

Item 1 – Cover Page

Vanderbilt Capital Advisors, LLC

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March 15, 2012

This Brochure provides information about the qualifications and business practices of Vanderbilt Capital Advisors, LLC (“Vanderbilt Capital Advisors”). If you have any questions about the contents of this Brochure, please contact us at (312) 463-7211 and/or kflorian@vcallc.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.

Vanderbilt Capital Advisors, LLC is a registered investment adviser. Registration of an investment adviser does not imply any level of skill or training. The oral and written communications of an adviser provide you with information with which you may determine to hire or retain an adviser.

Additional information about Vanderbilt Capital Advisors, LLC also is available on the SEC’s website at www.adviserinfo.sec.gov.

Item 2 – Material Changes

On July 28, 2010, the United State Securities and Exchange Commission published “Amendments to Form ADV” which amends the disclosure document that we provide to clients as required by SEC Rules. This Brochure dated March 15, 2012 is a new document prepared according to the SEC’s new requirements and rules. As such, this Brochure is materially different in structure and provides certain new information that our previous disclosure document was not required to provide.

The only material changes from our prior Brochure dated March 15, 2011, are that as of December 31, 2011, Vanderbilt Capital Advisors managed approximately \$4,647,287,000 in assets on a discretionary basis for 12 institutional clients. In the future, this Item will discuss only specific material changes that are made to the Brochure and provide clients with a summary of such changes. We will also reference the date of our last annual update of our Brochure.

In the past we have offered or delivered information about our qualifications and business practices to clients on at least an annual basis. Pursuant to new SEC 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’s fiscal year. We may further provide other ongoing disclosure information about material changes as necessary.

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

Currently, our Brochure may be requested by contacting Kurt W. Florian, Jr., Chief Operating Officer and Chief Compliance Officer at (312) 463-7211 or kflorian@vcallc.com. Our Brochure is also available on our web site www.vcallc.com, also free of charge.

Additional information about Vanderbilt Capital Advisors, LLC is also available via the SEC’s web site www.adviserinfo.sec.gov. The SEC’s web site also provides information about any persons affiliated with Vanderbilt Capital Advisors who are registered, or are required to be registered, as investment adviser representatives of Vanderbilt Capital Advisors.

Item 3 -Table of Contents

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

Item 4 – Advisory Business

Vanderbilt Capital Advisors is a research-driven firm with longstanding experience in structured fixed income products and asset-backed securities, the predecessor of which was founded in 1994. Vanderbilt Capital Advisors provides investment advice with respect to collateralized mortgage obligations and other types of mortgage-backed securities and asset-backed securities. As of December 31, 2011, Vanderbilt Capital Advisors managed approximately \$4,647,287,000 in assets on a discretionary basis for 12 institutional clients.

On April 25, 2006, Vanderbilt Capital Advisors was acquired by Pioneer Investment Management USA Inc., the North American operating subsidiary of Pioneer Global Asset Management S.p.A., a global investment management group wholly owned by UniCredit S.p.A.

Vanderbilt Capital Advisors provides investment advisory services to institutional clients. Vanderbilt Capital Advisors provides continual advice to its clients, which are institutional investors, concerning the investment of assets under Vanderbilt Capital Advisors' supervision or management. Such advice will be given at such times as Vanderbilt Capital Advisors determines that investment or reinvestment of such assets is appropriate on the basis of the individual goals of each client and Vanderbilt Capital Advisors' assessment of the investment opportunities that are available from time to time. Any client may impose restrictions on investing in certain securities or types of securities.

Vanderbilt Capital Advisors' fees will vary with each of its clients depending upon the size of the account and the type of investment supervisory services provided.

Clients' assets under management or supervision generally will be determined at the end of each calendar month based on statements from the applicable custodians and Vanderbilt Capital Advisors' fees generally are expected to be payable quarterly in arrears.

Vanderbilt Capital Advisors may enter into arrangements with clients on a case-by-case basis from time to time pursuant to which it may charge performance fees for its investment advisory services, provided, however, that any such arrangements will be in accordance with (and permissible under) applicable law, including Rule 205-3 of the Investment Advisors Act of 1940.

Client assets awaiting investment/reinvestment will typically be held in the applicable custodian's sweep account which, depending upon the terms of the custodian agreement, may involve separate administrative and/or management fees, which fees may be additional to Vanderbilt Capital Advisors' fees.

