

Part 2A of the Form ADV (the “Brochure”)

March 26, 2012

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This Brochure provides information about the qualifications and business practices of Good Hill Partners LP (“Good Hill”). If you have any questions about the contents of this Brochure, please contact us at (203) 610-8806 / whauf@goodhillpartners.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or any state securities regulator.

Good Hill is registered with the SEC as a registered investment adviser; however, this registration does not imply a certain level of skill or training. Additional information about Good Hill is also available on the SEC’s website at www.adviserinfo.sec.gov.

Item 2 - Material Changes

This Brochure dated March 26, 2012 serves as an update to the prior Brochure dated March 25, 2011. This Item 2 will discuss only specific material changes that have been made to the Brochure and provide clients and potential clients with a summary of such changes.

Over the past year, Good Hill has acquired two additional Managed Accounts (defined below). One of these Managed Accounts has similar investment objectives and a similar fee structure as compared to the prior Managed Accounts managed by Good Hill. The other Managed Account has similar investment objectives, however pays no management fees and only compensates Good Hill at the sale or termination of investments held in its account. For a further explanation of these compensation structures, please see Item 5 of this Brochure.

Good Hill has also accepted a number of new investors into the Funds (defined below). With the acceptance of these investors, Good Hill has offered a varying incentive fee structure based upon aggregate investment in the Funds. For a further explanation of this fee structure, please see Item 5 of this Brochure.

We will ensure that clients receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of Good Hill's fiscal year. Good Hill may further provide other ongoing disclosure information about material changes as necessary.

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

Currently, the Brochure may be requested by contacting William Hauf (CCO) at (203) 610-8806 or whauf@goodhillpartners.com, also without charge.

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Item 4 - Advisory Business

Services Offered - Good Hill, a Delaware Limited partnership, founded by Mr. Franklin J. Collins IV and Mr. Brant Brooks in November 2006, provides investment management services on a discretionary basis to private investment vehicles (the “Funds”) as well as one or more separately managed accounts (“Managed Accounts”). The Funds currently are organized in master-feeder structures. Although trading generally occurs only at the master fund levels, Good Hill may also trade at the intermediate fund and feeder fund levels. Subject to availability, Good Hill and/or an affiliate may also make available co-investment opportunities to strategic Fund and/or Managed Account investors, as determined by Good Hill and/or an affiliate, but will have no obligation to do so to any particular person or at all. Mr. Collins and Mr. Brooks are the principal owners of Good Hill.

Good Hill tailors its advisory services to the needs of the Funds. In general, the Funds’ underlying investors may not impose restrictions on investing in certain securities or types of securities. Good Hill provides advisory services to Managed Accounts according to investment objectives specified in the pertinent managed account agreements.

Areas of Specialization – Good Hill primarily offers advice on fixed income securities, including, but not limited to, asset-backed securities (“ABS”), mortgage-backed securities (“MBS”), residential mortgage-backed securities (“RMBS”) and commercial mortgage-backed securities (“CMBS”) and on credit default swaps (“CDS”) and total return swaps (“TRS”). To a lesser extent, and for hedging purposes, Good Hill also offers advice on both exchange traded and over-the-counter equity securities, commercial paper, United States government securities, and options contracts.

Client Assets under Management (as of March 26, 2012) –

	<u>U.S. Dollar Amount</u>	<u>Total Number of Accounts</u>
Discretionary	\$413,800,000	7
Non-Discretionary	\$154,900,000	3
Total	\$568,700,000	10

