

Seawall Capital Management, LLC

Part 2A of Form ADV

Brochure

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This brochure provides information about the qualifications and business practices of Seawall Capital Management, LLC (“Seawall”). If you have any questions about the contents of this brochure, please contact Seawall’s Chief Compliance Officer, Patrick Stevens, at 617-939-0300. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Seawall is also available on the SEC’s website at: www.adviserinfo.sec.gov.

Item 2. Material Changes

This brochure contains no material changes to Seawall's prior brochure dated March 30, 2011.

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Item 4. Advisory Business

Firm Description

Seawall Capital Management, LLC (“Seawall” or “the Firm”) was founded in 2008 and is owned by Eli T. Ullum.

Advisory Services

The Firm provides investment advisory services exclusively to private investment funds (each a “Fund” and collectively, the “Funds”) offered to qualified investors and focuses on investing in both public and private fixed income markets, specifically through investments in: (1) syndicated leveraged loans, (2) corporate bonds and (3) derivatives, including credit default swaps and index-related securities. The Funds may also hold positions in other instruments, both publicly traded and private, including equities, commodities, and currency contracts which are not primary investment strategies but may be used for hedging purposes or which may be obtained as a result of other investments.

Tailored Relationships

Investors are advised of Seawall’s investment strategy for a Fund before they make their investment subscription. Seawall makes all investment decisions on behalf of each Fund. Investors in a Fund do not participate in the decision of whether or not the Fund makes any particular investment. Generally investors in one of the Funds do not have the ability to individually tailor their investment or impose unique investment restrictions, however, in certain circumstances, a Fund may create a special class of interests or shares to accommodate a particular investor’s or group of investors’ unique investment restrictions.

Wrap Fee Programs

Seawall does not participate in any wrap fee programs.

Assets under Discretionary and Non-Discretionary Management

As of March 15, 2012 Seawall had \$127 million in net assets under management, all of which it manages on a discretionary basis.

Item 5. Fees and Compensation

Description of Fees and Fee Billing

Management fees are typically paid monthly in advance and generally are equal to one-twelfth (1/12) of one and a half percent (1.5%) of the net asset value of a client's account. Monthly management fees will be pro-rated if Seawall provides management services for less than a full month to any client. In addition, Seawall also charges a performance based fee, as outlined below. Seawall expects to waive management fees and performance fees for employees and affiliates of Seawall. All fees are deducted from clients’ assets.

In addition, fee structures for different accounts (including each of the Funds) may vary, and are subject to negotiation. Details of the fees charged to a specific Fund are outlined in the relevant Fund's private offering memorandum.

Other Fees or Expenses

Each of the Funds pays or reimburses Seawall for all legal, accounting and other expenses in connection with the organization of such Fund.

Each of the Funds is also responsible for its ongoing operating expenses, including, but not limited to, legal, accounting and audit expenses.

The Funds will also incur custodial, brokerage and other transaction costs. For more information regarding Seawall's brokerage arrangements see Item 12 below.

Furthermore, in the event that clients' accounts are invested in other pooled investment vehicles (e.g. mutual funds, ETFs, other private funds etc.) clients may be charged management and/or performance based fees, trading costs, and administrative expenses that are in addition to the fees charged by the Firm.

Other Commissions and Sales Charges

Neither Seawall nor any of its supervised persons accepts compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds.

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

As described above, Seawall charges each of the Funds management fees and performance based fees which are typically equal to 20% of the net appreciation in the client's account subject to a "high water mark" provision. Performance fees are generally paid on January 1 of each year (based on performance through December 31 of the prior year), upon termination of a Fund and upon the withdrawal of any capital by an investor in a Fund.

Although all of the accounts managed by Seawall are charged both a performance-based fee and an asset-based management fee, since the amount of the performance-based fee varies among the Funds, Seawall may have an incentive to favor a Fund that pays a higher performance-based fee over another Fund that pays a lower performance-based fee in order to earn higher performance-based fees.

Seawall has addressed this conflict by adopting and following a trade allocation policy that no allocation decisions may be based on the fees paid by a particular Fund. A description of Seawall's policy on addressing potential portfolio trading conflicts can be found under Item 11 below.

The fact that the Firm is compensated based on the profits of its clients may create an incentive for Seawall to make investments on behalf of clients that are riskier or more speculative than would be the case in the absence of such compensation. In addition, the performance based fee received by Seawall is based primarily on realized and unrealized gains and losses. As a result, the performance based fee earned could be based on unrealized gains that clients may never realize. Specific details of the performance fees charged are contained in the relevant Fund's private offering memorandum.

