain Tricadia Products and has the right (but not the obligation) to provide additional financing to MIG Holdings LLC and/or contribute additional funds to Tricadia Products, numerous conflicts of interest exist (or may in the future exist). For example, Tricadia may feel obligated to permit ORIX to invest in Tricadia Products 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 Tricadia Products in which ORIX invests over other Tricadia Products).

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 and/or its affiliates as service providers*

While ORIX and its affiliates do not currently act as service providers to Tricadia or its clients, in the event that ORIX and/or its affiliates in the future act as service providers (for example, as a broker-dealer or lender) to Tricadia and/or its clients, ORIX and/or its affiliates (as applicable) will receive compensation for services provided to Tricadia and/or its clients (as applicable). Tricadia may feel obligated to select and retain ORIX and/or its affiliates as service providers for Tricadia and/or its clients, regardless of whether ORIX and/or its affiliates may be more costly than and/or provide lesser quality services to Tricadia and/or its clients (as compared to non-ORIX affiliated service providers).

### **Back Office Services Group**

#### Generally

Through its affiliation with Mariner, Back Office Services Group, Inc. ("BOSG") is an affiliated party of Tricadia. BOSG provides certain accounting, administration and other back office services to clients, including the Tricadia Funds.

#### Conflicts

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

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

Although BOSG's fees for its services to Tricadia clients are not negotiated at arm's-length, Tricadia believes those fees to be reasonable in relation to the services provided and consistent with prevailing charges from third party providers of the same services. Generally, in the discretion of a Tricadia Fund's manager or general partner (as applicable), the Tricadia Fund may terminate its relationship with BOSG as necessary and employ another affiliated or unaffiliated entity to perform those services.

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

#### Generally

Portfolio managers of Tricadia or its affiliates may serve as members of the board of directors or a bondholder's creditors' committee of a company the securities of which may be held in Advisory Accounts. This 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 requires pre-clearance from Tricadia's Chief Compliance Officer, and may be permitted 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.

### 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 and/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, distressed corporate bonds) and cannot be mitigated in all cases.

### **Pooled Investment Vehicles**

#### Generally

Tricadia currently advises pooled investment vehicles, as described in Item 4 above. Tricadia CDO, directly or through Tricadia Loan Management, LLC (a majority-owned subsidiary of Tricadia CDO), advises pooled investment vehicles. Mariner currently advises 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 Funds 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 CDO may recommend that a client take a long position in a particular security or instrument while, at the same time, Tricadia Capital is recommending that a 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 Advisory Account 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 Advisory Account 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 Funds and separately managed accounts sponsored and/or managed by Tricadia or its affiliates have overlapping objectives and strategies. Additionally, Tricadia or its affiliates may own interests in those Funds. In various circumstances, particularly when Tricadia or its affiliates sponsors a new Fund, if Tricadia or its affiliate provide most of the initial seed money, the Fund may be wholly or principally owned by Tricadia or its affiliates. Tricadia's (or its affiliates') ownership interest in these Advisory Accounts may give Tricadia an incentive to favor these Advisory Accounts over other Advisory Accounts. However, as discussed below, generally all Advisory Accounts managed using the same investment strategy will participate *pro rata* (based on the size of the Advisory Account or the capital allocation within an Advisory Account to a particular strategy) in all investment opportunities that Tricadia allocates to any other Advisory Account using that strategy.

*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 Advisory Accounts 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 an Advisory Account. Under specific circumstances, not all clients will be charged the same commission or commission equivalent rates in connection with a bunched or aggregated order. For example, brokerage commissions may be individually negotiated by a Tricadia trading desk (or third party investment adviser pursuant to a sub-advisory agreement or otherwise) that invests a portion of an Advisory Account. Lastly, Tricadia may cause securities purchased on behalf of its clients to be held in the name of a nominee affiliate in trust on behalf of those clients. Those nominee holdings will be used when the size of the investment or other considerations relating to the transaction favor holding the securities in the name of one person rather than subdividing the securities among the clients.

#### *Allocation Practices - Generally*

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 Funds 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 Fund 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 Advisory Account (or group of Advisory Accounts) will be systematically favored over any other Advisory Account (or group of Advisory Accounts). Allocation methodologies may include *pro rata* (based on account size or amount of capital allocated to a particular investment strategy) or a “round robin” allocation as described further in Tricadia’s “Trade Aggregation and Allocation Policy” (that is, rotating the Advisory Accounts 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 Advisory Accounts, 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 Advisory Accounts 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 Advisory Accounts 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.