Item 5 - Fees and Compensation

Fees paid by the Funds are calculated based on the Funds’ total assets under management as well as the net realized and unrealized appreciation in the net asset value of the Funds’ assets under management. Generally, a monthly management fee is paid, in arrears, to Good Hill equal to one-twelfth of 1.75% of the net asset value of the assets under management and an annual incentive fee is paid to Good Hill and/or an affiliate equal to 15-20% of the net realized and unrealized appreciation in the net asset value of the assets under management. The percentage employed to calculate the annual incentive fee is based upon the Fund investor’s aggregate net subscriptions (subscriptions minus redemptions, which are unaffected by performance). Specifically, if a Fund investor’s net subscriptions are less than \$50 million, the Fund investor will incur an annual incentive fee of 20%. If a Fund investor’s net subscriptions equal or exceed \$50 million but are less than \$100 million, the Fund investor will incur an annual incentive fee of 17.5%. If the Fund investor’s net subscriptions equal or exceed \$100 million, the Fund investor will incur an annual incentive fee of 15%. Fees are directly deducted from Fund accounts. Good Hill does not accept compensation or fees for the sale of securities or other investment products. Fund fees are not generally negotiable. However, with the consent of Good Hill, fees may be reduced, waived or calculated differently with respect to any investor, including, without limitation, partners or employees of Good Hill, their respective immediate family members and trusts, or other vehicles established for the benefit of such persons. Fees for Managed Accounts are negotiated on a case-by-case basis. Generally for Managed Accounts, a monthly management fee is paid, in arrears, to Good Hill equal to one-twelfth of 0.25% to 1.00% of the net asset value of the assets

under management. This management fee is billed to the client on a monthly basis. One of the Managed Accounts acquired by Good Hill since the last update to this Brochure is not charged a management fee and only compensates Good Hill upon the disposition of each investment contained in the account. No incentive fees are paid to Good Hill for any other Managed Accounts.

In addition to Good Hill's and/or the relevant affiliate's fees, unless and to the extent otherwise specified in the relevant Fund's private placement memorandum or the Managed Account's managed account agreement, Fund and Managed Account investors indirectly bear certain fees and expenses charged to the Funds and Managed Accounts. Such fees vary, and may include (but are not limited to) the following: expenses of the offering of the Fund shares or interests; legal and compliance fees and expenses; audit and accounting fees; insurance costs and expenses; administrative, custodial and transaction fees; costs and commissions paid to custodians, broker-dealers and other third parties; and investment and research related expenses, including computer, newswire and quotation services and data processing charges. Fund and Managed Account investors should review all fees charged by Good Hill and its affiliates, custodians and broker-dealers and other third parties to fully understand the total amount of fees to be paid by a Fund or Managed Account. Please also see Item 12 – Brokerage Practices below.

Each Fund and Managed Account also generally bears a *pro rata* portion (based on aggregate net asset value) of the common investment-related operating expenses of Good Hill. Such common operating expenses include research and analytic expenses (such as 1010Data, Intex and Bloomberg subscriptions) as well as other related fees and charges.

In limited instances, Good Hill may receive consulting fees related to individual consulting contracts that may be entered into. These fees may be paid at any time from the inception of the contract to the completion of the consulting services and vary in amount.

Item 6 - Performance-Based Fees

Generally, an annual incentive fee is paid to Good Hill and/or an affiliate equal to 15-20% of the net realized and unrealized appreciation in the net asset value of the assets under management of each of the Funds. Incentive fees are not generally paid to Good Hill in Managed Account scenarios. Fees for Managed Accounts are negotiated on a case-by-case basis. Since incentive fees are not generally charged to Managed Accounts, there exists an implicit conflict of interest as Good Hill may be advising both incentive paying and non-incentive paying Funds and Managed Accounts, respectively, at the same time. In this situation, Good Hill has an incentive to favor the Funds for which a performance fee is charged. This conflict of interest is addressed on an investment-by-investment basis. In most instances, the conflict is avoided via pre-existing, well-defined trade allocation procedures and each client's unique investment objectives. There also exists an implicit conflict of interest in instances in which Funds are charged a different management fee than Managed Accounts. Good Hill may be incentivized to focus more time on and provide enhanced management services to, entities that pay a higher management fee, as this may increase the likelihood of increased investment into those accounts. Again, in most instances, this conflict is avoided via pre-existing, well-defined trade allocation procedures and each client's unique investment objectives.

Item 7 - Types of Clients

Good Hill advises privately offered Funds and Managed Accounts. Good Hill negotiates separately with each Managed Account regarding minimum account size.