Item 7. Types of Clients

Seawall provides advisory management services exclusively to the Funds. Investors in the Funds include:

- Individuals, including high net worth individuals
- Trusts, estates or charitable organizations
- Banks or other thrift institutions
- Corporations or other business entities
- Private and public pension and profit sharing plans
- Foundations and endowments; and
- Fund of funds

The minimum single investment commitment by a purchaser of an interest in any of the Funds is \$500,000. Seawall may reduce the minimum single investment commitment for an interest in any of the Funds on a case-by-case basis. Seawall may establish higher or lower minimum investment commitments for future funds or managed accounts.

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

Methods of Analysis and Investment Strategies

In its management of each Fund, Seawall seeks to generate attractive risk-adjusted returns throughout investment and economic cycles while stressing the preservation of capital. Seawall will seek to achieve this objective through the application of extensive fundamental analysis and value investing principles within the leveraged fixed-income and equity markets. Each Fund's investment strategy includes a core portfolio of generally higher quality, less volatile income generating investments intermixed with total return and hedge trade positions. Through the total return and hedge trade investments, Seawall seeks to enhance each Fund's performance while also seeking to minimize risk in the overall portfolio throughout periods of financial market stress and instability.

Each Fund generally invests in corporate bonds, syndicated leveraged loans, common stocks and derivatives, including credit default swaps and index-related securities within the leveraged finance market. Investments may include publicly traded and private securities of companies primarily based in the United States. Opportunistically, each Fund may also invest in convertible bonds, preferred stocks and derivative securities. The Funds' investments include long positions, short positions and hedge trade investments.

Seawall selects investments based on the principal's years of investment experience and through his extensive research process based on fundamental analysis. Seawall also utilizes technical analysis, incorporating scenario analysis and probability analysis, to seek to better determine the risk/reward characteristics of potential investments. Potential investments are analyzed on an individual basis as well as in the context of their perceived impact on the overall portfolio of a Fund.

In an effort to better manage risk and minimize the potential of permanent capital loss, Seawall seeks to create portfolios that are diversified across issuers, industrial sectors and securities markets. Further, Seawall generally limits the use of leverage to not more than 100% of a Fund's assets.

Liquidity is an important factor for Seawall in analyzing potential investments and their impact on a Fund's portfolio. Most of a Fund's capital is invested in generally liquid positions and marketable securities within the leveraged fixed-income and equity markets.

Risk of Loss

Investing in securities involves risk of loss that clients should be prepared to bear. An investment in a Fund may be deemed to be a speculative investment and is not intended as a complete investment program. Investment in a Fund is suitable only for persons who can bear the economic risk of the loss of their entire investment, who have limited need for liquidity in their investment and who meet the conditions set forth in the applicable Fund's offering documents. There can be no assurances that a Fund will achieve its investment objective. Investment in a Fund involves significant risks. While the following summary of certain of these risks should be carefully evaluated before making an investment in a Fund, the following does not intend to describe all possible risks of such an investment:

General Risks of Investing in Debt Instruments. The risks of debt investments include (among others): (i) limited liquidity and secondary market support, (ii) the possibility that earnings of the obligor may be insufficient to meet its debt service, (iii) the declining creditworthiness and potential for insolvency of the borrower during periods of economic downturn, (iv) spread compression over the reference interest rate available for reinvestment during any period in which prepayments are received and (v) if the investment is subordinated, subordination to the prior claims of other loans or senior lenders. Debt investments are generally subject to market value volatility that may not be apparent from historical volatility studies and that could be significant at times. An economic downturn could severely disrupt the market for loans and corporate debt and adversely affect the value of outstanding fixed income holdings and the ability of the borrowers thereunder to repay principal and interest. Moreover, defaults may prove to be greater than

indicated by historical data and the timing of defaults may vary significantly from historical observations.

Debt instruments may become non-performing for a variety of reasons. Non-performing instruments may require substantial workout negotiations or restructuring that may entail, among other things, a substantial reduction in the interest rate and/or a substantial write-down of the principal. A Fund may incur additional expenses to the extent it is required to seek recovery upon a default or to participate in the restructuring of a debt instrument. Although a Fund may have voting rights with respect to an individual holding, there can be no certainty that the Fund will be able to exercise votes in respect of a sufficient percentage of voting rights with respect to such holding to determine the outcome of such vote.

