

Advanced Portfolio Management, LLC

June 7, 2012

This *brochure* provides information about the qualifications and business practices of *Advanced Portfolio Management, LLC* (the “Adviser”), an investment adviser registered with the United States Securities and Exchange Commission (the “SEC”). Registration with the SEC or with any *state securities authority* does not imply a certain level of skill or training. If you have any questions about the contents of this *brochure*, please contact Steven G. Delaney at (212) 838-4700. This information has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any *state securities authority*.

Additional information about Advanced Portfolio Management, LLC also is available on the SEC’s website at www.adviserinfo.sec.gov.

Advanced Portfolio Management, LLC
36th Floor
1330 Avenue of the Americas
New York, New York 10019
Tel: 212-838-4700
Fax: 212-838-0700
Website: www.apmcap.com

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Item 2. Material Changes

On March 30th, 2011 we completed and submitted a prior version of our Form ADV Part 2. Since that submission the Adviser has made certain changes which are reflected in this filing. In Item #4, the AUM reported includes assets managed in individual fund structures and asset managed under advisory agreements. Item #11 has been amended to restrict all Adviser employees and related parties from investing in any securities recommended to clients, unless there has been prior written approval from the Compliance Officer. Item #15 has been amended to reflect that the Adviser does not have custody of client assets.

Item 4. Advisory Business

Advanced Portfolio Management, LLC (the “Adviser”) is an investment adviser with its principal place of business in New York, New York. The Adviser commenced operations as an investment adviser on July 14th 2004 and has been registered with the SEC since January 23rd, 2006. Robert E. Kiernan III, the Chief Executive Officer owns more than 25% of the Adviser.

The Adviser provides investment supervisory services on a discretionary basis to clients that are pooled investment vehicles (each a “Fund” and collectively the “Funds”), and manages investment advisory accounts not involving investment supervisory services for separately managed accounts (each an “Account” and collectively the “Accounts”). Clients of the Adviser are large institutions and the portfolios are customized based upon their specific parameters. The Adviser invests in investment limited partnerships, investment limited liability companies, private investment funds, derivatives, and other securities utilizing a multi-manager, multi-strategy approach.

The Adviser provides advice to client accounts based on specific investment objectives and strategies, and will tailor advisory services to the individual needs of clients.

As of February 29th 2012, the Adviser had approximately \$2,161,700,000 of client assets under discretionary management, either in managed Funds or advised accounts.

Item 5. Fees and Compensation

The fee schedule of Adviser for accounts varies from Account to Account. The Adviser's standard management fee from each Fund and Account based on assets under management is 1.25% annually (the "Management Fee"). Under the standard methodology, the Management Fee is paid quarterly, in advance, based on the net assets of each Fund as of the last business day of the immediately preceding month adjusted for the current month's subscriptions and redemptions. The Management Fee will be prorated for any period that is less than a full fiscal quarter. The Adviser may waive, modify, or establish fees for certain strategic investors.

The Adviser's standard performance-based fee, which is compensation that is based on a share of capital gains on or capital appreciation of the assets of a client (such as a client that is a hedge fund or other pooled investment vehicle) is outlined in Item #6. (See **Item 6**)

In addition to paying investment management fees and, if applicable, performance-based fees, client accounts may also be subject to other investment expenses such as custodial charges, brokerage fees, commissions and related costs; interest expenses, taxes, duties and other governmental charges; transfer and registration fees or similar expenses; costs associated with foreign exchange transactions; and other portfolio expenses.

Client assets may be invested in pooled investment vehicles. In these cases, clients will bear their pro rata share of the underlying fund's operating and other expenses including, in addition to those listed above: sales expenses, legal expenses, internal and external accounting, audit and tax preparation expenses; and organizational expenses.

The Adviser is not compensated on the sale or purchase of any investments.

Item 6. Performance-Based Fees and Side-by-Side Management

Consistent with the Investment Advisers Act of 1940 ("Advisers Act") and Rule 205-3 thereunder, to the extent applicable, the Adviser receives incentive allocations or performance fees generally based upon net profits allocable to each Account or, with respect to the Funds, each investor. The performance allocation or performance fee payable to the Adviser varies from Account to Account. The standard fee is 10% of the net profits allocable to a particular Account or, with respect to the Funds, each investor. To the extent that fees are negotiable, some Accounts or investors in a Fund may pay more or less than other Accounts or investors for the same management services, depending, for example, on account inception date, size of investment or total client assets under management by the Adviser. The Adviser may waive, modify, or establish fees for certain strategic investors.

Item 7. Types of Clients

The Adviser provides investment advice to large institutional clients that currently include banks, pension funds, insurance companies, and endowment funds.

The minimum initial subscription amount is \$50,000,000 for the Funds and \$100,000,000 for any Account, each subject to modification at the discretion of the Adviser.