#### *Allocations Practices - Structured Investments*

Tricadia and its affiliates manage multiple Funds and other advisory accounts that invest in collateralized debt obligations (“CDOs”), asset backed securities (“ABS”) and other structured investments (such as collateral loan obligations (“CLOs”), collateral bond obligations and other similar investments) (collectively, “Structured Investments”). CDOs are instruments representing interests in pools, the underlying asset classes of which may include bonds, debentures, syndicated loans or private placement debt. An affiliate of Tricadia (Tricadia CDO) manages accounts that invest almost exclusively in Structured Investments (including ABS and CDOs).

In following the allocation policy described above, it is possible that the allocation process will at times result in Tricadia or its affiliates allocating more valuable Structured Investments to their respective 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 its clients to share proportionately in the legal fees and other expenses it incurs in investigating and negotiating potential transactions for those clients.

Tricadia may cause its Advisory Accounts to invest in privately-offered pooled investment vehicles, unit investment trusts or other collective investment vehicles (such as CDOs and CLOs), 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 (such as mezzanine or equity tranche securities) 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 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 Advisory Accounts. Tricadia has established a variety of restrictions, procedures, and disclosures designed to address conflicts of interest arising between Advisory Accounts on the one hand and the Firm’s business on the other.

It is Tricadia’s policy that Personnel involved in decision-making for Advisory Accounts must seek to act in the best interest of their advisory clients and generally (but not exclusively) without knowledge of trading in client accounts in which the Firm or its Personnel have an interest, and other operations of the Firm or Personnel. More specifically, where asset management Personnel (“Advisory Personnel”) know of conflicts among Advisory Accounts or between Advisory Accounts 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 Advisory Accounts, 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. As described above in response to Item 5, Personnel may receive referral compensation in connection with investments by clients in Affiliated Funds.

*Tricadia personnel may engage in principal trades*

Personnel may invest in the Tricadia Funds 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 securities or shares offered by the Tricadia Funds that result in Personnel paying less in terms of fees and expenses, than clients (or their investors) may pay for the same investment.

In the event that Tricadia or its affiliates are required to sell any remaining assets in a Fund following the expiration of a Fund's term, Tricadia or its affiliates (as applicable under the terms of the Fund 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. In the event that Tricadia or its affiliates decide to sell any remaining assets in a Fund following the expiration of its term, Tricadia, the Fund's general partner, the Fund's limited partners, and a minimum of three independent broker dealers (whenever practicable) will be invited to participate in the bidding process.

Tricadia or its affiliates may be engaged by a third party to assist in structuring sophisticated financial products for that third party's investors. An Affiliated Fund may make an investment into a third party's investment product from which Tricadia or its affiliates has received a structuring or other fee in return for services provided in the creation of that investment product. A Tricadia Fund will make an investment in that investment product only after Tricadia has made a good faith determination that the structuring or other fee (i) was made in return for *bona fide* services that fall outside the scope of the investment management services performed by Tricadia on behalf of the Tricadia Fund, and (ii) was reasonable in relation to the nature of work performed.

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

In accordance with Tricadia's "Cross Trading Policy," Tricadia may buy and sell the same security between Advisory Accounts when it believes, in its sole discretion, that such a transaction would be advantageous or otherwise beneficial to each of the Advisory Accounts 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.

### *Letters of Understanding or "Side Letters"*

The Tricadia Funds and/or Tricadia or its affiliates often enter into letters of understanding granting investors or third parties (for example, financial institutions that provide financing to Tricadia or its clients) different rights, including but not limited to, rights relating to fees, liquidity, transparency and reporting ("Letters of Understanding"). No Letter of Understanding provided to an investor or a third party by a Tricadia Fund and/or Tricadia or its affiliates will necessarily entitle any other investor or third party to the rights granted in such letter.

### **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 Advisory Accounts that they purchase or sell interests in the Affiliated Funds.

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 and related Personal Investment Policy (collectively the "Code") that 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. In addition, Tricadia has developed specific policies and procedures that govern the business practices of Tricadia partners, directors, officers and certain other employees ("Access Persons" who are generally defined under the Code as employees who have regular access to information relating to client security transactions and "Advisory Persons," who are generally defined as investment professionals such as portfolio managers, analysts and traders who recommend, research and effectuate investment ideas respectively) and certain of its affiliates ("Access Persons" and "Advisory Persons" are referred to collectively as "Access Persons"). For example, Tricadia has developed a "Personal Investment Policy" and related procedures to address actual and potential conflicts of interest that arise from personal trading by Access Persons.