Risks Associated with Investing in High Yield Bonds. A Fund may invest a substantial portion of its assets in fixed income securities rated lower than Baa by Moody's or lower than BBB by S&P (or, if not rated, deemed by Seawall to be of comparable quality). Securities rated lower than Baa by Moody's or lower than BBB by S&P are sometimes referred to as "high yield" or "junk" bonds. Securities rated Baa are considered by Moody's to have some speculative characteristics. Lower-rated securities may include securities that have the lowest rating or are in default. Investing in lower-rated securities involves special risks in addition to the risks associated with investments in higher-rated fixed income securities, including a high degree of credit risk. Lower-rated securities may be regarded as predominately speculative with respect to the issuer's continuing ability to meet principal and interest payments. Analysis of the creditworthiness of issuers/issues of lower-rated securities may be more complex than for issuers/issues of higher quality debt securities. Lower-rated securities may be more susceptible to losses and real or perceived adverse economic and competitive industry conditions than higher grade securities. Securities that are in the lowest rating category are considered to have extremely poor prospects of ever attaining any real investment standing, to have a current identifiable vulnerability to default to be unlikely to have the capacity to pay interest and repay principal. The secondary markets on which lower-rated securities are traded may be less liquid than the market for higher grade securities, or become illiquid altogether. Less liquidity in the secondary trading markets could adversely affect and cause large fluctuations in the value of a Fund's portfolio. Adverse publicity and investor perceptions, whether or not based on fundamental analysis, may decrease the values and liquidity of lower-rated securities, especially in a thinly traded market.

The use of credit ratings as a method of evaluating lower-rated securities can involve certain risks. For example, credit ratings evaluate the safety of principal and interest payments, not the market value risk of lower-rated securities. Also, credit rating agencies may fail to change credit ratings in a timely fashion to reflect events since the security was rated.

Risks Associated With Syndicated Loans. The Funds may invest in syndicated loans. Because of the unique and customized nature of a loan and the private syndication of a loan, certain loans may not be purchased or sold as easily as publicly traded securities, and historically the trading volume in the loan market has been small relative to the market for high yield bonds. Trading in loans is subject to delays due to their unique and customized nature, and transfers may require extensive documentation, the payment of significant fees and the consent of an agent bank or the underlying borrower. A Fund may acquire interests in loans either directly (by way of assignment) or indirectly (by way of participation).

The purchaser of an assignment of a loan typically succeeds to all the rights and obligations of the selling institution and becomes a lender under the loan or credit agreement with respect to the loan. In contrast, participations ("Participation") acquired by a Fund in a portion of a loan held by a selling institution (a "Selling Institution") typically result in a contractual relationship only with such Selling Institution, not with the borrower. A Fund would have the right to receive payments of principal, interest and any fees to which it is entitled under the Participation only from the Selling Institution and only upon receipt by the Selling Institution of such payments from the borrower. In purchasing a Participation, a Fund generally will have no right to enforce compliance by the borrower with the terms of the loan or credit agreement or other instrument evidencing such loan, nor any rights of set-off against the borrower, and the Fund may not directly benefit from the collateral supporting the loan in which it has purchased the Participation. As a result, a Fund will assume the credit risk of both the borrower and the Selling Institution. In the event of the insolvency of the Selling Institution, a Fund may be treated as a general creditor of the Selling Institution in respect of the Participation, may not benefit from any set-off exercised by the Selling Institution against the borrower and may be subject to any set-off exercised by the borrower against the Selling Institution.

Assignments and Participations are sold strictly without recourse to the seller or Selling Institution, and the seller and Selling Institution will generally make no representations or warranties about the loan, the borrower, the documentation of the loan or any collateral securing the loan. In addition, a Fund will be bound by provisions of the loan agreements that require the preservation of the confidentiality of information provided by the borrower.

When a Fund holds a Participation in a loan, the Fund may not have the right to vote to waive enforcement of any default by a borrower. Selling Institutions may reserve the right to administer the loans sold by them as they see fit and to amend the documentation evidencing such loan in all respects. However, most participation agreements with respect to loans provide that the Selling Institution may not vote in favor of any amendment, modification or waiver that forgives principal, interest or fees, reduces principal, interest or fees that are payable, postpones any payment of principal (whether a scheduled payment or a mandatory prepayment), interest or fees or releases any material guarantee or collateral without the consent of the participant (at least to the extent the participant would be affected by any such amendment, modification or waiver). A Selling Institution voting in connection with a potential waiver of a default by a borrower may have interests different from those of a Fund, and the Selling Institution might not consider the interests of the Fund in connection with its vote. In addition, many participation agreements with respect to loans that provide voting rights to the participant further provide that if the participant does not vote in favor of amendments, modifications or waivers, the Selling Institution may repurchase such Participation at par.