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

The Adviser invests in investment limited partnerships, investment limited liability companies, other private investment funds, derivatives, and other securities utilizing a multi-manager, multi-strategy approach.

Investment Objectives

The investment objectives of the Funds and Accounts are to preserve capital and create stable, recurring, low volatility absolute returns uncorrelated with the returns of the major traditional asset classes. The Adviser seeks to achieve these objectives through the construction and dynamic management of portfolios of investments in investment managers and other securities (collectively, the “Investment Vehicles”). The Adviser may also pursue risk and return management through the application of “overlay tactics” (a form of risk management derived from regular risk and return attribution analysis) as and when required to access and manage traditional asset class returns and/or mitigate risk.

Investment Process

The Adviser believes that active investing, carefully implemented, creates exposures to unconstrained, skill-based active returns. The primary objective of the investment process is to identify all of the potential sources of risk and sources of return to construct efficient, well-diversified portfolios that are exposed only to those risks that offer appropriate expected return. By exploiting the relationships between the risks and returns associated with discrete sources of diversification, the Adviser constructs and manages portfolios that generate returns that are uncorrelated with and characterized by generally lower levels of risk than are available within the major traditional asset classes.

For each Investment Vehicle, the Adviser performs extensive quantitative and qualitative research on potential investments and investment managers. The Adviser constructs portfolios for the Investment Vehicles using a variety of quantitative methods. Final portfolio allocation is determined by qualitative judgment informed by this quantitative analysis.

The Adviser sometimes seeks leverage in the form of a collateralized loan, a line of credit, a derivative, a combination of these or some other structured product made available by various financial institutions. The Adviser also sometimes seeks traditional asset class returns in the form of an index swap, total rate of return swap, futures contract, or other index product.

The Adviser monitors each portfolio on a continual basis, collecting information from investment managers, frequently updating due diligence information, and performing regular risk and return attribution analysis. The Adviser may achieve an additional level of risk and return management through the application of “overlay tactics” as described above.

Item 9. Disciplinary Information

This item is not applicable.

Item 10. Other Financial Industry Activities and Affiliations

This item is not applicable.

Neither the Adviser nor any of its management persons is registered or has an application pending to register as a broker-dealer or a registered representative of a broker-dealer, or is registered or has an application pending to register as a futures commission merchant, a commodity pool operator, a commodity trading advisor, or an associated *person* of the foregoing entities.

There are no material relationships or arrangements with industry participants that create a material conflict of interest.

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

The Adviser has adopted a Code of Ethics (the “Code”) that obligates the Adviser and its *related persons* to put the interests of the Adviser’s *clients* before their own interests and to act honestly and fairly in all respects in their dealings with *clients*. All of the Adviser’s personnel are also required to comply with applicable federal securities laws. *Clients* or prospective *clients* may obtain a copy of the Code by contacting Steven G. Delaney, General Counsel, by email at sdelaney@apmcap.com, or by telephone at (212) 838-4700.

The Adviser, in the course of its investment management and other activities (e.g. board or creditor committee service), may come into possession of confidential or material nonpublic information about issuers, including issuers in which the Adviser or its *related persons* have invested or seek to invest on behalf of *clients*. The Adviser is prohibited from improperly disclosing or using such information for its own benefit or for the benefit of any other *person*, regardless of whether such other *person* is a *client*. The Adviser maintains and enforces written policies and procedures that prohibit the communication of such information to *persons* who do not have a legitimate need to know such information and to assure that the Adviser is meeting its obligations to *clients* and remains in compliance with applicable law. In certain circumstances, the Adviser may possess certain confidential or material, nonpublic information that, if disclosed, might be material to a decision to buy, sell or hold a security, but the Adviser will be prohibited from communicating such information to the *client* or using such information for the *client’s* benefit. In such circumstances, the Adviser will have no responsibility or liability to the *client* for not disclosing such information to the *client* (or the fact that the Adviser possesses such information), or not using such information for the *client’s* benefit, as a result of following the Adviser’s policies and procedures designed to provide reasonable assurances that it is complying with applicable law.

The Adviser and its related persons may invest their personal funds in the Funds, and, therefore, such persons may hold the same securities as other investors in the Funds. However, without prior approval from the Compliance Officer, employees and related parties of the Adviser are restricted from purchasing or holding securities in their personal accounts that are recommended by the Adviser to its clients.

The Adviser has established procedures intended to limit conflicts of interest in cases where the Adviser, a related person or any of their employees, buys or sells securities recommended by the Adviser to its clients.

The Adviser has also established procedure to protect the privacy and maintain the confidentiality of information received about and from its clients.

Item 12. Brokerage Practices

The majority of the Advisers transaction include the subscription and redemption of interests in pooled vehicles, which are direct investments in the vehicle and do not involve the use of a broker.