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

Investment Strategies - Good Hill's investment objective for the Funds and Managed Accounts is to seek attractive total returns on a risk-adjusted basis. Good Hill seeks to achieve this objective for the Funds by pursuing a relative value, long-biased investment strategy intended to capture a stable income stream. To achieve this objective, the Funds may make investments in a variety of public and private U.S. and non-U.S. securities and financial instruments (the trading in some of which occurs not only over-the-counter, but also in unregulated markets), including (but not limited to) asset-backed securities ("ABS"), mortgage-backed securities ("MBS"), residential mortgage-backed securities ("RMBS"), commercial mortgage-backed securities ("CMBS"), credit default swaps ("CDS"), total return swaps ("TRS"), commercial paper, whole loans, and other fixed income securities or investments in cashflows. In addition, various derivatives, including options, swaps, swaptions, futures and forward agreements (both listed and over-the-counter) on various financial instruments, exchange-listed and over-the-counter equity securities, United States government securities and currencies may be used for investment or hedging purposes. The investment strategies relative to these securities and financial instruments include, but are not limited to, entering into long-term purchases (securities held at least one year), short-term purchases (securities sold within one year), trading (securities sold within 30 days of purchase) and short sales. Positions may be leveraged, and may be financed by various sources of funding, including bank lines and repurchase arrangements. To the extent that positions are leveraged, the value of the positions may increase or decrease at a greater rate than if leverage were not used. Thus, while leverage presents opportunities for increasing the total return on investments, it has the effect of potentially increasing losses as well. The Funds may also invest in other pooled investment vehicles. The Funds' investment programs generally do not have any geographic limitation, diversification, concentration or borrowing limits.

The investment objectives and strategies for Managed Accounts vary based on the individual managed account agreements. The investments made in Managed Accounts are similar to those made by the Funds in that they are primarily fixed income investments. Leverage may be employed in Managed Accounts.

Good Hill's investment process combines research-driven fundamental analysis with experienced portfolio management and disciplined surveillance to maximize return and minimize risk. For fixed income products, Good Hill's security analysis methods include underlying credit, cashflow, severity, default and prepayment analyses. Good Hill also uses research and data prepared or provided by others including, but not limited to, census data, Bureau of Labor Statistics ("BLS") data and Loan Performance / First American Core Logic data in its analyses of certain potential and current investments. Good Hill may also use certain annual reports, prospectuses, and filings made with the SEC.

Good Hill's investment strategy relies on three primary components: (i) Good Hill's ability to identify appropriate investments, (ii) prudent asset liability management, and (iii) an intensive analytical approach to risk management. Good Hill uses the trading experience of its personnel and numerous analytical tools to identify investments that it believes present an attractive risk/reward profile. A significant portion of the investment return for the Funds is comprised of current income. Additionally, to the extent that securities increase in value relative to the market, the Funds may realize capital appreciation.

Good Hill aims to identify and capture yield spread differentials over time that may enable the Funds to be profitable in both rising and declining fixed income markets. The distressed and illiquid nature of many of the assets contemplated by Good Hill is such that the investment performance of the Funds may well be considerably more volatile than that of more conventional markets.

Good Hill may utilize leverage to enhance the returns of the Funds as well as for cash management purposes. Accordingly, the assets of the Funds may be pledged in order to borrow additional funds, in either short term repurchase agreements, or in longer term "warehouse" facilities. The assets of the Funds may also be pledged as security for obligations of third parties, such as subsidiaries of the Funds formed to hold investments of the Funds. The portfolios of the Funds may also be leveraged through the use of options, commodity futures contracts, short sales, swaps, forwards and other derivative instruments that are inherently

leveraged. The amount of borrowings which the Funds may have outstanding at any time may be large in relation to their capital and may vary depending upon the nature of the investments in the Funds.

