

Item 1 Cover Page

**PART 2A OF FORM ADV – FIRM BROCHURE**

**W.R. HUFF ASSET MANAGEMENT CO., L.L.C.**

**March 29, 2012**

**This brochure provides information about the qualifications and business practices of W.R. Huff Asset Management Co., L.L.C. (“W.R. Huff”). If you have any questions about the contents of this brochure, please contact us at (973) 984-1233. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.**

**Additional information about W.R. Huff also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

**REGISTRATION WITH THE SEC AS AN INVESTMENT ADVISER DOES NOT IMPLY THAT W.R. HUFF OR ANY PRINCIPALS OR EMPLOYEES OF W.R. HUFF POSSESS A PARTICULAR LEVEL OF SKILL OR TRAINING IN THE INVESTMENT ADVISORY OR ANY OTHER BUSINESS.**

## Item 2 Material Changes

None.

### Item 3 Table of Contents

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#### Item 4 Advisory Business

W.R. Huff is a limited liability company founded in 1984 by William R. Huff. Mr. Huff is the principal owner of W.R. Huff.

W.R. Huff provides its clients with discretionary investment advisory services. While the Firm's focus is on High Yield bonds, W.R Huff may provide clients with advisory services on a wide array of investments, including, but not limited to, other corporate debt securities of any kind, equity and equity-related securities, bank debt, commercial paper, United States or other government securities, credit default swaps, interests in master limited partnerships, bankers acceptances, certificates of deposit, and repurchase agreements. W.R. Huff provides investment advisory services utilizing a fundamental approach which includes both qualitative and quantitative analyses in evaluating potential investments. We do not provide custodian services nor do we issue any publications or reports for fee or subscription.

W.R. Huff is generally granted broad investment authority with respect to the management of the accounts of its clients. W.R. Huff provides investment advisory services based on the investment objectives, risk profile, financial situation and cash flow needs of each client, as reflected in the investment management agreement and/or other documents that apply to each client. These documents may contain investment guidelines or restrictions with respect to the types or amounts of securities or other financial instruments that may be purchased or sold for the client's account. W.R. Huff may pursue different investment strategies for different clients.

W.R. Huff may provide advisory services, either on a discretionary or non-discretionary basis, to other managed accounts and/or private investment funds or other investment vehicles.

W.R. Huff does not participate in any wrap fee programs.

W.R. Huff manages all assets on a discretionary basis in accordance with the terms and conditions of each client's investment management agreement. As of December 31, 2011, the amount of assets W.R. Huff managed on a discretionary basis was about \$1,698,400,000.

## Item 5 Fees and Compensation

For High Yield Bond accounts, W.R. Huff generally charges a fee of 0.5% of net asset value per annum. Fees are based on net asset value of the accounts at the end of each calendar quarter. Fees are billed to clients and are payable at the end of each calendar quarter for services rendered during such calendar quarter. As required by certain of its institutional clients, fees may be based on an agreed upon formula measuring performance or capital appreciation of accounts in compliance with Rule 205-3 of the Investment Advisers Act of 1940, as amended. Contracts may be terminated by either party upon specified written notice to the other party.

Performance-based compensation arrangements in general may have the potential to create an incentive for an investment manager to favor those accounts for which a performance-based fee is received. The Firm believes that its team approach to portfolio management (see Item 13) and its policies and procedures, including allocation policies and procedures which seek to ensure that allocations are fair among clients over time, reasonably address any potential conflict of interest created by performance-based compensation arrangements.

Accounts for individual persons are subject to negotiation.

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

See Item 5.

Item 7      Types of Clients

W.R. Huff may provide advisory services to pensions and profit sharing plans, state, municipal, and other government entities, pensions and profit sharing plans, endowments and foundations, trusts, corporations and other types of businesses, and individuals (including high net worth individuals).

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

W.R. Huff provides investment advisory services utilizing a fundamental approach which includes both qualitative and quantitative analyses in evaluating potential investments. Research is one of the most important elements in the Firm's investment process. One of the most significant risks in investing in high yield and other credit investments is credit risk. The Firm seeks to minimize this risk by employing a fundamental, detailed research effort.

### ***Material Risks***

The task of identifying investment opportunities and managing such investments is challenging. There can be no assurance that W.R. Huff will be able to choose any particular investment that will be able to generate positive returns. Clients should be prepared to bear a risk of loss and should carefully consider, among other factors, the following material risks involved with W.R. Huff's investment strategies.

