

Item 1 – Cover Page

Part 2A of Form ADV: *Firm Brochure*

ALADDIN CAPITAL MANAGEMENT LLC

Six Landmark Square
Stamford, Connecticut 06901
Telephone: (203) 487-6700
Website: www.aladdincapital.com
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This brochure provides information about the qualifications and business practices of Aladdin Capital Management LLC (äACMö). If you have any questions about this brochure please contact us at (203) 487-6700. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the äSECö) or any state securities authorities.

Additional information about ACM is also available on the SEC's website at www.adviserinfo.sec.gov. You can search this site by a unique identifying number known as a CRD number. The CRD number for ACM is 123021.

Registration with the SEC or with any state securities authority does not imply a certain level of skill or training.

Item 2 – Material Changes

On July 28, 2010, the SEC published Amendments to Form ADV which amends the disclosure documents that ACM provides to its clients as required by SEC rules. The Brochure dated and filed with the SEC on April 1, 2011 was prepared according to the SEC's new requirements and rules.

This Brochure dated November 2, 2011 is an updated brochure. The material change is as follows: Patrick Maloney is no longer employed or serving as the Chief Compliance Officer at ACM. The new Chief Compliance Officer for ACM is Sharad A. Samy.

ACM will further provide you with a new Brochure based on material changes or new information, at any time, without charge.

Currently, our Brochure may be requested by contacting ACM's Chief Compliance Officer, at (203) 326-6863.

Item 3 – Table of Contents	Page
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	6
Item 6 Performance-Based Fees and Side-By-Side Management	8
Item 7 Types of Clients	9
Item 8 Methods of Analyses, Investment Strategies and Risk of Loss	10
Item 9 Disciplinary Information	12
Item 10 Other Financial Industry Activities and Affiliations	12
Item 11 Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	13
Item 12 Brokerage Practices	15
Item 13 Review of Accounts	17
Item 14 Client Referrals and Other Compensation	18
Item 15 Custody	18
Item 16 Investment Discretion	19
Item 17 Voting Client Securities	19
Item 18 Financial Information	20

Item 4 – Advisory Business

Aladdin Capital Management LLC (öACMö) is a Delaware limited liability and is a wholly owned subsidiary of Aladdin Capital Holdings LLC ((öACHö) and ACH and its affiliates together with ACM öAladdinö), which was founded in 1999 by Aminkhan Aladin, the current Chairman and CEO of ACH. ACM, which began offering investment advisory services in August 2003, primarily focuses on non-traditional fixed income based strategies, and, historically, ACM held a dominant position in the Collateralized Debt Obligation (öCDOö) and Collateralized Loan Obligation (öCLOö) sectors. ACM currently manages CDO and CLO collateral, private investment funds and separately managed accounts, including accounts that invest in underlying equity tranches of managed CDOs and/or in private investment funds managed by ACM. As of September 30, 2011, ACM had \$10,200,000,000 under management.

ACM invests clients' assets in one or more investment specialties, including high-grade bonds, high-yield bonds, leveraged bank loans, asset-backed securities, asset-backed loans, credit default swaps and structured credit investments. ACM's investment strategy revolves around a disciplined credit process and is based on the belief that a thorough top-to-bottom understanding of an investment and its industry and/or sector is essential to generating positive absolute returns.

Before investing, a team of investment professionals with multiple specialties performs an in-depth fundamental analysis and due diligence on each potential investment, applying their diverse experience in assessing an investment's valuation, capital structure, financial performance and industry dynamics to identify the most attractive investment opportunities for ACM's clients. The due diligence process may involve extensive discussions with an issuer's management team.

ACM takes an active role in all portfolio investments made by ACM on behalf of its clients. A team of portfolio managers is responsible for monitoring the performance of each investment on a regular basis. At times, ACM may retain outside consultants, including attorneys, accountants, appraisers and valuation experts, to supplement the work of the in-house investment team.