Methods of Analysis - Good Hill believes that attractive risk-adjusted total returns may be achieved through exhaustively-analyzed investments in inefficient subsectors of the spectrum of ABS and MBS markets. Good Hill therefore seeks an optimal portfolio construction through the combination of both a top-down perspective on the investment environment, along with a bottom-up process focused on security selection. In pursuing this process, Good Hill may employ various analyses including, but not limited to the following:

Security Selection: Top-Down Process – Good Hill performs a top-down analysis of sectors within the Funds’ investment universe to establish relative values among the different asset classes, and to identify potentially attractive sectors and sub-sectors. Factors that Good Hill may consider include, but are not limited to, the following: historical sector performance and pricing; economic and demographic trends on global, national and local scales; changes in underlying collateral value (if any); rating agency structural requirements and research; legal, tax and regulatory frameworks; proprietary, government, dealer and other third-party research; current market sentiment; aggregate portfolio exposures to credit and liquidity; and possible financial or liquidity events.

Good Hill monitors the flow of information for changes in sector pricing, collateral quality and generic deal structure. Good Hill also analyzes data regarding spread pricing, coupon rates, prepayment speeds, collateral delinquencies and defaults, recoveries and leverage terms for each asset class to generate general indications for ongoing risk-adjusted, post-leveraged returns across the Funds’ potential investment universe.

Security Selection: Bottom-Up Process – Once Good Hill has identified potential investment candidates, it performs a stringent quantitative and qualitative analysis of many facets of the individual securities.

Collateral Credit Risk Analysis – Good Hill believes that thorough collateral analysis is necessary for detailed credit and prepayment risk assessment, effective hedging and accurate asset monitoring. Good Hill further believes that the collateral-based nature of ABS is uniquely suited to a quantitative analysis of credit risk that provides a rigorous framework for investment selection. The assets that collateralize ABS are typically large pools of individual loans, leases, annuities or other cash flow streams. Large numbers allow for quantitative, statistical analysis of risk. Loan (or cash flow) characteristics can be isolated and analyzed to determine their impact on the default, recovery and prepayment rates of the pool. Vector analysis is employed to evaluate the impact of these variables on the performance of the security. This collateral analysis is fundamentally different from the credit analysis performed in the corporate bond and high yield bond markets, where management and other intangibles are major components of the risk incurred by investors.

Generally, some level of loss is expected on a pool of underlying loans. The objective of the analysis is to determine the extent of the losses and over what time period they will be incurred. Analysis of historical loan or collateral performance reveals which loan characteristics are most influential and which are least influential and allows for weighting of these characteristics as determinants of future losses on pools of collateral with comparable characteristics. Additionally, losses do not normally occur all at once, as a default on a corporate bond does. There is an observable trend derived from monthly reports that can signal danger or opportunity. Many collateral types have recovery value that must be estimated and applied to default to arrive at a loss vector. There are also seasonal and seasoning effects that can be derived from historical loan level or pool analysis of collateral.

Security Credit Enhancement Analysis – Following collateral credit risk analysis, Good Hill may perform a simultaneous analysis of the credit enhancement mechanisms and triggers to determine break points of securities yield with respect to collateral losses. Credit enhancement provides an additional margin of safety that allows a higher level of losses to be withstood without decreasing the return of the security.

Scenario Analysis – Good Hill reviews and examines risk parameters, which may include a position’s market price sensitivity to interest rates, the shape of the yield curve, volatility, spreads and

prepayments (where applicable). Aggregate exposures to credit and liquidity may also be assessed and rate-of-return analysis may be used assuming different projected interest rate moves and volatility changes. This process generally produces one or perhaps several situations that are expected to result in significant market value declines. Understanding the performance of each security in these worst case situations gives Good Hill a sense of the risk present in the portfolio under various market conditions.

Hedging on the Portfolio and the Security Level – Consistent with the foregoing, Good Hill attempts to minimize interest rate risk in the portfolio with thoughtful portfolio selection and by hedging such risk where appropriate. To this end, Good Hill may take positions in listed and over-the-counter interest rate futures and options, credit derivatives and other similar financial “derivative” products, including swaps, caps and floors on interest rate and currency exchange rates.

The purpose of hedging is not to eliminate risk, but to seek to reduce risks that Good Hill chooses not to assume. To this end, Good Hill utilizes available hedge instruments based on their expected hedging efficiency (cost vs. effectiveness).