Credit Derivatives Risk. Each Fund may enter into one or more credit default swaps ("CDS") as part of its strategy. A CDS is a swap designed to transfer the credit exposure of fixed income products between parties. It is an agreement between a protection buyer and a protection seller whereby the buyer pays a periodic fee in return for a contingent payment by the seller upon a credit event (such as a certain default) happening in the reference entity. The use of credit derivatives is a highly specialized activity which involves strategies and risks different from those associated with ordinary portfolio security transactions. If Seawall is incorrect in its forecasts of default risks, market spreads or other applicable factors, the investment performance of a Fund

would diminish compared with what it would have been if these techniques were not used. Moreover, even if Seawall is correct in its forecasts, there is a risk that a credit derivative position may correlate imperfectly with the price of the asset or liability being protected. A Fund's risk of loss in a credit derivative transaction varies. For example, if a Fund purchases protection under a CDS, and if no default occurs with respect to the security, the Fund's loss is limited to the premium it paid for the CDS. In contrast, if there is a default by the seller of protection under a CDS, a Fund's loss will include both the premium that it paid for the CDS and the loss of payment under the swap. Any CDS will also be subject to counterparty risk.

Distressed Securities. The Funds may invest in companies involved in work-outs, liquidations, reorganizations, bankruptcies and similar transactions. In any investment opportunity involving any such type of business enterprise, there exists the risk that the transaction in which such business enterprise is involved either will be unsuccessful, take considerable time or will result in a distribution of cash or a new security the value of which will be less than the purchase price to a Fund of the security or other financial instrument in respect of which such distribution is received. Similarly, if an anticipated transaction does not in fact occur, a Fund may be required to sell its investment at a loss. Because there is substantial uncertainty concerning the outcome of transactions involving financially troubled companies in which a Fund may invest, there is a potential risk of loss by the Fund of its entire investment in such companies.

Convertible Bonds. The Funds may purchase or sell convertible bonds. A Fund may pay a premium representing the market value of the convertibility feature on a convertible bond. If the price of the securities interest into which the bond is convertible does not change such that it becomes profitable for a Fund to convert the bond prior to its maturity, the Fund will lose the entire premium.

Hedging. Seawall may attempt to structure its investments, and/or use various investment strategies and instruments, in a manner intended to hedge a Fund's exposure to market movements or other risks. No assurance can be given that any hedging strategies or techniques employed by Seawall will be successful or will operate as intended. The use of hedging instruments or strategies may reduce the profit realized by a Fund in some cases, and may cause a Fund to incur additional expenses.

Short Sales. The Funds may engage in short sales by selling securities that it does not own at the time of sale. By doing so, a Fund will become obligated to purchase and deliver securities against the short position. In the event that the price of a security increases between the short sale and a Fund's subsequent purchase of shares of that security, the Fund will suffer a loss on that transaction and the value of the Shareholders' investments will decrease accordingly. There can be no assurance that a Fund will not suffer such losses. In theory, a short sale has the potential for unlimited loss. In connection with short sales, a Fund will have to deliver cash or United States Treasury securities or other securities to brokers to assure delivery of equity securities against short positions. A Fund will be able to keep only a negotiated percentage of the yield of such United States Treasury or other securities.

The availability of shares to borrow to execute a short can change quite dramatically and quickly. This presents a risk not faced with long positions. Dramatic changes in the availability of borrowed securities for shorting is an event not typically addressable through fundamental

security analysis. Short squeezes or short covering rallies can be quite detrimental to overall profits. Avoiding hard-to-borrow shares or illiquid names is a basic risk management discipline. Easy-to-borrow shares can become hard-to-borrow quickly. The negative “crowding out” effect is more prevalent with the rapid growth in the number of long-short funds.

Use of Borrowed Funds. Seawall may cause a Fund to leverage its investment positions by borrowing funds from securities broker-dealers, banks, or others. Such leverage increases both the possibilities for profit and the risk of loss. In a downward trending market the use of leverage for long positions could have a material adverse effect on a Fund’s profitability and operations, and the reverse is true in a rising market with respect to short positions. Extensions of credit and guarantees by broker-dealers of performance of a Fund’s obligations will typically be secured by the Fund’s securities and other assets. Under certain circumstances, a broker-dealer may demand an increase in the collateral that secures a Fund’s obligations, and if the Fund were unable to provide additional collateral, the broker-dealer could liquidate assets held in the account to satisfy the Fund’s obligation to the broker-dealer. Liquidation in such manner could have materially adverse consequences. In addition, the amount of a Fund’s borrowings and the interest rates on those borrowings, which will fluctuate, will have a significant effect on the Fund’s profitability.