***Investment and Trading Risks in General.*** All investments risk the loss of capital. No guarantee or representation is made that investment portfolios managed by W.R. Huff will be successful, and investment results may vary substantially over time.

***Fixed Income Investments.*** W.R. Huff's investment strategy focuses primarily on high yield bonds, loans and other fixed-income securities and instruments, including, without limitation, second lien loans, mezzanine debt, unsecured debt, and other "higher yielding" (and, therefore, higher risk) debt securities and instruments. Such securities and instruments are primarily below "investment grade" or non-rated, and may face ongoing uncertainties and exposure to adverse business, financial, or economic conditions which could lead to the obligor's inability to meet timely interest and principal payments. The market prices, if any, of such investments are also subject to abrupt and erratic market movements and changes in liquidity and above-average price volatility, and the spread between the bid and asked prices of such investments may be greater than those prevailing in other more liquid markets.

***Credit Risk.*** Risks applicable to investments made by W.R. Huff include the possibilities that an obligor may be unable to meet its debt service obligations and/or may experience declining creditworthiness and potential for insolvency during periods of rising interest rates and economic downturn. Further economic downturn could disrupt the market for high yield bonds or leveraged loans and adversely affect the value thereof and the ability of the obligor thereunder to repay principal and interest.

***Prepayments.*** The frequency at which prepayments (including voluntary prepayments and accelerations due to defaults) occur on bonds and loans will be affected by a variety of factors



including the prevailing level of interest rates and spreads as well as economic, demographic, tax, social, legal, and other factors. The upside potential of an investment prepayable at par may be limited.

***Interest Rates.*** As interest rates rise, the value of fixed income securities may decline. Prices of fixed income securities with longer effective maturities are more sensitive to interest rate changes than those with shorter effective maturities. Accordingly, the yield of the client portfolios can be expected to be somewhat more volatile in response to changes in interest rates than shorter-term investment vehicles.

***Extension Risk.*** Fixed income securities and loans are also subject to the risk that payment on the loans held in client portfolios will be made more slowly when interest rates are rising. This could cause the market value of the securities to decline.

***Concentration.*** W.R. Huff may concentrate portfolios' investments in particular sectors, industries and companies. Losses incurred in the portfolios' more concentrated positions could have a material adverse effect on the portfolios' overall financial condition. In addition, if the price of any of the portfolios' investments decreases and W.R. Huff is unable for any reason to liquidate the position quickly or at a relatively advantageous price, the effect of such decrease on clients' portfolios would be greater than if the portfolio had not concentrated its assets in such a position.

***Macroeconomic Factors.*** The performance of client portfolios' investments could be adversely affected by macroeconomic factors, including general economic conditions affecting capital markets and participants therein (such as the obligations on or issuers of the client portfolios' investments). Such macroeconomic factors include the recent economic downturn and continuing uncertainties affecting economies and capital markets worldwide; incidents of terrorism, political or social unrest and similar events; concerns about financial performance, accounting and other issues relating to various companies; and recent and proposed changes to laws and regulations affecting the financial industry, including banking, credit default swaps and other derivatives, mortgage lending, accounting and reporting standards.

***Highly-Leveraged Borrowers.*** The issuers of debt in which W.R. Huff may invest are likely to be highly leveraged. A borrower's leverage may adversely impact client portfolios in a number of ways, such as creating a greater possibility of default or bankruptcy of the borrower. It is also possible that the pledging of collateral (if any) to secure the debt could be found to constitute a fraudulent conveyance or preferential transfer which would be nullified or subordinated to the rights of other creditors of the borrower under applicable law.

***Illiquid Assets.*** Certain investment positions in client portfolios may be illiquid. W.R. Huff may invest in "restricted" or non-publicly traded securities and securities traded on foreign exchanges. W.R. Huff may not be readily able to dispose of such non-publicly traded securities, and in some cases, may be contractually prohibited from disposing of such securities for a specified period of time. An exchange or regulatory authority may suspend trading in a particular security or contract, order immediate liquidation and settlement of a particular contract, or order that trading in a particular contract be conducted for liquidation only.

**Equity Securities.** W.R. Huff may acquire long or short positions in common stocks, preferred stocks and convertible securities of U.S. and foreign issuers. Equity securities fluctuate in value, often based on factors unrelated to the value of the issuer of the securities. The market price of equity securities may be affected by general economic and market conditions, such as a broad decline in stock market prices, or by conditions affecting specific issuers, such as changes in earnings forecasts.