Risk of Loss – An investor in one of the Funds and/or Managed Accounts should be aware of the possibility of loss of all or part of its investment. All investments involve the risk of loss of capital. Investing in securities involves risk of loss that investors should be prepared to bear. No guarantee or representation is (or could be) made that the Funds’ and/or Managed Accounts’ investment programs will be successful. The Funds’ and/or Managed Accounts’ investment programs may utilize such investment techniques as option transactions, margin transactions, short sales, limited diversification, leverage and forward contracts, which can, in certain circumstances, increase the adverse impact to which the Funds’ and/or Managed Accounts’ portfolios may be subject.

Investment and Trading Risks:

MBS and ABS (Generally) – The investment characteristics of MBS and ABS differ from traditional debt securities. Among the major differences are that interest and principal payments are made more frequently, usually monthly, and that principal may be prepaid at any time because the underlying mortgage loans or other assets generally may be prepaid at any time.

MBS and ABS (Prepayment Risk) – The frequency at which prepayments (including voluntary prepayments by the obligors and liquidations due to defaults) occur on loans underlying MBS and ABS will be affected by a variety of factors including the prevailing level of interest rates as well as economic, demographic, tax, social, legal and other factors. Generally, mortgage obligors tend to prepay their mortgages when prevailing mortgage rates fall below the interest rates on their mortgage loans. Although ABS are generally less likely to experience substantial prepayment than MBS, certain of the factors that affect the rate of prepayments on MBS also affect the rate of prepayments on ABS. However, during any particular period, the predominant factors affecting prepayment rates on MBS and ABS may be different.

In general, “premium” securities (securities whose market values exceed their principal or par amounts) are adversely affected by faster than anticipated prepayments, and “discount” securities (securities whose principal or par amounts exceed their market values) are adversely affected by slower than anticipated prepayments. MBS and ABS may be adversely affected by changes in prepayments in any interest rate environment.

The adverse effects of prepayments may impact the Funds’ and/or Managed Accounts’ portfolios in two ways. First, particular investments may experience outright losses, as in the case of an interest-only security in an environment of faster actual or anticipated prepayments. Second, particular investments may underperform relative to hedges that Good Hill may have constructed for these investments, resulting in a loss to the Funds’ and/or Managed Accounts’ overall portfolios.

MBS and ABS (Credit Support Limitations) – The amount, type and nature of insurance policies, subordination, letters of credit and other credit support, if any, with respect to certain MBS and ABS are typically based upon actuarial analysis and therefore are inherently limited in their ability to be used as a basis for the predication of events. There can also be no assurance that credit support determined at the issuance of a transaction will be relevant or will accurately predict the delinquency, foreclosure or loss

experience of any particular pool of loans. Consequently, there can be no assurance that credit enhancement, if any, will be sufficient to prevent losses on any securities that benefit therefrom.

RMBS – Holders of RMBS bear various risks, including credit, market, interest rate, structural and legal risks. RMBS represent interests in pools of residential mortgage loans secured by one to four family residential mortgage loans. Such loans may be prepaid at any time. Residential mortgage loans are obligations of the borrowers thereunder only and are not typically insured or guaranteed by any other person or entity, although such loans may be securitized by government agencies and these securities may have implicit or explicit government guarantees. The rate of defaults and losses on residential mortgage loans will be affected by a number of factors, including general economic conditions and those in the area where the related mortgaged property is located, the borrower's equity in the mortgaged property and the financial circumstances of the borrower. If a residential mortgage loan is in default, foreclosure of such residential mortgage loan may be a lengthy and difficult process, and may involve significant expenses. Furthermore, the market for defaulted residential mortgage loans or foreclosed properties may be very limited.

Recently, the residential mortgage market in the United States has experienced a variety of difficulties and changing economic conditions that have adversely affected the performance and market value of RMBS and collateralized debt obligations ("CDOs") backed by RMBS. Delinquencies and losses with respect to residential mortgage loans generally have increased in recent years, and may continue to increase, particularly in the subprime sector. In addition, in recent years, housing prices and appraisal values in many states have dramatically declined. A continued decline or an extended flattening of those values may result in additional increases in delinquencies and losses on RMBS generally.