Small Cap Issuers. At any given time, a Fund may have significant investments in smaller-to-medium sized companies of a less seasoned nature. Securities of such issuers often involve significantly greater risks than the securities of larger, better-known companies.

Futures. The Funds may invest and trade in futures, although such trading is not expected to be material. A futures contract is an agreement between two parties which obligates the purchaser of a futures contract to buy and the seller of a futures contract to sell a security or basket of securities for a set price on a future date. Unlike most other futures contracts, a stock index futures contract does not require actual delivery of securities, but results in cash settlements based upon the difference in value of the index between the time the contract was entered into and the time of its settlement. The risk of loss in trading futures can be substantial. If a Fund purchases a future it may sustain a total loss of the initial margin funds and any additional funds deposited with a broker to establish and maintain its position in the future. If the market moves against a Fund's position, the Fund may be required to deposit a substantial amount of additional margin funds in order to maintain its position. The placement of contingent or stop orders by a Fund will not necessarily limit its losses to the intended amounts, as market conditions may make it impossible for such orders to be executed. There can be no assurance that, at all times, a liquid market will exist for offsetting a futures contract that a Fund has bought or sold. This could be the case if, for example, a futures price has increased or decreased by the maximum allowable daily limit and there is no one presently willing to buy the futures contract a Fund wants to sell or sell the futures contract the Fund wants to buy. The high degree of leverage that can be used in trading futures can lead to large losses.

Options. The Funds may engage in options trading, although such trading is not expected to be material. Options that may be purchased or sold by a Fund include options not traded on a securities exchange. Options not traded on an exchange are not issued by the Options Clearing Corporation; therefore, the risk of nonperformance by the obligor on such an option may be greater and the ease with which a Fund can dispose of such an option may be less than in the case of an exchange traded option issued by the Options Clearing Corporation. The trading of options

is highly speculative and may entail risks that are greater than those present when investing in other securities. Prices of options are generally more volatile than prices of other securities. To the extent that a Fund purchases options that it does not sell or exercise, it will suffer the loss of the premium paid in such purchase. To the extent that a Fund sells options and must deliver the underlying securities at the option price, the Fund has a theoretically unlimited risk of loss if the price of such underlying securities increases. To the extent that a Fund must buy the underlying securities, it risks the loss of the difference between the market price of the underlying securities and the option price. Any gain or loss derived from the sale or exercise of an option will be reduced or increased, respectively, by the amount of the premium paid. The expenses of option investing include commissions payable on the purchase and on the exercise or sale of an option. Special risks are associated with the use of options. A decision as to whether, when and how to use options involves the exercise of skill and judgment which are different from those needed to select securities, and even a well-conceived transaction may be unsuccessful to some degree because of market behavior, currency fluctuations or interest rate trends. The potential loss incurred by a Fund in writing uncovered options is unlimited. When options are used as a hedging technique, there can be no guaranty of a correlation between price movements in the option and in the portfolio securities being hedged. A lack of correlation could result in a loss on both the hedged securities and the hedging vehicle, so that a Fund's return might have been better had hedging not been attempted.

Counterparty and Custody Risk. The Funds may purchase and sell derivative instruments such as swaps in "over-the-counter" or "interdealer" markets. The participants in these markets typically are not subject to credit evaluation and regulatory oversight as are members of "exchange-based" markets. Either case exposes a Fund to the risk that a counterparty will not settle a transaction in accordance with contractual obligations whether due to insolvency, bankruptcy or other causes. Moreover, disputes over the terms of a derivatives contract (whether or not bona fide) may cause settlement delays because such markets may lack the established rules and procedures for swift settlement of disputes among market participants found in "exchange-based" markets. These factors may cause a Fund to suffer a loss due to adverse market movements while replacement transactions are executed or otherwise. Such "counterparty risk" is accentuated for contracts with longer maturities where events may intervene to prevent settlement, or where a Fund has concentrated its transactions with a single or small group of counterparties.

