

**Part 2A of Form ADV: *Firm Brochure***

**Morris Associates LLC**

400 Madison Ave  
Suite 10B  
New York, NY 10017

Telephone: 212-935-8075  
Email: [kmorris@morrisassociatesllc.com](mailto:kmorris@morrisassociatesllc.com)  
Web Address: [www.morrisassociatesllc.com](http://www.morrisassociatesllc.com)

01/18/2011

This brochure provides information about the qualifications and business practices of Morris Associates LLC. If you have any questions about the contents of this brochure, please contact us at 212-935-8075 or [kmorris@morrisassociatesllc.com](mailto:kmorris@morrisassociatesllc.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Morris Associates LLC 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. Our firm's CRD number is 138260.

## **Item 2    Material Changes**

The SEC adopted "Amendments to Form ADV" in July, 2010. This Firm Brochure, dated 01/18/2011, is our new disclosure document prepared according to the SEC's new requirements and rules. As you will see, this document is a narrative that is substantially different in form and content, and includes some new information that we were not previously required to disclose.

After our initial filing of this Brochure, this Item will be used to provide our clients with a summary of new and/or updated information. We will inform you of the revision(s) based on the nature of the updated information.

Consistent with the new rules, we will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year. Furthermore, we will provide you with other interim disclosures about material changes as necessary.

<b>Item 3</b>	<b>Table of Contents</b>	<b>Page</b>
Item 1	Cover Page	1
Item 2	Material Changes	2
Item 3	Table of Contents	3
Item 4	Advisory Business	4
Item 5	Fees and Compensation	4
Item 6	Performance-Based Fees and Side-By-Side Management	7
Item 7	Types of Clients	8
Item 8	Methods of Analysis, Investment Strategies and Risk of Loss	8
Item 9	Disciplinary Information	9
Item 10	Other Financial Industry Activities and Affiliations	9
Item 11	Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	9
Item 12	Brokerage Practices	10
Item 13	Review of Accounts	10
Item 14	Client Referrals and Other Compensation	10
Item 15	Custody	11
Item 16	Investment Discretion	11
Item 17	Voting Client Securities	11
Item 18	Financial Information	12

## **Item 4    Advisory Business**

Morris Associates LLC is a SEC-registered investment adviser with its principal place of business located in New York. Morris Associates LLC began conducting business in 2011.

Listed below are the firm's principal shareholders (i.e., those individuals and/or entities controlling 25% or more of this company).

- Karen L Morris, President

Morris Associates LLC offers the following advisory services to our clients:

Advisor provides continuous investment advice and manages the investments of two funds on a discretionary basis based on each Fund's needs and objectives, in accordance with the Fund's Offering Documents. Generally, the investment objective of each Fund is to achieve consistently attractive riskadjusted returns across a wide range of different market environments. Advisor intends to achieve this objective by investing each Fund's assets in a diversified group of Portfolio Funds that implement a variety of alternative investment strategies trading and investing in global markets under the direction of their respective Portfolio Managers.

Advisor generally seeks to invest each Fund's capital in Portfolio Funds having Portfolio Managers whose performance is expected to be non-correlated both with each other (except to the extent Portfolio Managers trade similar strategies) and with major market indices. Typically, Advisor allocates a Fund's capital among 10 – 15 Portfolio Funds. However, it is anticipated that each Fund will have one or more "core" investments in which as much as 25% to 30% of the Fund's net asset value (or more) may be invested.

Advisor selects strategies which, based on historical returns, Advisor believes are likely to perform well in a variety of different market environments and to show a comparatively low degree of correlation with one another, including in times of market volatility when the risk control benefits of non-correlation may be of particular importance.

The Funds are not required to register as investment companies under the Investment Company Act of 1940 in reliance upon an exemption available to funds whose securities are not publicly offered. The investment advise of the Advisor is limited to these types of invesmtents.

The Advisor does not tailor its advisory services to the individual needs of clients. Clients are therefore not permitted to impose restrictions on investing in certain securities or types of securities. The Advisor does not participate in any wrap fee programs.

### **AMOUNT OF MANAGED ASSETS**

As of 12/31/2010, we were actively managing \$111,379,153 of clients' assets on a discretionary basis.

## Item 5 Fees and Compensation

### INVESTMENT SUPERVISORY SERVICES INDIVIDUAL PORTFOLIO MANAGEMENT FEES

Our annual fees for Investment Supervisory Services are based upon a percentage of assets under management and generally range from 0.50% to 1.00%.