**Foreign Securities Risk.** Non-U.S. companies may be adversely affected by political, social and/or economic developments abroad and differences between U.S. and foreign regulatory requirements and market practices. Securities denominated in foreign currencies are subject to the risk that the value of the foreign currency will decline in relation to the U.S. dollar and transaction expenses related to foreign securities, including custody fees, are generally more costly than transaction expenses for domestic securities. Additionally, risks associated with foreign investments may be intensified in the case of investments in emerging market countries, whose political, legal, and economic systems are less developed and less stable than those of more developed nations.

**Loans.** Loans include fixed and floating rate loans arranged through private negotiations between one or more financial institutions and an obligor. Although loans are traded among certain financial institutions, some of the loans W.R. Huff may invest in will be considered illiquid. Furthermore, loans generally must be held in the clients' names, and clients whose portfolios are invested in loans will be designated as lenders under applicable credit agreements and other loan documents. Although the identification of clients generally is limited to the participants in the transaction, the issuers of loans, and other parties involved in the credit arrangement, an investment in loans requires greater disclosure of client information than other types of investments, such as high yield bonds or equities.

**Investment in Reorganizations.** W.R. Huff may make investments in companies that are experiencing or are expected to experience severe financial difficulties, including companies undergoing reorganization. These severe financial difficulties may never be overcome and may cause such companies to become subject to bankruptcy proceedings. In such situations, the portfolio investment may be subject to the risk that a bankruptcy filing may adversely and permanently impact the value of a company and that high administrative costs may impair the value of the company. Such investments could subject client portfolios to certain additional potential liabilities that may exceed the value of the portfolios' original investment therein. Investments in distressed companies may be adversely affected by statutes relating to, among other things, fraudulent conveyances, voidable preferences, lender liability and the bankruptcy court's discretionary power to disallow, subordinate or disenfranchise particular claims.

Having a "blocking position" in a security that is subject to a plan of reorganization entails significant risks if W.R. Huff's evaluation of the anticipated outcome of the investment situation should prove incorrect. An investment in a company involved in a reorganization proceeding entails significant risks and may be adversely impacted if W.R. Huff's evaluation of the anticipated outcome of the investment situation should prove incorrect.

Some of the investments W.R. Huff may make may require active monitoring and representation

on official and unofficial creditors' committees for a company involved in a reorganization proceeding. Accordingly, W.R. Huff may seek representation on such committees from time to time if the Firm, in its discretion, determines that such representation is necessary or advisable to protect or further the client portfolios' interests. Serving on an official or unofficial committee increases the possibility that W.R. Huff will be deemed an "insider" or a "fiduciary" of the company it has so assisted and may restrict the Firm's trading of its investments in such company, and exposes the person serving on the committee to litigation risks. Should such assistance be provided before a company enters bankruptcy proceedings, the bankruptcy court, under certain conditions such as a finding of fraud or inequitable conduct, may invoke the doctrine of "equitable subordination" with respect to any claim or equity interest held by client portfolios in such company and subordinate any such claim or equity interest in whole or in part to other claims or equity interests in such company. Claims of equitable subordination may also arise outside of the context of W.R. Huff's committee activities. In addition, if representation of a creditors' committee of a company causes W.R. Huff to be deemed an affiliate of the company, the securities of such company held by client portfolios may become restricted securities, which are not freely tradable.

**Valuation Risks.** Due to concentrations in particular markets and the maturities of positions that may be held by W.R. Huff from time to time, the ultimate realizable values of client portfolio's securities and other investments may differ significantly from the interim valuations of such investments. Such differences may also be affected by the time frames within which such realization occurs. Third party pricing information of particular securities or investments in client portfolios may at times not be available. Valuations of portfolio securities and other investments, which will affect the amount of fees received by W.R. Huff, may involve uncertainties and require judgmental determinations. If such valuations should prove incorrect, the net value of the assets of client portfolios could be adversely affected.

**Reliance on W.R. Huff.** W.R. Huff has complete discretion, subject to any investment guidelines agreed with each client, in investing the portfolio assets of each client. The success of each client's portfolio will depend, to a great extent, on the ability of W.R. Huff to identify successful investments and strategies. The death, disability, or withdrawal of William R. Huff could have a material adverse effect on the investment results of a client portfolio.