Turnover and Trading Costs. The investment strategy to be employed by Seawall with respect to each of the Funds may result in the portfolio having a high degree of turnover which will result in higher transaction costs than would be the case if a Fund employed a buy-and-hold strategy. The transaction costs associated with an active trading strategy may lower returns. This strategy may also generate significant amounts of short-term capital gain, which is taxed at higher rates than long-term capital gain.

Item 9. Disciplinary Information

Seawall has no legal or disciplinary events to report.

Item 10. Other Financial Industry Activities and Affiliations

Broker-Dealer Registration

Seawall does not have a registration or an application pending to register as a broker-dealer or a registered representative of a broker-dealer.

Futures, Commodity Pool Operator, Commodity Trading Advisor

Seawall does not have a registration or an application pending to register as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.

Related Person Arrangements

Neither Seawall nor any of its management persons have any relationship or arrangement with a related person that is material to Seawall's advisory business or to its clients it has not otherwise disclosed.

Arrangements with Other Investment Advisers

Seawall does not recommend or select other investment advisers for its clients nor does it have any other business relationships with any other advisers that create a material conflict of interest.

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

Code of Ethics

Seawall has adopted a Code of Ethics (the "Code") in accordance with Rule 204A-1 of the Investment Advisers Act of 1940. A copy of the Code is available to clients upon request without charge. The purpose of the Code is to set forth certain key guidelines that have been adopted by Seawall as office policy for the guidance of all personnel and to specify the responsibility of all employees of Seawall to act in accordance with their fiduciary duty to Seawall's clients and to comply with applicable federal and state laws and regulations. The Code requires that all employees conduct themselves in accordance with high ethical standards, which should be premised on the concepts of integrity, honesty and trust, and in full compliance with all applicable federal and state laws and regulations concerning the securities industry. In addition to the personal trading requirements, the Seawall Code of Ethics also addresses the following areas:

- Confidential Information
- Material Non-Public Information
- Fiduciary Duty and Conflicts of Interest
- Unfair Treatment of Certain Clients vis-à-vis Others

Possible Conflicts of Interest

Seawall currently provides advisory services solely to the Funds. Each of the Funds may have investment objectives or may implement investment strategies similar to those implemented by another Fund. Seawall and its employees have a fiduciary duty to Seawall's clients to act for the benefit of the clients and to take action on the clients' behalf before taking action in the interest of any employee or Seawall.

Seawall may give advice or take action with respect to a particular Fund that differs from the advice given to the other Funds.

As a result of the foregoing, Seawall (and its principals) may have conflicts of interest in allocating their time and activity among the Funds, in allocating investments among the Funds and in effecting transactions among the Funds, including ones in which the Seawall (and its principals) may have a greater financial interest.

Seawall will use its best efforts in connection with the purposes and objectives of each Fund and will devote so much of its time and effort to the affairs of each Fund as may, in its judgment, be necessary to accomplish the purposes of each Fund. To the extent a particular investment is suitable for multiple Funds, such investments will be allocated among such Funds in accordance with the "Trade Allocation and Aggregation" policy described under Item 12 below.

Seawall (and its principals) may conduct any other business, including any business within the securities industry, whether or not such business is in competition with a Fund. Without limiting the generality of the foregoing, Seawall (and its principals) may act as investment adviser or investment manager for others, may manage funds or capital for others, may have, make and maintain investments in its own name or through other entities and may serve as an officer, director, consultant, partner or stockholder of one or more investment funds, partnerships, securities firms or advisory firms. It may not always be possible or consistent with the investment objectives of the various persons or entities described above and of the Funds for the same investment positions to be taken or liquidated at the same time or at the same price.

Participation or Interest in Client Transactions

In certain cases, it may make sense for two client accounts to engage in a trade directly. Such cross trades can result in lower commission expenses for the clients. Cross trades require the prior written approval of the CCO, the Managing Partner and the clients. The Company shall not charge any commission or other fee in connection with facilitating a cross trade, and any such trade should be conducted at the then current market price. Cross trades may not be conducted with any ERISA accounts. If the cross trade involves a mutual fund, the Chief Compliance Officer will also determine whether the cross-trade complies with Rule 17a-7 of the Investment Company Act.

Seawall does not solicit clients to invest in funds (such as the Funds) in which Seawall or a related person acts as general partner or investment manager.

Personal Trading Policy

Seawall maintains a strict personal trading and investment policy. This policy limits any and all trading and investing by any employee to U.S. government treasury notes and bonds, mutual funds, exchange traded funds and investments in hedge funds. Any securities held before the date of employment by the Company will be “grandfathered”. However, any Employee with “grandfathered” investments must receive written clearance from the Chief Compliance Officer and the Managing Partner *before* any transaction to monetize or otherwise close any “grandfathered” positions.