Another factor that may result in higher delinquency rates is the increase in monthly payments on adjustable rate mortgage loans. Borrowers with adjustable rate mortgage loans are being exposed to increased monthly payments when the related mortgage interest rate adjusts upward from the initial fixed rate or a low introductory rate. Borrowers seeking to avoid these increased monthly payments by refinancing their mortgage loans may no longer be able to find available replacement loans at comparably low interest rates. A decline in housing prices may also leave borrowers with insufficient equity in their homes to permit refinancing. Furthermore, borrowers who intend to sell their homes on or before the expiration of the fixed rate periods on their mortgage loans may find that they cannot sell their properties for an amount equal to or greater than the unpaid principal balance of their loans. These events, alone or in combination, may contribute to higher delinquency rates and, as a result, adversely affect the performance and market value of RMBS and CDOs backed by RMBS.

In addition, numerous residential mortgage loan originators and servicers that originate and service subprime mortgage loans have recently experienced serious financial difficulties and, in some cases, bankruptcy. Those difficulties have resulted in part from declining markets for mortgage loans as well as from claims for repurchases of mortgage loans previously sold under provisions that require repurchase in the event of early payment defaults, or material breaches of representations and warranties made on the mortgage loans, such as fraud claims. Such financial difficulties may have a negative effect on the ability of servicers to pursue collection on mortgage loans that are experiencing increased delinquencies and defaults and to maximize recoveries on the sale of underlying properties following foreclosure. The inability of the originator to repurchase such mortgage loans in the event of early payment defaults and loan representation breaches may also affect the performance of RMBS and CDOs backed by those mortgage loans. These difficulties may adversely affect the performance and market value of RMBS originated, serviced or subserviced by these companies. As a result, the performance and market value of CDOs backed by RMBS also may be adversely affected.

CMBS – Mortgage loans on commercial properties underlying CMBS often are structured so that a substantial portion of the loan principal is not amortized over the loan term but is payable at maturity and repayment of the loan principal, and thus, often depends upon the future availability of real estate financing from the existing or an alternative lender and/or upon the current value and salability of the real estate. Therefore, the unavailability of real estate financing may lead to default. Most commercial

mortgage loans underlying CMBS are effectively nonrecourse obligations of the borrower, meaning that there is no recourse against the borrower's assets other than the collateral. If borrowers are unable or unwilling to refinance or dispose of encumbered property to pay the principal and interest owed on such mortgage loans, the related CMBS are likely to be adversely affected. The ultimate extent of the loss, if any, to related CMBS may only be determined after a negotiated discounted settlement, restructuring or sale of the mortgage note, or the foreclosure (or deed in lieu of foreclosure) of the mortgage encumbering the property and subsequent liquidation of the property. Foreclosure can be costly and delayed by litigation and/or bankruptcy. Factors such as the property's location, the legal status of title to the property, its physical condition and financial performance, environmental risks and governmental disclosure requirements with respect to the condition of the property may make a third party unwilling to purchase the property at a foreclosure sale or to pay a price sufficient to satisfy the obligations with respect to the related CMBS. Revenues from the assets underlying such CMBS may be retained by the borrower and the return on the investment may be used to make payments to others, maintain insurance coverage, pay taxes or pay maintenance costs.

ABS – Through the use of trusts and special purpose corporations, various types of assets, primarily automobile and credit card receivables, are securitized in pass-through and pay-through structures. The Funds and/or Managed Accounts may invest either directly or indirectly in these and other types of ABS that may be developed in the future.

ABS present certain risks that are not presented by MBS. Primarily, these financial instruments do not have the benefit of the same security interest in the related collateral. Credit card receivables, for example, are generally unsecured and the debtors are entitled to the protection of a number of state and federal consumer loan laws, many of which give such debtors the right to set off certain amounts owed on the credit cards, thereby reducing the balance due. Most issuers of the ABS backed by automobile receivables permit the servicers to retain possession of the underlying obligations. If the servicer were to sell these obligations to another party, there is a risk that the purchaser would acquire an interest superior to that of the holder of the related ABS. In addition, because of the large number of vehicles involved in a typical issuance and technical requirements under state laws, the trustee for the holders of the ABS may not have a proper security interest in all of the obligations backing such ABS. Therefore, there is a possibility that recoveries on repossessed collateral may not, in some cases, be available to support payment on these securities. The risk of investing in ABS is ultimately dependent upon payment of consumer loans by the debtor.