In the situation where brokers are involved, the selection of the broker will be allocated to brokers on the basis of best execution and in consideration of such broker's provision or payment of the costs of research and other services or property which are of benefit to the client. In its own selection of brokers and negotiations of commission rates, the Adviser will take into account the financial stability and reputation of brokerage firms, the brokerage and research and related execution services provided by such brokers (consistent with best execution), although the Fund for which the transaction was effected, may not, in any particular instance, be the direct or indirect beneficiary of the research or related services provided.

The Adviser may aggregate orders of its accounts for trade execution and thereafter allocate the securities on an average price basis to such accounts. Brokerage commission rates are not reduced as a result of such aggregation. In some instances, average pricing may result in higher or lower execution prices than otherwise obtainable by a single client.

Item 13. Review of Accounts

Mr. Kiernan, CEO of the Adviser, Mr. Guha, CIO of the Adviser, , and Mr. Delaney, General Counsel of the Adviser (the “Reviewers”) are generally aware of the holdings in each client's account on a continuous basis. These holdings are monitored by the Reviewers in light of trading activity, significant corporate developments, and other activities which may dictate a change in portfolio positions.

Generally, the Reviewers each collect and review the NAVs of underlying fund investments on a weekly basis and thoroughly review each client’s account monthly. In addition, client accounts are reviewed periodically from the standpoint of the specific investment objectives of the client and as particular situations may dictate.

In the situation where the client is a pooled investment vehicle, the client will distribute reports pursuant to the terms of the client’s offering memorandum or as described in the offering document.

Item 14. Client Referrals and Other Compensation

The Adviser may make cash payments to third-party solicitors for client referrals, provided that, to the extent required, each such solicitor has entered into a written agreement with the Adviser pursuant to which the solicitor will provide each prospective client with a copy of the Adviser's Form ADV Part 2, and a disclosure document setting forth the terms of the solicitation arrangement, including the nature of the relationship between the solicitor and Adviser and any fees to be paid to the solicitor. Where applicable, cash payments for client solicitations will be structured to comply fully with the requirements of Rule 206(4)-3 under the Advisers Act and related SEC staff interpretations.

The Adviser does not have any "soft dollar" arrangements with brokers.

Item 15. Custody

The Adviser does not have custody of client funds or securities. All funds have retained qualified custodians to hold and monitor the assets. The funds receive the custodian account statements directly from the qualified custodian on a quarterly basis.

Item 16. Investment Discretion

The Adviser provides investment supervisory services on a discretionary basis to clients that are pooled investment vehicles (each a “Fund” and collectively the “Funds”) or separately managed accounts (each an “Account” and collectively the “Accounts”). The Adviser may also provide advisory services on a non-discretionary basis. The authority of the Adviser in managing the assets of the Funds is governed by an Investment Management Agreement, the terms of which are disclosed in a Confidential Explanatory Memorandum (“CEM”). The duties and responsibilities of the Adviser with regard to the supervisory services for separately managed accounts, are governed by an account agreement.

The Funds’ and Accounts’ investments may differ because of various factors including investment objectives and strategies, risk tolerances, and other criteria, and accordingly, there may be differences among invested positions and securities held. Where investments are considered appropriate for more than one Fund or Account, it is the Adviser’s policy to allocate investment opportunities to eligible client accounts on a pro rata basis (based on the value of the assets of each participating account relative to value of the assets of all participating accounts).

Item 17. Voting Client Securities

The Adviser has adopted Proxy Voting Policies and Procedures (the "Procedures") that are designed to ensure that in cases where the Adviser votes proxies with respect to client securities, such proxies are voted in the best interests of its clients. The Procedures also require that the Adviser identify and address conflicts of interest between the Adviser and its clients. If a material conflict of interest exists, the Adviser will determine whether voting in accordance with the guidelines set forth in the Procedures is in the best interests of the client or take some other appropriate action. It is the Adviser's general policy not to vote proxies for securities which are not held in a client's account at the time such proxy is received by the Adviser. In voting proxies, the Adviser generally votes in favor of routine corporate housekeeping proposals, including election of directors (where no corporate governance issues are implicated). Generally, the Adviser will vote against proposals that make it more difficult to replace members of a board of directors. For all other proposals, the Adviser will determine whether a proposal is in the best interests of its clients and may take into account the following factors, among others: (i) whether the proposal was recommended by management and Adviser's opinion of management; (ii) whether the proposal acts to entrench existing management; and (iii) whether the proposal fairly compensates management for past and future performance. Clients may obtain a copy of the Adviser's Procedures and proxy voting history by contacting Steven G. Delaney, General Counsel, by email at sdelaney@apmcap.com or by telephone at (212) 838-4700.

Item 18. Financial Information

This item is not applicable.

Item 19. Requirements for State-Registered Advisers

This item is not applicable.