Aladdin Citation Fund

The Aladdin Citation Fund (the öCitation Fundö), is a diversified long-short relative value hedge fund, seeking to provide superior risk adjusted returns operating in the global credit markets while actively hedging interest rate exposure. The Citation Fund attempts to avoid excessive volatility, maintain a high degree of liquidity, and provide full transparency and disclosure. The Citation Fund is designed to utilize a variety of actively managed strategies across the broad credit markets, while limiting exposure to any particular credit or sector. Strategies may include basis trading, spread curve arbitrage, sector relative value, and capital structure arbitrage, allowing for potential returns in all market environments.

Auction Back Securities (ABS) Collateralized Debt Obligations (CDO)

Aladdin's ABS group manages the Aladdin's exposure to the asset-backed, residential mortgage-backed and commercial mortgage-backed securities markets. The ABS group, which has been in existence since 2005 at Aladdin possesses experience at major buy-side asset management firms, investment banks, and originators prior to joining Aladdin. This expertise across multiple channels of the origination, securitization and investment portions of the structured products markets has proven to be a competitive advantage in sourcing, analyzing and investing in products for investors. The ABS group, at its peak, managed more than \$8 billion in assets within seven static CDOs. The ABS group employs proprietary credit analytics developed using a fundamental underwriting approach and sophisticated stochastic models to accurately filter through large amounts data.

Synthetic Collateralized Debt Obligations (CSO)

The Synthetic CDO business is managed by the Global CSO group which is responsible for 14 bespoke tranches referencing 10 portfolios. Total outstanding amount is close to \$800 million. Aladdin has been a pioneer in synthetic CDO management, structuring and managing the Aladdin iCDO, one of the first bespoke equity tranche trades ever, in March 2003. In 2009 Aladdin acquired assets from Solent Capital adding over \$700 million under management.

Collateralized Loan Obligations (CLO) & Flexible Investment Funds (FIF)

Aladdin has participated in the bank loan market since 2001 when it closed its first bank loan collateralized loan obligation CLO product. Since that time, Aladdin has closed nine additional CLOs with total assets under management of \$3.7 billion at the close of the last CLO. The bank loan group is a value-focused manager who favors credits and sectors that have exhibited stable cash flow profiles and attractive default and recovery experiences over the long-term. The group seeks to maximize risk-adjusted returns through diverse portfolios, strong credit selection, a comprehensive knowledge of structure and the application of those skills to each of its ten CLOs.

The Aladdin FIFs provide leveraged exposure to a diverse portfolio of senior secured bank loans. The strategy of the FIFs is to generate attractive current income from the loan portfolio and capital appreciation over time through the maturity of loans which are purchased at a discount.

Item 5 - Fees and Compensation

Asset-Based Compensation

For private investment funds (i.e., hedge funds) for which ACM or an affiliated entity acts as investment manager or general partner, asset-based fees as well as performance fees are charged. Asset-based fees are usually payable quarterly or monthly in arrears. Asset-based fees are calculated as a percentage of the partial or total assets managed (or, in the case of certain levered loan funds, the notional levered assets). Asset-based fees typically range from zero basis points (0bps) to 200 bps per annum. (An account with zero asset-based management fees may be coupled with a higher performance-based fee.) These fees are deducted from our clients' accounts by the administrator of such accounts.

In addition, such funds may enter into "side letter" agreements with investors, including investors affiliated with ACM. Under such side letter agreements, a fund or ACM may grant certain investors, among other things, greater portfolio transparency, special liquidity rights (in the ordinary course or upon specified events), fee waivers or adjustments, future capacity for investment in such fund, different voting rights or restrictions, reduced minimum subscription amounts, additional rights to reports and other information. In addition, such funds may seek special commitments from certain investors. As a result of such agreements, certain investors may, among other things, receive information not generally available to other investors as well as have the right to redeem at a time when redemptions are otherwise not permitted to other investors. The granting of preferred or different terms to certain investors is solely at the discretion of the registrant of such fund (and, where required, the board of directors or trustees of the funds), and such funds have no obligation to offer such differing or additional rights, terms or conditions to all investors. Investments in funds by ACM affiliates or their officers or employees generally are not subject to asset-based fees.