On a case-by-case basis, Morris Associates LLC determines an appropriate fee structure based on the size, complexity and investment objectives of the client's account. Fee arrangements may include a combination of a management fee and incentive fee, or may be solely limited to a management fee or an incentive-based fee. The terms and conditions of the fee structure are mutually agreed upon prior to entering into an advisory agreement.

**Account Management Fees:** Morris Associates LLC typically charges a fee for account management that is calculated and paid as a percentage of the assets under management. The Account Management Fee is calculated at an annual rate not to exceed 1.00%. Fees are calculated on a monthly basis, and are payable in arrears based on the value of the account at the end of each billing period. The Account Management Fee is prorated for periods less than a full billing cycle and adjusted to cover any additional contributions made during that period.

Below, Advisor has summarized certain information with respect to each of the Funds. The "Class" (collectively "Classes") corresponds to the class of Interests or Shares issued by the respective Funds. The term "Lock Up" refers to the minimum period of time that an Investor will not be able to withdraw or cause a redemption of the Investor's Investor Interests, absent certain events or conditions described in the Offering Documents. The Offshore Fund has a Lock Up, but the Domestic Fund does not have a Lock Up. The "Management Fee" and the "Incentive Fee" represent the fees payable to Advisor pursuant to the Offering Documents. The "Minimum Subscription" represents the minimum investment amount, subject to modification or waiver, as stated in the Offering Documents. The "Status" refers to whether the particular class of Investor Interest is currently available for investment by qualified new Investors.

#### Morris Global Strategies, LP

Class	Lock Up	Management Fee	Incentive Fee	Minimum Subscription	Status
A	None	1.00%	None	\$500,000	Open
B	None	0.50%	4%	\$500,000	Closed
C	None	1.00%	5%	\$500,000	Open

#### Morris Global Strategies (Cayman), Ltd.

Class	Lock Up	Management Fee	Incentive Fee	Minimum Subscription	Status
A	1-year	1.00%	None	\$500,000	Open
B	1-year	0.50%	4%	\$500,000	Open
C	1-year	1.00%	5%	\$500,000	Open

Morris Associates LLC's incentive fee for Class B is 4% & Class C is 5% of the net profits above the account's previous "high water mark". To the extent that the amount of account appreciation is less than the high water mark, there is a loss carryforward allocation that must be recouped before Morris Associates LLC is entitled to a performance-based fee.

Clients who elect to terminate their contracts will be charged a performance-based fee based

on the performance of the account for the measuring period going back from the termination date and pro-rated from the date on which the performance-based fee was last assessed.

In measuring the Managed Account client's assets for the calculation of performance-based fees, Morris Associates LLC includes: for securities for which market quotations are readily available, the realized capital losses and unrealized capital losses of securities over the period and, if the unrealized capital appreciation of the securities over this period is included, the unrealized capital depreciation of securities over the period. As such, we may receive increased compensation with regard to unrealized appreciation as well as unrealized gains in the client's account.

The client must understand the performance-based fee method of compensation and its risks prior to entering into a management contract with us.

PERFORMANCE-BASED FEES WILL ONLY BE CHARGED IN ACCORDANCE WITH THE PROVISIONS OF REG. 205-3 OF THE INVESTMENT ADVISERS ACT OF 1940 AND/OR APPLICABLE STATE REGULATIONS. THE FEES WILL NOT BE OFFERED TO ANY CLIENT RESIDING IN A STATE IN WHICH SUCH FEES ARE PROHIBITED.

Our fees are billed monthly, in arrears, at the end of each month based upon the value (market value or fair market value in the absence of market value), of the client's account at the end of the previous billing period. Fees will be debited from the account in accordance with the client authorization in the Client Services Agreement.

A minimum of \$500,000 of assets under management is required for this service. This account size may be negotiable under certain circumstances. Morris Associates LLC may group certain related client accounts for the purposes of achieving the minimum account size and determining the annualized fee.

Morris Associates LLC's advisory fees are not negotiable.

## GENERAL INFORMATION

***Termination of the Advisory Relationship:*** A client agreement may be canceled as of any March 31, June 30, September 30 or December 31 by either party, for any reason upon receipt of 45 calendar days' prior notice. As disclosed above, if certain fees are paid in advance of services provided (upon termination of any account) any prepaid, unearned fees will be promptly refunded. In calculating a client's reimbursement of fees, we will pro rate the reimbursement according to the number of days remaining in the billing period.