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 avoid any actual, potential 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 Personal Investment Policy described above, the Code contains several other policies and procedures that are designed to eliminate or reduce potential conflicts of interest and include the following: an “Inside Information Policy”; an “Informational Barrier Policy” (a/k/a Chinese Wall Policy and procedures); a “Gifts & Entertainment Policy”; a “Market Manipulation and Intentional Spreading of False or Misleading Information Policy”; and a “Policy Governing the Use of Third Party Investment Consultants.” Tricadia prohibits the use of material non-public information (“inside information”) and maintains a Restricted and Watch List of securities that 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 and/or Mariner's Chief Compliance Officer in accordance with the Code.

In addition, Access Persons are generally prohibited from purchasing most other types of securities with limited exception. Specifically, Access Persons are permitted to personally invest in “Exempt Securities” as defined under the Personal Investment Policy (including registered open-end mutual fund shares, certain types of Exchange Traded Funds (unit investment trusts that hold securities in proportion to a broad based market index such as SPDRs and QQQs), Treasury obligations or other securities issued by or guaranteed by the U.S. government, bankers certificates of deposit, commercial paper and other short term high quality debt instruments with one year or less to maturity), and subject to preclearance, may also purchase and sell registered closed-end fund shares, municipal securities and limited offerings including private partnerships such as hedge funds). 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. The Firm shall have no obligation to recommend for purchase or sale by any Advisory Account any instrument that the Firm or Personnel may purchase for themselves or for any other clients. The Firm shall have no obligation to seek to obtain material non-public information about any issuer of securities, nor to effect transactions for Advisory Accounts on the basis of any inside information as may come into its possession.

The ability of Tricadia to effect and/or recommend transactions for Advisory Accounts may be restricted by applicable regulatory requirements and/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 an Advisory Account 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 Advisory Accounts may not apply to other Advisory Accounts, resulting in differences among Advisory Accounts.

Unless approved by Tricadia's and/or Mariner'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.

As discussed further above in response to Item 10, on occasions where a number of client accounts are attempting to purchase or sell the same securities, Tricadia may aggregate orders to purchase or sell securities with those of its other clients in order to facilitate execution and minimize transaction costs. The manner of aggregation is consistent with Tricadia's duty to seek best execution on an overall basis for its clients and with the terms of its investment advisory agreement with its clients. As a general matter, each client that participates in an aggregated order will participate at the average share/bond price with transaction costs shared *pro rata* based on the clients' participation in the transaction.

If those orders cannot be fully executed under prevailing market conditions, Tricadia allocates on an equitable basis among all of its Advisory Accounts the purchases or sales which can be made, after taking into account the size of the order placed for the various clients and such other factors as it deems appropriate. In some cases, this procedure may adversely affect the price paid or received by Tricadia's advisory clients or the size of the position obtained by such clients. In addition, a Tricadia affiliate may hold record title to securities owned by its advisory clients as nominee or in trust to facilitate the ownership of smaller, illiquid investments. This is done at no cost to its advisory clients and is disclosed to those clients through this Brochure and other disclosure documents (such as investment management agreements, Fund offering documents or otherwise).



Tricadia's clients, prospective Tricadia clients or investors in Tricadia Funds may obtain a complete copy of the Tricadia's Code of Ethics free of charge by submitting a written request to Mariner's Compliance Department at 500 Mamaroneck Avenue, Harrison, NY 10528, by fax at (914) 670-4320 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 "Pooled Investment 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 its Advisory Account and instruct Tricadia as to which broker-dealer(s) it should use to execute securities transactions on behalf of its Advisory Account. 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 either of them 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).

Primary market makers are used for transactions in the over-the-counter ("OTC") markets, except in those instances where Tricadia believes more favorable execution or price is obtainable elsewhere. Tricadia may effect transactions in OTC securities (and certain derivatives) directly with principals or market makers by paying a mark-up within the spreads of the bid and ask prices of the security or derivative and without incurring a commission charge. 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.

For many transactions involving U.S. Treasury, federal agency and mortgage-backed securities, the markets in which Tricadia trades are dealer-to-dealer OTC markets in which there are no brokerage commissions, although minor clearing charges are applicable. While Tricadia may buy and sell securities or derivatives on behalf of client accounts at the prevailing bid asked spreads, the actual

direct transaction costs are minimal. Tricadia believes that its Advisory Accounts have access, through direct contact with primary dealers and financial institutions, to fully competitive prices.