CDO and CLO Fees

For clients that are CDOs/CLOs (or variations thereof such as collateralized bond obligations or collateralized synthetic obligations), ACM charges up to three kinds of fees: a senior collateral management fee, a subordinated collateral management fee and an incentive collateral management fee. Full disclosure of these fees is found in each CDO's/CLO's Private Placement Memorandum, Offering Circular or equivalent offering document.

Separately Managed Accounts ("SMA") Fees

For managed accounts (i.e., accounts of clients which are actively managed by ACM), management fees will be negotiable within the range of zero to 200 bps. Performance fees

charged will comply with the requirements of Section 205 of the Investment Advisors Act of 1940, as amended (the "1940 Act"), ERISA or other applicable regulations.

Other Fee Information

Notwithstanding the preceding, fees may be determined in large part by appropriate facts and circumstances connected with the management and administration of accounts or portfolios. ACM reserves the right to waive certain fees or to request and negotiate for higher or lower fees than those charged to existing clients. ACM intends to charge fees that are fair and reasonably consistent with the management of each client's account or portfolio. The waiving or reduction of fees for certain clients during the life of the management relationship should not be construed as entitling other clients to fee waivers or fee reductions; if applicable, performance fees, if earned, are generally charged by ACM in arrears. ACM generally does not require prepayment of fees but reserves the right to do so in the future. Where fees are prepaid, should any client agreement be terminated during the contract period, ACM will only be entitled to receive that portion of fees actually earned pursuant to the specific client agreement. The balance of the prepaid fees will be returned to the client.

Other Expenses

ACM's fees are exclusive of transaction fees and other related costs and expenses which shall be incurred by the client. Clients may incur certain other expenses separate and apart from ACM's management and performance based fees. These expenses typically include custody fees, brokerage services and other transaction fees, and/or expenses associated with the investment vehicle in which their assets are invested (i.e., break-up and topping fees, monitoring and directors' fees, set-up fees, investment banking fees, closing and transaction fees, and/or other similar fees).

Under certain circumstances, and if applicable, clients may be charged redemption fees in such funds as disclosed in and pursuant to the governing documents of such funds.

Other Compensation

ACM and/or its employees or affiliates may from time to time receive placement or underwriting fees for placing investments in structured investment products (e.g., CDOs/CLOs). ACM does not accept additional compensation for the sale of securities or other services or other investment services or products managed by ACM.

Some clients' investments are allocated to underlying ACM-managed private investment funds and CDOs/CLOs, and ACM earns fees (e.g., management and performance fees) in respect of its investment advisory services provided to such underlying funds and/or CDOs/CLOs.

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

As stated in Item 5, ACM charges clients in its private funds fees based on a share of capital gains on or capital appreciation of the client's assets under management. Performance fees may represent a fee that is based upon a percentage of the increase in net asset value on an annual basis (typically with a "high water mark" feature) or above a hurdle rate, which may be fixed or linked to an index, such as the London Interbank Offered Rate. Performance fees range from zero percent (no fee) to twenty percent. An account with a higher performance fee may be coupled with a low or no asset-based fee. Generally, private investment funds and other account fees are negotiable based upon a variety of factors, including the resources ACM expects to dedicate to such funds (or accounts) active portfolio management.

Performance-based compensation may create an incentive for ACM to make investments that are riskier or more speculative than would be the case in the absence of the performance-based compensation. In addition, the performance on which performance-based compensation is calculated will include unrealized appreciation and depreciation of investments that may not ultimately be realized.