***Mutual Fund Fees:*** All fees paid to Morris Associates LLC for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and/or EFTs to their shareholders. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. If the fund also imposes sales charges, a client may pay an initial or deferred sales charge. A client could invest in a mutual fund directly, without our services. In that case, the client would not receive the services provided by our firm which are designed, among other things, to assist the client in determining which mutual fund or funds are most appropriate to each client's financial condition and objectives. Accordingly, the client should

review both the fees charged by the funds and our fees to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

***Additional Fees and Expenses:*** In addition to our advisory fees, clients are also responsible for the fees and expenses charged by custodians and imposed by broker dealers, including, but not limited to, any transaction charges imposed by a broker dealer with which an independent investment manager effects transactions for the client's account(s). Please refer to the "Brokerage Practices" section (Item 12) of this Form ADV for additional information.

***Grandfathering of Minimum Account Requirements:*** Pre-existing advisory clients are subject to Morris Associates LLC's minimum account requirements and advisory fees in effect at the time the client entered into the advisory relationship. Therefore, our firm's minimum account requirements will differ among clients.

***ERISA Accounts:*** Morris Associates LLC is deemed to be a fiduciary to advisory clients that are employee benefit plans or individual retirement accounts (IRAs) pursuant to the Employee Retirement Income and Securities Act ("ERISA"). As such, our firm is subject to specific duties and obligations under ERISA and the Internal Revenue Code that include among other things, restrictions concerning certain forms of compensation. To avoid engaging in prohibited transactions, Morris Associates LLC may only charge fees for investment advice about products for which our firm and/or our related persons do not receive any commissions or 12b-1 fees, or conversely, investment advice about products for which our firm and/or our related persons receive commissions or 12b-1 fees, however, only when such fees are used to offset Morris Associates LLC's advisory fees.

***Advisory Fees in General:*** Clients should note that similar advisory services may (or may not) be available from other registered (or unregistered) investment advisers for similar or lower fees.

***Limited Prepayment of Fees:*** Under no circumstances do we require or solicit payment of fees in excess of \$1200 more than six months in advance of services rendered. As state-registered advisers are subject to the rules and regulations of their home state (i.e., the state in which the firm maintains its principal place of business) these firms should review home state requirements which may limit prepayment of fees in excess of \$500.

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

### **PERFORMANCE-BASED FEES**

As we disclosed in Item 5 of this Brochure, our firm accepts a performance-based fee from the client. Such a performance-based fee is calculated based on a share of capital gains on or capital appreciation of the assets of the client. To qualify for a performance-based fee arrangement, a client (or Fund investor, as applicable) must either demonstrate a net worth of at least \$1,500,000 or must have at least \$750,000 under management immediately after entering into a management agreement with us.

Clients should be aware that performance-based fee arrangement may create an incentive for the Advisor to recommend investments which may be riskier or more speculative than those which would be recommended under a different fee arrangement. Investors in all share classes (those only paying a management fee and those paying a lower management fee plus an incentive fee) invest in the same pooled vehicles, so therefore there is no conflict or opportunity for the advisor to recommend riskier investments to one class of investors over the other.

## **Item 7    Types of Clients**

Morris Associates LLC provides advisory services to the following types of clients:

- High net worth individuals
- Pension and profit-sharing plans
- Trusts, estates or charitable organizations
- Other corporations or business entities
- Other pooled investment vehicles

As previously disclosed in Item 5, our firm has established certain initial minimum account requirements, based on the nature of the service(s) being provided. For a more detailed understanding of those requirements, please review the disclosures provided in each applicable service.

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

### **METHODS OF ANALYSIS**

We use the following strategies in managing client accounts, provided that such strategies are appropriate to the needs of the client and consistent with the client's investment objectives, risk tolerance, and time horizons, among other considerations:

After the initial sourcing of a hedge fund, Morris Associates LLC will begin the early stages of due diligence to assess the managers strategy, performance, risks, operations and transparency.

The first step is a review of all marketing material (pitch books, newsletters, performance history, due diligence questionnaires, etc). Historical performance will be analyzed, not just for attractive returns, but also for consistency over time, consistency with the strategies employed & the organization in place and diversification with other managers in the MGS portfolio.

Initial reference checks will be pursued. Morris Associates LLC industry contacts will be utilized to obtain opinions on the firm, fund and personnel of each hedge fund.



Typically, a site visit will be the next step in the due diligence process. Detailed summary notes will be maintained for every manager meeting and saved on MGS computer system. Based on qualitative and quantitative assessment, MGS will decide whether to continue to pursue the hedge fund for possible investment in the Funds.