Item 9      Disciplinary Information

None.

## Item 10 Other Financial Industry Activities and Affiliations

W.R. Huff is related to WRH Partners Global Securities, L.P., a Delaware limited partnership. A relationship exists because Mr. William R. Huff, a control person of W.R. Huff, is also a control person of WRH Partners Global Securities.

W.R. Huff is also related to W. R. Huff CM, L.L.C., a Delaware limited liability company. A relationship exists because Mr. William R. Huff, a control person of W.R. Huff, is also a control person of W. R. Huff CM, L.L.C.

W.R. Huff is related to WRH Partners II, L.L.C. (“WRH II”) a Delaware limited liability company and sole general partner of two private investment limited partnership (“Partnerships”). A relationship exists because Mr. William R. Huff, a control person of W.R. Huff, is also a control person of WRH II. In addition, certain employees of WRH II also are employees of W.R. Huff.

The Partnerships seek to invest principally in private equity, mezzanine and below investment grade private placements of debt, and in restructuring situations. WRH II acts as investment manager to the Partnerships. One of the Partnerships has limited partners which are exclusively tax-exempt institutional investors. The other Partnership’s limited partners are sophisticated taxable persons. In both cases, some of the limited partners are also clients of W.R. Huff. The Partnerships’ limited partner interests have been privately placed pursuant to available exemptions from registration, and the Partnerships are not required to register as an investment company.

W.R. Huff is related to On The Green, L.L.C., a Delaware limited liability company and investment manager for an issuer of collateralized loan obligations. On The Green, L.L.C. is a subsidiary of WRH Partners Global Securities, L.P. In addition, certain employees of On The Green, L.L.C. are also employees of W.R. Huff.

W.R. Huff is also related to WRH Energy Partners, L.L.C. (“WRH Energy”), a Delaware limited liability company and sole general partner of a private investment limited partnership focusing on energy-related investments. A relationship exists because Mr. William R. Huff, a control person of W.R. Huff, is also a control person of WRH Energy. In addition, certain employees of WRH Energy are also employees of W.R. Huff.

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

W.R. Huff may, on occasion, furnish investment advice concerning, and effect transactions for clients in, securities or issuers in which one or more of the Firm's employees or related persons may have a position or interest. The Firm maintains a Code of Ethics/Personal Securities Transaction Policy (the "Policy"). Under the Policy, all personal securities transactions (for both public and private securities) are subject to an internal review and approval procedure, with the exception of certain classes of securities and transactions (such as automatic dividend reinvestment programs). In addition, each employee must, in connection with any trade subject to the Policy, reaffirm compliance with the Policy. A copy of the Policy will be made available to clients or prospective clients upon request. The Firm also maintains policies and procedures concerning the receipt and flow of material non-public information.

W.R. Huff or its affiliates may, on occasion, provide consulting and similar services to issuers in which our clients are invested. The services may include, but are not limited to, providing management or business turnaround consulting services. The issuers may compensate and/or reimburse the Firm or its affiliates for such services. The compensation and/or reimbursement may or may not be substantial. Should a conflict arise out of any of these situations, W.R. Huff will seek outside counsel's guidance to address the issue. Furthermore, in connection with the provision of services to issuers, personnel of the Firm or its affiliates may receive material, non-public ("inside") information regarding an issuer. In accordance with applicable law, the Firm will not effect and/or recommend transactions for clients on the basis of any inside information that may come into its possession. Should the Firm come into possession of material non-public information, it will abide by applicable law and regulations concerning such information in connection with the performance of its activities.

## Item 12 Brokerage Practices

In effecting portfolio transactions for its clients, W.R. Huff seeks to obtain best execution under the circumstances. Accordingly, the Firm will select and evaluate dealers and brokers based on a variety of factors. Relevant considerations may include the full range and quality of broker-dealer services, such as the value of research, investment ideas, execution capability, level of mark-up or commission, financial responsibility, and responsiveness to and history with the Firm. The determinative factor is the best qualitative execution for the client account. Both the level of mark-up or commissions and the quality of services provided by dealers or brokers will be monitored to ensure that fees are reasonable and that the Firm is receiving service in the best interests of its clients. Investment analysis, statistical data, and quotation services are some of the ancillary services that the Firm may request from a dealer or broker. These services will in general be used in servicing all accounts. It should be noted, however, that not all information and services received may necessarily prove useful in managing any particular account or any particular transaction.