Item 7 - Types of Clients

ACM provides investment advisory services to certain private investment funds (the "Funds") organized as limited partnerships, limited liability companies, or other legal entities. Investors in the Funds are generally individuals, trusts, pensions or profit sharing plans, municipalities, corporations or other business entities. These Funds are not registered under Federal securities laws and typically utilize sophisticated investment strategies and proprietary investment research. Investors in these Funds must be "accredited investors" as defined in Regulation D of the Securities Act of 1933, as amended (the "1933 Act"), and "qualified purchasers" as defined under Section 2(a)(51) of the Investment Company Act of 1940, as amended; however, in the case of certain offshore Funds, non-U.S. investors generally need not be "accredited investors" or "qualified investors" so long as each such non-U.S. investor is not a "U.S. person" as defined in Regulation S under the 1933 Act. ACM and its affiliate, Aladdin Capital Management UK LLP, also provide investment advisory services to offshore public funds, in some cases, registered on foreign exchanges and/or with foreign regulatory authorities.

ACM also provides investment advisory services to institutional investors and high-net-worth individuals in connection with the ACM-separately managed accounts. Such clients include pension funds, foundations, endowments, trusts, family offices, structured vehicles and other types of institutions.

In any case, the Funds and/or ACM-separately managed accounts require a minimum initial investment amount. These minimums vary depending on the type of Fund or account. The foregoing investment minimums may be waived or modified in the sole discretion of ACM (or, in the case of Funds or ACM-separately managed accounts that have a separate board of directors, general partner or managing member, then the board of directors, general partner or managing member of those Funds or ACM-separately managed accounts).

The required investor qualifications and minimum investment requirements, if any, imposed by the Funds or ACM-separately managed accounts will vary depending upon each of their governing and subscription documents.

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

a) Methods of Analysis

ACM utilizes proprietary fundamental research to identify suitable investment opportunities for ACM's clients. Aladdin evaluates each investment based on the issuing company's overall credit risk and asset coverage measures such as cash flow coverage ratios, corporate asset values, the issue's seniority in the issuer's capital structure, the expected volatility of corporate cash flows and asset values, and the issue's particular credit covenants.

Before investing, a team of investment professionals with multiple specialties performs an in-depth fundamental analysis and due diligence on each potential investment, applying their diverse experience in assessing an investment's valuation, capital structure, financial performance and industry dynamics to identify the most attractive investment opportunities for ACM's clients. The due diligence process may involve extensive discussions with an issuer's management team.

ACM takes an active role in all portfolio investments made by ACM on behalf of its clients. A team of portfolio managers is responsible for monitoring the performance of each investment on a regular basis. At times, ACM may retain outside consultants, including attorneys, accountants, appraisers and valuation experts, to supplement the work of the in-house investment team.

The main sources of information ACM utilizes in making its investment decisions includes (1) inspections of corporate activities, (2) annual reports, prospectuses, filings with the SEC, (3) research materials prepared by others, (4) company press releases and (5) corporate rating services.

b) Investment Strategies

ACM invests clients' assets in one or more investment specialties, including high-grade bonds, high-yield bonds, leveraged bank loans, asset-backed securities, asset-backed loans, credit default swaps and structured credit investments. ACM's investment strategy revolves around a disciplined credit process and is based on the belief that a thorough top-to-bottom understanding of an investment and its industry and/or sector is essential to generating positive absolute returns.

ACM may utilize certain derivative instruments in the management of client portfolios or accounts, in accordance with any imposed investment restrictions connected with client accounts. These include swaptions, credit default swaps, total return swaps and other types of swaps, structured or synthetic securities and forward swap and currency contracts. The use of leverage is common for hedge funds, CDOs/CLOs and managed accounts.

c) Investing Risks

Investing in securities in general involves risk of loss that clients should be prepared to bear. Our principal investment strategies and the type of investments we make for our clients present, among others, the following material risks:

Credit Risk: Credit risk represents the possibility of losses in the event that a bond issuer might be unable to pay its interest and principal obligations in a timely manner. Credit risk is significant for high-yield bond investments. Even if there is no actual default, it is probable that a bond will decline in price if its credit quality declines and its bond rating are downgraded to a lower category. ACM attempts to reduce portfolio credit risk by diversifying its holdings and doing careful credit research.