### **Borrowing**

To the extent a Tricadia Fund uses leverage, it may borrow from a broker (such as a prime broker or other key counter-party or service provider of the Fund or Tricadia) at arm's-length rates. If any Advisory Account engages in short sales, Tricadia may cause the Advisory Account 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. 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, actual losses in an Advisory Account 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 an Advisory Account as a result of a trade error caused by Tricadia will remain in the Advisory Account.

As a general matter, netting of gains and losses between Advisory Accounts is not permissible. Netting of gains and losses for one Advisory Account 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 Advisory Account 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 are monitored on no less than a weekly basis by at least one of Tricadia's co Chief Investment Officers as well as its Chief Operating Officer and Director of Risk Management. 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 generally furnishes clients with quarterly reports listing the market value and other relevant information concerning the account. In addition, Tricadia also provides certain reports to investors (each an "Investor") invested in the Tricadia Funds. Each Investor will annually receive

audited financial statements prepared in accordance with GAAP of the applicable pooled investment vehicle generally within 120 days of the end of the applicable fiscal year. Tricadia also makes those additional 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**

In addition to the arrangements with Mariner and Mariner Broker-Dealer described in Item 5 above, 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 Affiliated Funds. Tricadia compensates those third parties only if the client or investor is aware of the fee arrangement (through disclosures or acknowledgments included in a Fund’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 Tricadia Funds).

#### **Item 15 – Custody**

To the extent that Tricadia deducts fees directly from an Advisory Account or serves as the general partner or managing member of a Tricadia Fund, it is deemed to have custody of client assets.

All Advisory Account clients 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.

Tricadia generally provides Tricadia Fund investors with the applicable Fund’s annual audited financial statements prepared by an independent public accountant.

#### **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 their Advisory Accounts; (ii) the nature of the issuers of investments that Tricadia will or will not purchase for their Advisory Accounts; or (iii) the risk profile of instruments Tricadia will or will not purchase for their Advisory Accounts, or the risk profile of the Advisory Accounts 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 Fund.

## **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 Advisory Accounts including Funds.

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.

Currently, Tricadia uses Broadridge Investor Communications Solutions, Inc. (“Broadridge”) as its 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; (ii) Tricadia’s Standard Guidelines (currently the same as Broadridge’s standard guidelines); or (iii) in the case of a Taft-Hartley client, with Broadridge’s Taft-Hartley guidelines. Tricadia informs the client’s custodian (including prime brokers) to send all proxies to Broadridge. Tricadia then informs Broadridge that the client has appointed Tricadia as its agent and instructs Broadridge 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 Mariner’s Legal/Compliance Department for review;
- All dissents are presented to Mariner’s or 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 Broadridge 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 immediately 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 Tricadia Funds may obtain a complete copy of Tricadia's Proxy Voting Policy and Procedures or information on how Tricadia voted proxies for their Advisory Accounts (or the relevant Tricadia Fund, as applicable) free of charge by submitting a written request to Mariner's Compliance Department at 500 Mamaroneck Avenue, Harrison, NY 10528, by fax at (914) 670-4320 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**

### **Anti-Money Laundering Policies and Procedures**

To help the government fight the funding of terrorism and money laundering activities, Tricadia (directly or through a service provider, such as a Fund administrator) seeks to obtain, verify, and record information that identifies clients who open Advisory Accounts with Tricadia or subscribe

for an interest in a Tricadia Fund. When a client opens an Advisory Account with Tricadia, or subscribes for an interest in a Tricadia Fund, Tricadia (or the appropriate service provider) will ask for information (such as name, address, date of birth, identification number, a copy of a driver's license or other identifying documents or information) that enables Tricadia (or the appropriate service provider) to identify that client or investor in a manner that is consistent with applicable requirements and to share that information as required by applicable law or in connection with the execution of trades. For certain clients, Tricadia may rely (in whole or in part) on the client's broker-dealer, transfer agent or custodian to obtain, verify and record the required 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 Wappinger 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	No
<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 nonaffiliates 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 Capital Management, LLC, on behalf of Mariner-Tricadia Credit Strategies Fund, L.P., Mariner-Tricadia Credit Strategies Fund II, L.P. and Mariner-Tricadia Credit Strategies, Ltd., Tricadia Distressed and Special Situations, L.P., Tricadia Distressed Special Situations, Ltd. SGT Financials Recovery Fund L.P. and Structured Credit Opportunities Fund II, L.P.

## 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 nonaffiliates 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 include companies with a "Tricadia," "Mariner" or "Back Office Services Group" name.*

## Nonaffiliates

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

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

## Joint marketing

A formal agreement between nonaffiliated financial companies that together market financial products or services to you.

- *Tricadia does not engage in joint marketing.*