Item 5 – Fees and Compensation

Vanderbilt Capital Advisors' fees will vary with each of its clients depending upon the size of the account and the type of investment supervisory services provided. All fees are subject to negotiation.

Clients' assets under management or supervision generally will be determined at the end of each calendar month based on statements from the applicable custodians and Vanderbilt Capital Advisors' fees generally are expected to be payable quarterly in arrears.

Vanderbilt Capital Advisors may enter into arrangements with clients on a case-by-case basis from time to time pursuant to which it may charge performance fees for its investment advisory services, provided, however, that any such arrangements will be in accordance with (and permissible under) applicable law, including Rule 205-3 of the Investment Advisors Act of 1940.

The specific manner in which fees are charged by Vanderbilt Capital Advisors is established in a client's written agreement with Vanderbilt Capital Advisors. Vanderbilt Capital Advisors is generally paid its fees on a quarterly basis in arrears by distribution from the applicable custodian. Accounts terminated during a calendar quarter will be charged a prorated fee.

Vanderbilt Capital Advisors' fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, third party investment advisers and other third parties such as fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Such charges, fees and commissions are exclusive of and in addition to Vanderbilt Capital Advisors' fee, and Vanderbilt Capital Advisors shall not receive any portion of these commissions, fees, and costs.

Item 12 further describes the factors that Vanderbilt Capital Advisors considers in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation (*e.g.*, commissions).

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

In some cases, Vanderbilt Capital Advisors has entered into performance fee arrangements with qualified clients; such fees are subject to individualized negotiation with each such client. Vanderbilt Capital Advisors will structure any performance or incentive fee arrangement subject to Section 205(a)(1) of the Investment Advisors Act of 1940 in accordance with the available exemptions thereunder, including the exemption set forth in Rule 205-3. In measuring clients' assets for the calculation of performance-based fees, Vanderbilt Capital Advisors may include realized and unrealized capital gains and losses. Performance based fee arrangements may create an incentive for Vanderbilt Capital Advisors to recommend investments which may be riskier or more speculative than those which would be recommended under a different fee arrangement. Such fee arrangements also create an incentive to favor higher fee paying accounts over other accounts in the allocation of investment opportunities. Vanderbilt Capital Advisors has procedures designed and implemented to ensure that all clients are treated fairly and equally, and to prevent this conflict from influencing the allocation of investment opportunities among clients.

Item 7 – Types of Clients

Vanderbilt Capital Advisors provides investment advisory services to institutional clients. Specifically, Vanderbilt Capital Advisors offers and provides investment management services to issuers of collateralized debt obligations.

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

Vanderbilt Capital Advisors is a research-driven firm with longstanding experience in structured fixed income products and asset-backed securities. Vanderbilt Capital Advisors provides investment advice with respect to collateralized mortgage obligations and other types of mortgage-backed securities and asset-backed securities. Security selection is based largely, although not entirely, on fundamental analysis. Economic factors are considered. Technical and cyclical analysis are used to confirm the desirability of choices made on the basis of fundamental analysis. Vanderbilt Capital Advisors has access to a

substantial library containing both current and historical material on companies and subscribes to major journals and periodicals. Publications are obtained from leading international investment banks.

Asset-backed securities and mortgage-backed securities involve certain significant and unusual risks.

Asset-Backed Securities ("ABS"). Holders of ABS bear various risks, including but not limited to credit risks, liquidity risks, interest rate risks, market risks, operations risks, structural risks and legal risks. Credit risk arises from losses due to defaults by the borrowers in the underlying collateral and the issuer's or servicer's failure to perform. These two elements may be related, as, for example, in the case of a servicer which does not provide adequate credit-review scrutiny to the serviced portfolio, leading to higher incidence of defaults. Market risk arises from the cash flow characteristics of the security, which for most ABS tend to be predictable. The greatest variability in cash flows comes from credit performance, including the presence of wind-down or acceleration features designed to protect the purchaser in the event that credit losses in the portfolio rise well above expected levels. For the holder of the security, interest rate risk depends on the expected life of the ABS which may depend on prepayments on the underlying assets or the occurrence of wind-down or termination events.