If the manager passes the initial levels of screening, MGS will complete a comprehensive due diligence report.

The portfolio construction process seeks to assemble a portfolio of approved hedge funds consistent with the strategy Morris Associates LLC has followed since 2000. There are a number of qualitative, practical and quantitative investment considerations involved in this decision process.

Managers will be monitored with routine phone conversations and site visits. Generally, monthly monitoring summaries will be completed for invested managers based upon either Morris Associates LLC's dialogue with the hedge fund or reports sent to Morris Associates LLC from the managers. Morris Associates LLC's summary reports will review the prior month's performance and any outstanding issues or developments for each manager.

### ***Risk Factors:***

**Potential Loss of Investment** - Although the General Partner seeks to lessen risk by diversifying the Partnership's investments among a variety of investment strategies and Portfolio Managers, an investor nevertheless could lose all or a substantial portion of its investment in the Partnership. There can be no assurance that the Partnership as a whole or its Portfolio Managers individually will achieve its or their objectives.

**General Investment Risks** - There are three principal types of risk that can adversely affect the General Partner's multistrategy, multi-manager investment approach: market risk, strategy risk and manager risk.

Market risk reflects the fact that there are certain general market conditions in which any given investment strategy is unlikely to be profitable. With respect to market risk, Morris Associates LLC's approach is designed to achieve broad diversification across global capital markets (*i.e.*, equities, fixed income, commodities, foreign currencies, listed securities and over-the-counter instruments, across numerous markets worldwide) and thus limit its exposure to any single market. However, from time to time multiple markets could move in tandem against the Partnership's positions and the Partnership could suffer substantial losses.

Strategy risk is associated with the failure or deterioration of an entire strategy such that most or all Portfolio Managers employing that strategy suffer significant losses. Strategy specific losses may result from excessive concentration by multiple Portfolio Managers in the same investment or broad events that adversely affect particular strategies (*e.g.*, illiquidity within a given market).

Portfolio Manager risk includes the possibility of Portfolio Manager fraud, intentional or inadvertent deviations from a predefined investment strategy or simply poor judgment.

## **Item 9 Disciplinary Information**

We are required to disclose any legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management.

Our firm and our management personnel have no reportable disciplinary events to disclose.

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

Our firm and our related persons are not registered as a broker-dealer, futures commission merchant or a commodity trading advisor. Our firm is however, registered as a commodity pool operator with the National Futures Association.

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

Our firm has adopted a Code of Ethics which sets forth high ethical standards of business conduct that we require of our employees, including compliance with applicable federal securities laws.

Morris Associates LLC and our personnel owe a duty of loyalty, fairness and good faith towards our clients, and have an obligation to adhere not only to the specific provisions of the Code of Ethics but to the general principles that guide the Code.

Our Code of Ethics includes policies and procedures for the review of quarterly securities transactions reports as well as initial and annual securities holdings reports that must be submitted by the firm's access persons. Among other things, our Code of Ethics also requires the prior approval of any acquisition of securities in a limited offering (e.g., private placement) or an initial public offering. Our code also provides for oversight, enforcement and recordkeeping provisions.

Morris Associates LLC's Code of Ethics further includes the firm's policy prohibiting the use of material non-public information. While we do not believe that we have any particular access to non-public information, all employees are reminded that such information may not be used in a personal or professional capacity.

A copy of our Code of Ethics is available to our advisory clients and prospective clients. You may request a copy by email sent to [kmorris@morrisassociatesllc.com](mailto:kmorris@morrisassociatesllc.com), or by calling us at 212-935-8075.

Morris Associates LLC and individuals associated with our firm are prohibited from engaging in principal transactions.

Morris Associates LLC and individuals associated with our firm are prohibited from engaging in agency cross transactions.

## **Item 12 Brokerage Practices**

Morris Associates LLC does not have any soft-dollar arrangements and does not receive any soft-dollar benefits.

Morris Associates LLC does not select or recommend broker-dealers for client transactions and does not engage in the trading of specific securities.

Advisor has been granted the discretionary authority to determine the Portfolio Funds in which the Funds should invest, as well as any other investments that may be made from time to time by the Funds. Advisor will not have discretion to determine the securities or the amounts of securities that are bought or sold by the Portfolio Funds.