Each employee must submit an initial holdings report disclosing to the Chief Compliance Officer the identities, amounts, and locations of all securities owned in all accounts in which he or she has a "beneficial ownership interest." In addition, each employee must disclose similar information quarterly while employed by Seawall. Such reports must be current as of a date not more than 30 days prior to the employee joining the company (for an initial report) or the date the report is submitted (for a quarterly report). Each employee must report to the Compliance Officer within 30 days after the end of each calendar quarter all securities transactions in each of the employee's covered accounts during the preceding quarter.

Item 12. Brokerage Practices

Brokerage Discretion

When placing trades on behalf of a client portfolio that it manages, Seawall has a fiduciary duty to seek to obtain the best execution possible for the client. While a primary criterion for all transactions in portfolio securities is the execution of orders at the most favorable net price, numerous additional factors may be considered when arranging for the purchase and sale of clients' portfolio securities. These include restrictions imposed by the federal securities laws and the allocation of brokerage in return for certain services and materials described below. In determining the abilities of the broker-dealer to obtain best execution of a particular transaction, Seawall will consider all relevant factors including the execution capabilities required by the transaction(s), the ability and willingness of the broker-dealer to facilitate the account's portfolio transactions promptly and at reasonable expense, the importance to the account of speed, efficiency or confidentiality, the broker-dealer's apparent familiarity with sources from or to whom particular securities might be purchased or sold, the broker-dealer's ability to supplement Seawall's management capabilities with research, quotation services and brokerage related services and products, as well as any other matters Seawall deems relevant to the selection of a broker-dealer for a particular portfolio transaction of the account.

Soft Dollar Usage

Seawall has not engaged in any soft dollar usage to date. However, should Seawall decide to use commissions or “soft dollars” to pay for research or brokerage products or services, these payments shall fall within the safe harbor under Section 28(e) of the Securities Exchange Act of 1934, as amended. In some cases Seawall may acquire a research or brokerage product or service

with soft dollars which also has non-research uses. In these cases Seawall will make a reasonable allocation of the cost of the product or service according to its use. That portion of the product or service which provides administrative or other non-research services will be paid for by Seawall in hard dollars.

If Seawall were to start using client brokerage commissions, mark-ups or markdowns to obtain research or other products or services, Seawall will receive a benefit because it will not have to produce or pay directly for the research, products or services that are provided. As a result, Seawall may have an incentive to select a broker-dealer based on its interest in receiving the research or other products or services, rather than on clients' interest in receiving most favorable execution.

All research services received from broker-dealers to whom commissions are paid are used collectively. There is no direct relationship between commissions received by a broker-dealer from a particular client's transactions and the use of any or all of that broker-dealer's research material in relation to that client's account. Seawall may pay a broker-dealer a brokerage commission in excess of that which another broker-dealer might have charged for the same transaction in recognition of research and brokerage related services provided by the broker-dealer.

Additional Brokerage Considerations

A prime broker may also serve as custodial agent of the assets of client portfolios managed by Seawall, including the Funds, but such prime brokers will receive no separate fee therefore. Such portfolios will not be committed to continue a relationship with a prime broker for any minimum period and Seawall may select more than one broker to serve as prime broker for any of its client portfolios.

Brokerage for Client Referrals

Seawall does not consider whether it receives client referrals from a broker in selecting broker-dealers.

Directed Brokerage

Seawall does not recommend, request or require that a client direct Seawall to execute transactions through a specified broker-dealer.

Trade Allocation and Aggregation

Seawall expects to aggregate orders for the purchase and sale of securities for client portfolios it advises. In this process, orders for investment vehicles in which Seawall or persons associated with Seawall have an interest may be aggregated with orders for other client portfolios. Securities purchased or proceeds of securities sold through aggregated orders are allocated to the account of each client that bought or sold such securities at the average execution price. If less than the total of the aggregated orders is executed, purchased securities or proceeds will be generally allocated pro rata among the participating portfolios in proportion to their planned participation in the

aggregated orders. Transaction costs for any transaction will be shared pro rata based on each portfolio's participation in the transaction.

Trade Errors

Any trading errors will be reviewed by Seawall's Chief Compliance Officer and if it is determined that any client has been harmed, the Company will reimburse all affected clients in full. If a client benefits from a trading error, that client will generally be entitled to keep such benefit.