Liquidity risk may arise from an increase in perceived credit risk. Liquidity can also become a major concern for asset-backed commercial paper programs if concerns about credit quality, for example, lead buyers to avoid the commercial paper issued by the relevant special-purpose entity. For these cases, the securitization transaction may include a "liquidity facility," which requires the facility provider to advance funds to the relevant special-purpose entity should liquidity problems arise. To the extent that the bank originating the loans is also the provider of the liquidity facility, and that the bank is likely to experience similar market concerns if the loans it originates deteriorate, the ultimate practical value of the liquidity facility to the transaction may be questionable. Other risks arise through the potential for misrepresentation of loan quality or terms by the originating institution, misrepresentation of the nature and current value of the assets by the servicer and inadequate controls over disbursements and receipts by the servicer.

Residential Mortgage-Backed Securities ("RMBS"). At any one time, a portfolio of RMBS may be backed by residential mortgage loans with disproportionately large aggregate principal amounts secured by properties in only a few states or regions. As a result, the residential mortgage loans may be more susceptible to geographic risks relating to such areas, such as adverse economic conditions, adverse events affecting industries located in such areas and natural hazards affecting such areas, than would be the case for a pool of

mortgage loans having more diverse property locations. In addition, the residential mortgage loans may include so-called "jumbo" mortgage loans, having original principal balances that are higher than is generally the case for residential mortgage loans. As a result, a portfolio of RMBS may experience increased losses.

Prepayment rates could negatively affect the value of mortgage-backed securities, which could result in reduced earnings or losses. In the case of residential mortgage loans, there are seldom any restrictions on borrowers' abilities to prepay their loans. Homeowners tend to prepay mortgage loans faster when interest rates decline. Consequently, owners of the loans have to reinvest the money received from the prepayments at the lower prevailing interest rates. Conversely, homeowners tend not to prepay mortgage loans when interest rates increase. Consequently, owners of the loans are unable to reinvest money that would have otherwise been received from prepayments at the higher prevailing interest rates.

Commercial Mortgage-Backed Securities ("CMBS"). Holders of CMBS bear various risks, including credit, market, interest rate, structural and legal risks. CMBS are securities backed by obligations (including certificates of participation in obligations) that are principally secured by mortgages on real property or interests therein having a multifamily or commercial use, such as regional malls, other retail space, office buildings, industrial or warehouse properties, hotels, nursing homes and senior living centers. CMBS have been issued in public and private transactions by a variety of public and private issuers using a variety of structures, including senior and subordinated classes.

Risks affecting real estate purchases include general economic conditions, the condition of financial markets, political events, developments or trends in any particular industry and changes in prevailing interest rates. The cyclicity and leverage associated with real estate-related instruments have historically resulted in periods, including significant periods, of adverse performance, including performance that may be materially more adverse than the performance associated with other instruments. In addition, commercial mortgage loans generally lack standardized terms, tend to have shorter maturities than residential mortgage loans and may provide for the payment of all or substantially all of the principal only at maturity. Additional risks may be presented by the type and use of a particular commercial property. Commercial properties tend to be unique and are more difficult to value than single-family residential properties. Commercial lending is generally viewed as exposing a lender to a greater risk of loss than residential one-to-four family lending since it typically involves larger loans to a single borrower than residential one-to-four family lending.

A commercial property may not readily be converted to an alternative use in the event that the operation of such commercial property for its original purpose becomes unprofitable. In such cases, the conversion of the commercial property to an alternative use would generally

require substantial capital expenditures. Thus, if the borrower becomes unable to meet its obligations under the related commercial mortgage loan, the liquidation value of any such commercial property may be substantially less, relative to the amount outstanding on the related commercial mortgage loan, than would be the case if such commercial property were readily adaptable to other uses. The exercise of remedies and successful realization of liquidation proceeds may be highly dependent on the performance of CMBS servicers or special servicers, of which there may be a limited number and which may have conflicts of interest in any given situation. The failure of the performance of such CMBS servicers or special servicers could result in cash flow delays and losses on the related issue of CMBS.

Mortgage loans underlying a CMBS issue may lack regular amortization of principal, resulting in a single "balloon" payment due at maturity. If the underlying mortgage borrower experiences business problems, or other factors limit refinancing alternatives, such balloon payment mortgages are likely to experience payment delays or even default. As a result, the related issue of CMBS could experience delays in cash flow and losses.

Investing in securities involves risk of loss that clients should be prepared to bear.