Interest Rate Risk: Rising interest rates will cause the prices of existing bonds in the market to fall. Longer maturity bonds will typically decline more than those with shorter maturities. If ACM's clients hold longer maturity bonds and interest rates rise unexpectedly, their price could decline. Falling interest rates will cause a client's portfolio income to decline, as maturing bonds are reinvested at lower yields. Clients should expect their monthly income to fluctuate with changes in its portfolio and changes in the level of interest rates.

Liquidity Risk: The high-yield bond market is much less liquid than the investment-grade bond market. This creates a risk that a client may not be able to buy or sell optimal quantities of high-yield bonds at desired prices and that large purchases or sales of certain high-yield bonds may cause substantial price swings. Clients should understand that there may be limited liquidity in the market for this type of product.

High Yield Security Risk: Investments in high yield securities can involve a substantial risk of loss. These securities, which are rated below investment-grade, are considered to be speculative with respect to the issuer's ability to pay interest and principal and they are susceptible to default or decline in market value due to adverse economic and business developments.

Market Risk: The high-yield bond market can experience sharp and sudden price swings due to a variety of factors, including changes in securities regulations, swings in market psychology, volatility in the stock market, changing economic conditions, a highly publicized default, or changes in asset allocations by major institutional investors.

Foreign Investment Risk: To the extent ACM's clients hold foreign bonds; such bonds will be subject to additional risks irrespective of the denomination thereof (including if denominated in U.S. dollars). These risks may include greater volatility, less liquidity than similar U.S. bonds, and adverse developments resulting from political, international or military crises, and currency exchange risks.

Prepayment Risk: Most high-yield bonds may be called by the issuer prior to final maturity. Clients may experience reduced income when an issuer calls a bond held by the client earlier than expected. This may happen during a period of declining interest rates.

Item 9 – Disciplinary Information

ACM and its supervised persons have not been involved in any legal or disciplinary events that are material to a client's or potential client's evaluation of our advisory business or the integrity of ACM's management.

Item 10 – Other Financial Industry Activities and Affiliations

ACM occasionally provides consultancy and portfolio monitoring services to third parties for a fee. In such arrangements, ACM does not render investment decisions for such portfolios but merely provides cash flow projections and other monitoring services for such portfolios. Revenue generated for such activity is de minimis.

Further, employees and consultants of ACM identify and introduce potential investors to the investment vehicles for which ACM acts as an investment advisor.

ACM has an affiliated broker-dealer, Aladdin Capital LLC (‘‘ACö’’), a FINRA-member and SEC registered broker-dealer that cleared its securities transactions through Pershing LLC pursuant to a fully-disclosed clearing agreement. There is no active trading in AC.

Aladdin Credit Advisors, L.P. (‘‘ACA’’ö) is an affiliated SEC registered investment advisor located within the same offices as ACM. ACA principally acts as investment advisor to close-end private investment funds (the ‘‘ACA Funds’’ö) that are managed on a side-by-side basis. The ACA Funds seek to achieve superior risk-adjusted returns through opportunistic investments in debtor-in-possession financings (‘‘DIP Financings’’ö) to debtors in Chapter 11 bankruptcy, financing for companies emerging from bankruptcy pursuant to a court approved plan of reorganization (‘‘Exit Financings’’ö) and/or event-driven purchases of senior pre-petition debt either directly from senior debt holders or in the institutional markets in instances where it is believed that such purchases will provide the DIP Funds with opportunities to participate in DIP Financings and/or Exit Financings. .

Aladdin Capital Management UK LLP (‘‘ACM UK’’ö) is an affiliated investment advisor of ACM and is registered with the Financial Service Authority (‘‘FSA’’ö) in the United Kingdom. ACM UK may, from time to time, enter into sub-advisory agreement(s) to manage a portion of the portfolio(s) for which ACM acts as an investment advisor. In such circumstances, ACM UK is compensated from a portion of ACM's management fees, which is determined based on the size and complexity of the sub-advisory delegation.