With respect to any non-Fund investments made by Advisor, Advisor will have discretion to determine the broker or dealer to be used and the commission rates to be paid. Advisor will seek to execute such securities transactions in a manner that the total cost or proceeds in each transaction are most favorable under the circumstances ("best execution"). In seeking best execution, Advisor will consider the full range of a broker's brokerage and research services, including the value of research provided, execution quality, commission rate, financial responsibility, and responsiveness. Advisor does not currently have any "soft dollar arrangements."

## **Item 13 Review of Accounts**

### **INVESTMENT SUPERVISORY SERVICES INDIVIDUAL PORTFOLIO MANAGEMENT**

*REVIEWS:* While the underlying securities within Individual Portfolio Management Services accounts are continually monitored, these accounts are reviewed at least monthly. Accounts are reviewed in the context of each client's stated investment objectives and guidelines. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, or the market, political or economic environment.

The underlying securities and exposures to different market sectors of the Portfolio Managers are reviewed and monitored on an ongoing basis. Monthly reports are sent to each investor reviewing market activity and the performance of each portfolio manager vis a vis the opportunities in their sector and their specific exposures. A capital statement is also sent to each investor monthly. The Advisor conducts individual account reviews at the request of the individual investor and does not have a formal periodic account review schedule. The factors that could trigger a review are adverse performance from our portfolios, general concerns about the outlook for financial markets or specific changes to an individual's risk aversion or financial condition. Written reports are sent to clients each month within two weeks of month end.

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

Morris Associates LLC's does not engage solicitors or to pay related or non-related persons for referring potential clients to our firm.

It is Morris Associates LLC's policy not to accept or allow our related persons to accept any form of compensation, including cash, sales awards or other prizes, from a non-client in conjunction with the advisory services we provide to our clients.

## **Item 15 Custody**

We urge our clients to carefully compare the information provided on these statements to ensure that all account transactions, holdings and values are correct and current.

The Funds custody banks are Citibank and JP Morgan for the onshore and offshore funds, respectively. Citibank and JP Morgan do not send statements directly to individual investors because the accounts are the Funds' accounts. Clients receive monthly statements from the administrator of the Funds, NAV Consulting, Inc. As administrator, NAV receives copies of all correspondence from each investor and manager, which includes subscriptions, redemptions and performance information. They monitor and reconcile all banking activity, calculate income, expense accruals and management and incentive allocations. The Advisor runs a parallel set of processes and controls in house to verify information and maintain quality control. The investor receives statements from NAV Consulting, a qualified and independent third party administrator. In addition to the monthly statements that clients receive directly from their custodians, we also send account statements directly to our clients on a monthly basis.

## **Item 16 Investment Discretion**

Advisor has been granted the discretionary authority to determine the Portfolio Funds in which the Funds should invest, as well as any other investments that may be made from time to time by the Funds. Advisor will not have discretion to determine the securities or the amounts of securities that are bought or sold by the Portfolio Funds.

With respect to any non-Fund investments made by Advisor, Advisor will have discretion to determine the broker or dealer to be used and the commission rates to be paid. Advisor will seek to execute such securities transactions in a manner that the total cost or proceeds in each transaction are most favorable under the circumstances ("best execution"). In seeking best execution, Advisor will consider the full range of a broker's brokerage and research services, including the value of research provided, execution quality, commission rate, financial responsibility, and responsiveness. Advisor does not currently have any "soft dollar arrangements."

## **Item 17 Voting Client Securities**

Except for limited investments in money market mutual funds, the Funds invest

solely in the Portfolio Funds. The Portfolio Manager of each Portfolio Fund votes the proxies with respect to the securities owned by its particular Portfolio Fund. Generally, the only proxies that Advisor is responsible for voting would be with respect to extraordinary matters brought to a vote of the investors in a Portfolio Fund or with respect to the money market funds in which the Funds invest on a limited basis.

In these limited situations where Advisor votes the Funds' proxies, Advisor will seek to maximize value for the Funds and the Investors in the Funds and is guided by general fiduciary principles. To that end, Advisor endeavors to vote proxies in the manner that it determines in good faith will be the most likely to cause the Funds' investments to increase the most or decline the least in value. Consideration is given to both the short and long term implications of the matter to be voted on when considering the optimal vote.

## **Item 18 Financial Information**

Morris Associates LLC has no additional financial circumstances to report.

Under no circumstances do we require or solicit payment of fees in excess of \$1200 per client more than six months in advance of services rendered. Therefore, we are not required to include a financial statement.

Morris Associates LLC has not been the subject of a bankruptcy petition at any time during the past ten years.