Item 13. Review of Accounts

Reviews

Accounts are reviewed on a daily to weekly basis by Eli T. Ullum, Managing Partner. In addition, ad hoc reviews may be performed and factors triggering such ad hoc reviews include performance of the investment strategy at the portfolio, sector, and individual security level. Reviews will also be performed weekly prior to portfolio reallocations to assess changes in securities prices in relation to expected valuations and expected market and sector premiums.

Reports

Generally, investors in the Funds will receive from the applicable Fund's third party administrator an unaudited monthly report of the total return earned by each Fund's portfolio during the previous month. The books of account will be audited at the end of each fiscal year, and audited financial statements will be furnished to each investor within 120 days after the end of the fiscal year. In addition, Seawall plans to distribute monthly investor statements and quarterly newsletters detailing each Fund's monthly results, YTD results and investment outlook on a timely basis. Reports provided for different accounts (including each of the Funds) may vary, and are subject to negotiation.

Item 14. Client Referrals and Other Compensation

Seawall does not have any arrangements under which it or a related person compensate another for client referrals. Seawall does not have any arrangements under which it receives any economic benefit, including sales awards or prizes.

Item 15. Custody

All client assets are held in custody by unaffiliated broker/dealers or banks. Each Fund has engaged a fund administrator whose responsibilities include sending account statements to the Fund investors. Since each Fund is a commingled account, the investors do not receive prime brokerage or custodial statements. However, each Fund's administrator reconciles the Fund's accounting records with the records of the prime brokers and custodians. As described above under "Reports," investors in the Funds receive monthly unaudited reports from the applicable Fund's third party administrator. In addition, in lieu of receiving quarterly custody statements from a custodian, investors in the Funds also receive audited year-end financial statements.

Item 16. Investment Discretion

Seawall has complete discretionary authority over the purchase and sale decisions for each of the Funds. Seawall has discretionary authority with respect to the Funds that are limited partnerships under the agreement of limited partnership between Seawall and the limited partners of each such Fund. Seawall has discretionary authority with respect to the Funds that are offshore corporations and under the investment management agreement between Seawall and each such Fund.

In the future Seawall may manage funds other than the Funds, enter into managed account relationships and/or manage accounts on a non-discretionary basis.

Item 17. Voting Client Securities

Seawall has adopted a written proxy voting policy and related procedures which are intended to assure that client securities are voted in the best interests of the client, and which address material conflicts of interest that may arise between an investment adviser and its clients. Seawall's proxy policy is to carefully review and vote every proxy received. Seawall recognizes that proxy voting is an important right of investors and that reasonable care and diligence must be undertaken to ensure that such rights are properly and timely exercised. Seawall will review each situation and vote in the way that it believes will be most beneficial to Seawall's clients.

Because Seawall invests primarily in corporate bonds and syndicated leveraged loans, it is unusual that Seawall's clients have the opportunity to vote on a matter. Such opportunities typically arise in the context of a debt restructuring plan. In the absence of specific guidelines from the client, Seawall will evaluate such plans on their merits and vote in a manner that it believes preserves the most value for clients.

Seawall will also generally retain proxy-voting authority with respect to equity securities purchased for its clients. In the absence of specific guidelines from the client, Seawall will vote proxies in the best interest of its clients and in a manner that it believes will add value to its client's investment position. *Generally, in determining whether a proposal is in the best interests of its clients, Seawall may take into account the following factors, among others:* (i) whether the proposal was recommended by management of the issuer; (ii) whether the proposal acts to entrench existing management of the issuer; (iii) whether the proposal fairly compensates management of the issuer for past and future performance; and (iv) Seawall's opinion of the issuer's management, management credibility and how the issues under consideration might impact its securities.

If Seawall believes that it has a material conflict of interest with respect to any proposal, it will consult with outside counsel on how to vote. Under certain circumstances, Seawall may disclose the identified conflict of interest to the applicable Fund's Board of Directors and how it was resolved.

Any client may request to see how proxies were voted for its account and such information will be made available to them upon request.

Item 18. Financial Information

This item is not applicable as Seawall does not solicit prepayment of more than \$1,200 in fees per client, six months or more in advance. Please refer to Seawall's fee disclosure at Item 5 of this brochure.

Seawall has never filed for bankruptcy and is not aware of any financial condition that is expected to affect its ability to manage client accounts.

Item 19. Requirements for State-Registered Advisers

This item is not required as Seawall is a federally registered investment adviser.