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

Code of Ethics

ACM has adopted a code of ethics (the “Code”) imposing on each supervised person a duty to place the interests of clients first. The Code requires officers, owners, and employees, among other things, to report to ACM any actual or potential conflict of interest relating to any assets of clients managed by ACM. The Code is distributed to each employee at the time of hire and is recertified by every employee annually thereafter.

The Code requires, among other things, that ACM’s personnel with access to client’s investments or portfolio information (each an “Access Person”) to report their and their immediate family members’ securities holdings and transactions quarterly and annually to ACM’s Chief Compliance Officer. In addition, each Access Person must pre-clear any trades in initial public offerings or private placements with ACM’s Chief Compliance Officer.

The Code, which is included in annual employee training, covers a variety of topics with an overriding policy requiring each director, officer, and employee of the firm to place the interests of our clients ahead of our own and avoid any conduct that could create any realized or potential conflict of interest. The Code also mandates that employees maintain strict confidentiality regarding portfolio trading and client propriety information.

In addition, the Code prohibits the improper use of non-public information, the acceptance of gifts and entertainment in excess of industry and policy standards and the reporting of such gifts.

All clients and prospective clients may obtain a copy of ACM’s Code by contacting Sharad A. Samy, Chief Compliance Officer, by email at ssamy@aladdincapital.com, or by telephone at (203) 326-6863.

Participation or Interests in Client Transactions

Entities owned by ACM or affiliated with ACM act as general partners (or in similar capacities) to private investment funds which ACM may recommend to clients.

For instance, each of Aladdin Management Inc., a Cayman Islands corporation, and Aladdin Management (Delaware) LLC (each, a “GP”) is or may serve as a general partner of one or more private investment funds managed by ACM or affiliates. Each of the GP is a wholly-owned subsidiary of ACH. Payments and distributions to ACM must be in accordance with the governing documents of such funds. ACH establishes and sponsors private investment funds structured as limited partnerships. Each such fund is managed in accordance with its own operating documents, as described in the related offering memorandum or prospectus. ACM as a

fiduciary is obligated by law to manage each client's assets, including funds sponsored by ACM or for which an ACM affiliate acts as general partner, in a fair and equitable manner, making sure that all clients are treated equally. Lastly, ACM may employ investment strategies for client accounts that differ from the investment strategies it employs for its affiliate's accounts.

Personal Trading

Personnel of ACM with access to portfolio or investment information must report securities transactions to ACM's Chief Compliance Officer on a quarterly basis. Each such person must also report securities holdings annually. The Chief Compliance Officer monitors the personal securities transactions and holdings of each Access Person to ensure compliance with securities laws and fiduciary duties. ACM has systems in place to monitor Access Persons to ensure that they do not take advantage of their position with ACM for personal gain.

Item 12 - Brokerage Practices

Selection of Broker-Dealers

In selecting broker-dealers with whom to place orders for purchases and sales of securities on behalf of our clients, ACM's primary objective is to obtain best price and execution for our clients – that is, prompt, errorless execution of orders at the most favorable prices reasonably obtainable. In doing so, ACM considers a number of factors, including, without limitation:

- the overall direct net economic result to the client (including commissions, which may not be the lowest available but which ordinarily will not be higher than the generally prevailing competitive range),
- the financial strength of the broker-dealer,
- the reputation and stability of the broker-dealer,
- the efficiency with which transactions are generally executed,
- the ability to effect the particular transaction,
- the availability of the broker-dealer to stand ready to execute difficult transactions in the future, and
- other matters involved in the receipt of brokerage and research services that may impact our clients.

Services provided by a broker-dealer such as research and other information useful for the management of client accounts is also taken into consideration when directing trades to particular broker-dealers. In respect of any broker-dealer (including, without limitation, ACM's affiliate, AC) ACM will take multiple factors into account when evaluating the performance of broker-dealers executing ACM client transactions. ACM will continually review the related commissions and other charges to ensure they are fair and reasonable within the current marketplace.