On occasion, for a variety of reasons, W.R. Huff may sell a security held by one client and buy it for the account of one or more other clients. In this situation, the Firm will in good faith effect the trade based on available information, including, among other factors, liquidity, transaction size, quotes from one or more broker-dealers which may make a market in the security, past transactions, and the reliability of the broker-dealer(s). This may result in the client paying a small spread to the dealer or broker effecting the transaction. The Firm will not effect such transactions on behalf of any client whose account is, according to federal law, governed by the provisions of the Employee Retirement Income Security Act of 1974.

Transactions between client accounts will be effected through broker-dealers, and W.R. Huff will seek to minimize transaction costs while ensuring reliable execution. Accordingly, the broker-dealer that effects the transaction may or may not be the one from which the Firm obtains price quotes. Broker-dealers with which the Firm deals are independently responsible for quoting and verifying price and complying with applicable regulations governing such transactions.

Generally, client orders will be aggregated. No client will be favored by the Firm over any other client and each client who participates in an aggregated order will participate at the average price with all transaction costs, if any, shared on a pro rata basis.

There may be times when, in the Firm's opinion, in order to achieve overall best execution when trading securities, the Firm may effect trades on an agency basis which would entail a mark-up or commission being paid that would not be paid if we went directly to a market maker. W.R. Huff believes that, in many cases, trading through many broker dealers (including on an agency basis) helps preserve the Firm's anonymity and may disguise its overall position and strategy from market participants. This is part of an overall trading strategy aimed at achieving the best execution for all of the securities being traded over periods of time.

### Item 13    Review of Accounts

An investment review of each account is conducted on a weekly basis by the portfolio managers. Reviews are held to confirm portfolios are being managed in accordance with their guidelines, goals, and objectives. Meetings are held at other times if the market or company circumstances indicate a review is necessary. All portfolios are managed using a team approach. No individual manager is assigned specific portfolios.

Every month each client receives an updated account statement. That report indicates the securities held and their market value, yield, and projected annual income. As requested by clients, portfolio managers report to clients by phone and conduct periodic meetings with clients to review investment performance and other related matters. When requested by a client, the Firm provides periodic reports concerning adherence to investment objectives and client portfolio guidelines.



Item 14 Client Referrals and Other Compensation

W.R. Huff does not have any arrangements under which it compensates others for client referrals, nor does it accept economic benefits from non-clients for providing advisory services to clients.

Item 15 Custody

Not applicable.

Item 16 Investment Discretion

W.R. Huff has discretionary authority to determine the type, amount, and price of securities and investments to be bought and sold on behalf of each client account, including the selection of, and commissions paid to, broker-dealers, subject to any investment objectives, policies and guidelines that may be requested by a client. The Firm generally enters into a written investment management agreement with each client granting such discretionary authority.

Item 17    Voting Client Securities

W.R. Huff has adopted policies and procedures in accordance with Rule 206(4)-6 and Rule 204-2(c)(2) under the Advisers Act. Pursuant to these policies and procedures, the Firm will act on proxies in a manner that is consistent with the best interests of the client.

W.R. Huff monitors the performance, activities, and events related to the issuers in which its clients are invested. When exercising its voting authority over client securities, the Firm considers such information, and evaluates other issues that could have an impact on the value of the security. The Firm analyzes proxy issues and votes proxies in the best interests of the client, and consistent with the Firm's duties of loyalty and care as the client's fiduciary. The interest of the client is the sole consideration in determining how proxies can be voted. While there may be limited circumstances in which it is in the best interests of the client to refrain from voting proxies, the Firm in each instance will give careful consideration to the issues upon which proxy votes are sought. Generally, clients do not have the ability to direct the vote in a particular solicitation.

The Firm's compliance officer is responsible for identifying potential conflicts of interest concerning the proxy voting process, and evaluates the circumstances on a case-by-case basis. In cases where it is determined that a potential conflict exists, the compliance officer will disclose the nature of the conflict to the affected client(s), disclose the specific matter under proposal to the shareholders, and obtain the client(s) consent before voting.

Clients may obtain a copy of the Firm's proxy voting policies and procedures upon request.

Item 18 Financial Information

Not applicable.

Item 19 Requirements for State-Registered Advisers

Not applicable.