Item 9 – Disciplinary Information

On September 3, 2002, the Securities and Exchange Commission instituted administrative proceedings against Vanderbilt Capital Advisors for failure to supervise specific trading activities of an ARM Capital (predecessor firm to Vanderbilt Capital Advisors) portfolio manager in the period of March 30, 1998 through April 6, 1998. The trading activities in question were the portfolio manager participating in adjusted trading violations during the time period. Adjusted trading involves selling a security above market rates and purchasing securities above market rates to offset the previous transaction. A Decision and Order of Offer of Settlement were entered into with the SEC on September 3, 2002, a censure was issued and a civil money penalty was paid in the amount of \$125,000.

Item 10 – Other Financial Industry Activities and Affiliations

Registered investment advisers are required to disclose all material facts regarding any other financial industry activities or affiliations that would be material to your evaluation of Vanderbilt Capital Advisors. Vanderbilt Capital Advisors has no information applicable to this Item.

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

Vanderbilt Capital Advisors has adopted a Code of Ethics for all supervised persons of the firm describing its high standard of business conduct and fiduciary duty to its clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All supervised persons at Vanderbilt Capital Advisors must acknowledge the terms of the Code of Ethics annually.

Vanderbilt Capital Advisors anticipates that, in appropriate circumstances, consistent with clients' investment objectives, it will cause accounts over which Vanderbilt Capital Advisors has management authority to effect, and will recommend to investment advisory clients or prospective clients, the purchase or sale of securities in which Vanderbilt Capital Advisors, its affiliates and/or clients, directly or indirectly, have a position of interest. Vanderbilt Capital Advisors' employees and persons associated with Vanderbilt Capital Advisors are required to follow Vanderbilt Capital Advisors' Code of Ethics. Subject to satisfying this policy and applicable laws, officers, directors and employees of Vanderbilt Capital Advisors and its affiliates may trade for their own accounts in securities which are recommended to and/or purchased for Vanderbilt Capital Advisors' clients. The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of Vanderbilt Capital Advisors will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Under the Code certain classes of securities have been designated as exempt transactions, based upon a determination that these would not materially interfere with the best interest of Vanderbilt Capital Advisors' clients. In addition, the Code requires pre-clearance of many transactions. Nonetheless, because the Code of Ethics in some circumstances would permit employees to invest in the same

securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. Employee trading is continually monitored under the Code of Ethics to reasonably prevent conflicts of interest between Vanderbilt Capital Advisors and its clients.

Vanderbilt Capital Advisors' clients or prospective clients may request a copy of the firm's Code of Ethics by contacting the Chief Compliance Officer of Vanderbilt Capital Advisors.

Item 12 – Brokerage Practices

The factors considered by Vanderbilt Capital Advisors in selecting dealers and brokers and determining the reasonableness of their commissions and/or markups/markdowns will include price competitiveness, availability of securities to be purchased, execution capability, financial responsibility, responsiveness to Vanderbilt Capital Advisors and the provision of research and/or market information.

Item 13 – Review of Accounts

Investment advisory accounts will be reviewed by the relevant portfolio managers prior to client meetings, but no less often than annually. The accounts will be reviewed with respect to adherence and conformity to the disciplined process of Vanderbilt Capital Advisors. It is Vanderbilt Capital Advisors' intention to send, from time to time, reports and special studies that pertain to the fixed-income domain. It is also Vanderbilt Capital Advisors' intention to visit with clients on an ongoing basis and review market activity.

Item 14 – Client Referrals and Other Compensation

Registered investment advisers are required to disclose all material facts regarding any client referrals and other compensation that would be material to your evaluation of Vanderbilt Capital Advisors. Vanderbilt Capital Advisors has no information applicable to this Item.

Item 15 – Custody

Clients generally receive at least quarterly statements from the broker-dealer, bank or other qualified custodian that holds and maintains the client's investment assets. Vanderbilt Capital Advisors urges you to carefully review such statements.

Item 16 – Investment Discretion

Vanderbilt Capital Advisors usually receives discretionary authority from the client at the outset of an advisory relationship to select the identity and amount of securities to be bought or sold. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account. When selecting securities and determining amounts, Vanderbilt Capital Advisors observes the investment policies, limitations and restrictions of the clients that it advises. Investment guidelines and restrictions must be provided to Vanderbilt Capital Advisors in writing.

Item 17 – Voting Client Securities

Vanderbilt Capital Advisors provides investment advice with respect to collateralized mortgage obligations and other types of mortgage-backed securities and asset-backed securities. These securities do not typically have any voting rights.

Item 18 – Financial Information

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about Vanderbilt Capital Advisors' financial condition. Vanderbilt Capital Advisors has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients and has not been the subject of a bankruptcy proceeding.