ACM will also consider the quality of firms with which it seeks to execute client orders, the adequacy of lines of communication, the timeliness of reports of order execution, the capacity to accommodate unusual trading volumes and the preservation of client anonymity, among other factors.

Soft-Dollars Arrangement

While ACM receives third party research from time to time from broker-dealers, ACM does not pay higher commission fees or direct certain amounts of business to such broker-dealers in exchange for such research. Such arrangements are known in the industry as "soft dollar arrangements." We do not have any soft-dollar arrangements with any broker-dealer.

ACM, however, reserves the right to enter into soft dollar arrangements as legally permitted under the law. Further, ACM will not enter into any soft dollar arrangements for any client accounts defined as "plan assets" under ERISA unless express approval is granted by the plan trustees, and such arrangements do not otherwise violate any applicable law. Subject to the above, if ACM determines to enter into any soft dollar arrangements with any executing broker-dealers, the total amount of commission dollars paid by a client for a transaction placed by ACM for the client's account may be higher than that paid if executed by another broker-dealer.

In such cases, ACM will use its best efforts to ensure that the higher commissions are reasonable in relation to the value of the brokerage and research services provided by the broker-dealer with whom a soft dollar arrangement has been established.

Brokerage for Client Referrals

ACM does not consider, in selecting or recommending a broker-dealer, whether ACM or a related person receives client referrals from such broker-dealer.

Directed Brokerage

ACM does not accept clients who require us to execute transactions through a specified broker-dealer. Clients may recommend that ACM use their preferred broker-dealer(s). However, notwithstanding such recommendation, ACM will use such broker-dealer(s) subject to ACM's determination that said broker-dealer provides the best execution for such client's transactions.

Aggregation (Bunching) of Trades

Securities transactions in investment advisory accounts are normally implemented on a consistent basis across accounts. In order to accomplish this, orders are aggregated (bunched) and allocated pro-rata to the nearest round lot. In addition to considerations of equity, bunching avoids placing competing positive orders, improves order management, and may, because of larger order size, permit some degree of price improvement relative to a series of individually placed orders.

Item 13 – Review of Accounts

Client Account Reviews

The portfolio managers primarily responsible for the related account or fund review the related client portfolios on a daily basis. The Chief Investment Officer is primarily responsible for providing direction and oversight of such reviews. In addition, ACM has a Valuation Committee, comprised of the Chief Investment Officer, the Chief Compliance Officer, and the Chief Financial Officer/Chief Operations Officer and other senior operations personnel, which meets periodically to examine instances where security prices were obtained from sources other than a third party pricing service (e.g., broker-dealer quotations). In addition, the independent trustees of some of the ACM-managed pooled investment vehicles perform periodic tests in respect of the related vehicles to ensure compliance with its investment guidelines and restrictions, consistent with the related disclosure set forth in the related offering documents.

Client Reports

ACM's clients are sent reports and statements in respect of their investments on a monthly or quarterly basis from a number of sources, including, without limitation, ACM, custodians retained in respect of client accounts, fund administrators, and/or trustees, depending on the nature of such investments. For example, investors in ACM-managed CDOs/CLOs (including investors holding positions through the MAST Program) receive monthly trustee reports. Investors in ACM-managed private investment funds or separately managed accounts receive monthly written commentary from the related portfolio manager as well as monthly statements from fund administrators.

Item 14 – Client Referrals and Other Compensation

ACM may compensate third parties (each a “Solicitor”) for client referrals. Before making payments for any referral, ACM requires each Solicitor to enter into a written referral agreement. ACM may pay the Solicitor a portion of ACM’s fee received from clients introduced by the Solicitor to ACM for the length of the term of the client’s account with ACM. Typically, this fee is representative of a percentage of assets under management and a percentage of any other fees earned by ACM, calculated by an agreed-upon formula. ACM may also pay certain expenses incurred by the Solicitor for services performed on behalf of ACM.