The collateral supporting ABS is typically of shorter maturity than mortgage loans and is less likely to experience substantial prepayments. As with MBS, ABS are often backed by a pool of assets representing the obligations of a number of different parties and use credit enhancement techniques such as letters of credit, guarantees or preference rights. The value of an ABS is affected by changes in the market's perception of the asset(s) backing the security and creditworthiness of the servicing agent for the loan pool, the originator of the loans or the financial institution providing any credit enhancement, as well as by the expiration or removal of any credit enhancement.

Adjustable Rate MBS and Floating Rate CMOs – Certain mortgage-backed securities are backed by adjustable-rate loans. The market value of the adjustable rate mortgage securities in which the Funds and/or Managed Accounts may invest may be adversely affected if the mortgage loans underlying these securities contain provisions limiting the amount by which their rates may be adjusted upward (periodic rate caps) in response to rising interest rates, or limiting the amount by which payments may be increased to accommodate upward adjustments in interest rates (periodic payment caps). The market value of adjustable-rate securities may also be adversely affected to the extent that mortgages are subject to lifetime rate caps.

Certain CMOs pay interest rates which float in direct or inverse relation to an underlying reference rate. These securities are typically backed by fixed rate mortgage loans. Most floating rate and inverse floating rate CMOs are subject to lifetime rate caps and floors, which may also adversely affect their returns in certain rate environments. In addition, since they are backed by fixed rate mortgage collateral, their returns may also be affected by the prepayment behavior of the underlying fixed rate mortgages. Certain CMO tranches such as inverse IOs may, through structural features, leverage both prepayment risk and the sensitivity of coupon return to rate changes.

Index Risk – The Funds and/or Managed Accounts may also invest in structured notes, variable rate MBS and ABS, including adjustable-rate mortgage securities, which are backed by mortgages with variable rates, and certain classes of CMO derivatives, the rate of interest payable under which varies with a designated rate or index. The value of these investments is closely tied to the absolute levels of such rate or indices, or the market's perception of anticipated changes in those rates or indices. This dependence introduces additional risk factors related to the movements in specific interest rates or indices which may be difficult or impossible to hedge, and which also interact in a complex fashion with prepayment risks.

To the extent the Funds' and/or Managed Accounts' portfolios are invested in derivatives of various MBS, the prepayment risks, credit risks, interest rate risks and hedging risks associated with such securities may be substantially magnified.

Stripped MBS – The Funds and/or Managed Accounts may also invest in stripped MBS which are created by segregating the cash flows from underlying mortgage loans or mortgage securities to create two or more new financial instruments, each with a specified percentage of the underlying security's principal or interest payments. Mortgage securities may be partially stripped so that each investor class receives some interest and some principal. When securities are completely stripped, however, all of the interest is distributed to holders of one type of security, known as an interest-only security ("IO"), and all of the principal is distributed to holders of another type of security known as a principal-only security ("PO"). Strips can be created in a pass-through structure as tranches of a CMO. The yields to maturity on IOs and POs are very sensitive to the rate of principal payments (including prepayments) on the related underlying mortgage assets. If the underlying mortgage assets experience greater than anticipated prepayments of principal, the Funds and/or Managed Accounts may not fully recoup their initial investments in IOs. Conversely, if the underlying mortgage assets experience less than anticipated prepayments of principal, the yield on POs could be materially and adversely affected.

Subordinated Securities – Investments in subordinated MBS and ABS involve greater credit risk of default than the senior classes of the issue or series. Many of the default-related risks of whole loan mortgages will be magnified in subordinated securities. Default risks may be further pronounced in the case of MBS secured by, or evidencing an interest in, a relatively small or less diverse pool of underlying mortgage loans. Certain subordinated securities ("first loss securities") absorb all losses from default before any other class of securities is at risk. First loss securities generally are exposed to greater risk of loss if such securities have been issued with little or no credit enhancement or equity. Such securities therefore possess some of the attributes typically associated with equity investments.