The Solicitor is required to present to any prospective client (other than potential private investment fund investors) a document including: the name of the Solicitor; the name of the investment advisor he represents (e.g., ACM); the nature of the relationship, including disclosure of any affiliation between the Solicitor and ACM; a statement that the Solicitor will be compensated by ACM, including the terms of that compensation arrangement; and the amount, if any, of the cost of obtaining the account that the client will be charged in addition to the ACM advisory fee, including the differential, if any, existing among clients with respect to the amount of advisory fees (if such differential is attributable to the existence of any arrangement pursuant to which ACM has agreed to compensate the Solicitor).

Item 15 - Custody

Since affiliates of ACM act as the general partner of certain limited partnership funds, ACM is deemed by the SEC to have “custody” of the assets of such funds. As required under SEC rules and regulations, a “qualified custodian” holds such assets and delivers monthly and/or quarterly account statements, as applicable, to related investors. In such cases, ACM notifies each related investor in writing of the qualified custodian’s name and address and the manner in which such assets are maintained at the time of investment. ACM also promptly notifies each related investor of any changes to such information. ACM does not provide custodial arrangements for “segregated” or “non-discretionary” accounts, as such accounts are held directly by the related investor or by a custodian of the investor’s choosing.

In order to comply with the Advisers Act’s “custody rule,” ACM ensures that all funds for which ACM has custody are audited each year by an independent public accountant that is both registered and inspected by the Public Company Accounting Oversight Board, and that audited financial statements for each such fund are provided to investors within 120 days of the end of that fund’s fiscal year.

Item 16 – Investment Discretion

ACM generally manages client assets on a discretionary basis with the authority to determine for each client what investments are made, as well as when and how they are made. For certain clients, however, assets may be invested in one or more model portfolios. Clients may impose other reasonable restrictions, limitations and/or other requirements with respect to their individual accounts.

ACM usually receives discretionary authority from the funds it serves as advisor to pursuant to an investment management agreement. In all such cases, discretionary authority is exercised in a manner consistent with the stated investment objectives for the particular fund, as set forth in the fund's governing documents or ACM's advisory agreement with such fund. When selecting investments and determining amounts, ACM observes the investment policies, limitations and restrictions of the fund's it advises.

Item 17 – Voting Client Securities

ACM does not manage equity portfolios, so the likelihood of a proxy vote with regard to any security that ACM may hold in one of its discretionary portfolios is remote. ACM specializes in the management of fixed-income alternative instruments, including hedge funds, CDOs/CLOs, and other structured vehicles. From time to time companies in which ACM invests may submit certain matters to a vote of its security holders, however, the right to vote in these circumstances is usually available only to equity holders of such companies and not to holders of company debt.

In the event a voting right exists or is exercisable, ACM maintains a policy in which the Chief Investment Officer determines how any proxy received on behalf of any security held in an ACM account is to be voted on behalf of the client. In addition, ACM has adopted Proxy Voting Policies and Procedures pursuant to Rule 206(4)-6 of the '40 Act designed to ensure that proxies are voted prudently and solely in the best interests of our clients. According to such policy, ACM will generally vote in accordance with management's recommendations on the matter in order to support the ability of management to run its business in a responsible and cost effective manner while staying focused on maximizing shareholder value. In the event that a conflict of interest exists between management's recommendation and ACM's clients, ACM will vote in the manner which, in its judgment and sole discretion, is in the best interest of its clients.

Clients may obtain a free copy of our Proxy Voting Policies or a record of ACM's proxy votes by contacting Sharad A. Samy, Chief Compliance Officer, by email at ssamy@aladdincapital.com, or by telephone at (203) 326-6863.

Item 18 – Financial Information

No financial events have occurred in respect of ACM that would negatively affect the financial viability of ACM. There is no financial condition of ACM that is reasonably likely to impair ACM's ability to meet contractual commitments to clients.