Lower Credit Quality Securities – The Funds and/or Managed Accounts may invest in securities deemed by rating agencies to have substantial vulnerability to default in payment of interest and/or principal. Other Funds' and/or Managed Accounts' investments may have the lowest quality ratings or may be unrated. Lower rated and unrated securities in which the Funds and/or Managed Accounts may invest have large uncertainties or major risk exposures to adverse conditions and are considered to be predominantly speculative. Generally, such securities offer a higher return potential than higher rated securities, but involve greater volatility of price and greater risk of loss of income and principal.

Analysis of the creditworthiness of borrowers on or issuers of lower-rated and unrated assets is more complex than that of borrowers or issuers of higher credit quality and often involves the use of complex models that depend on the accuracy of their underlying assumptions. With respect to certain RMBS and CMBS, it is difficult to obtain current reliable information regarding default rates, delinquency rates, prepayment rates, servicing records and updated cash flows.

The market values of certain lower-rated or unrated assets also tend to be more sensitive to changes in market or economic conditions than those of other assets. Declining real estate values or increasing default rates among borrowers, in particular, will increase the risk of loss for these assets. In addition, the secondary markets in which these assets are traded tend to be less liquid than the market for higher-rated assets and at times may be illiquid. Less liquidity or lack of liquidity in these secondary markets may cause large fluctuations in the value of these assets and may have an adverse effect on their value. Adverse publicity and

investor perceptions, whether or not based on any analysis, may also decrease the value and liquidity of these assets, especially in a thinly traded market.

Non-Performing Nature of Debt – It is anticipated that certain debt instruments purchased for the Funds and/or Managed Accounts will be non-performing and possibly in default. Furthermore, the obligor or relevant guarantor may also be in bankruptcy or liquidation. There can be no assurance as to the amount and timing of payments, if any, with respect to the loans.

Liquidity and Valuation of Investments – The Funds and/or Managed Accounts may invest in securities that are subject to legal and other restrictions on transfer or for which no liquid market exists. The market prices, if any, for such securities tend to be volatile and the Funds and/or Managed Accounts may not be able to sell them when it desires to do so or to realize what it perceives to be their fair value in the event of a sale. The sale of restricted and illiquid securities often requires more time and results in higher brokerage charges or dealer discounts and other selling expenses than does the sale of securities eligible for trading on national securities exchanges or in the over-the-counter markets. Restricted securities may sell at a price lower than similar securities that are not subject to restrictions on sale.

The principal markets in which the Funds and/or Managed Accounts expect to invest, are generally less liquid than are other securities (e.g., stocks or bonds). As a result, calculating the fair market value of the Funds' and/or Managed Accounts' holdings may be difficult, and in any event, subjective. Good Hill will seek to take into account relevant factors such as market quotes, actual trades and interest rate changes, and may utilize the assistance of pricing services or valuation sources in calculating such fair market values. Such "liquidity risk" could adversely affect the value of the Funds' and/or Managed Accounts' investments and may be difficult or impossible to hedge against.

There is no guarantee that the value determined by Good Hill will represent the value that will be realized by the Funds and/or Managed Accounts on the eventual disposition of the investment or that would, in fact, be realized upon an immediate disposition of the investment. As a result, investors redeeming from the Funds or removing capital from their Managed Accounts prior to realization of such an investment may not participate in gains or losses therefrom.

"Widening" Risk – For reasons not necessarily attributable to any of the risks enumerated above (for example, supply/demand imbalances or other market forces), the prices of the securities in which the Funds and/or Managed Accounts invest may decline substantially. In particular, purchasing assets at what may appear to be "undervalued" levels is no guarantee that these assets will not be trading at even more "undervalued" levels at a time of valuation or at the time of sale. It may not be possible to predict, or to hedge against, such "spread widening" risk.

Systemic Risk – Credit risk may arise through a default by one of several large institutions that are dependent on one another to meet their liquidity or operational needs, so that a default by one institution causes a series of defaults by the other institutions. This is sometimes referred to as a "systemic risk" and may adversely affect financial intermediaries, such as clearing agencies, clearing houses, banks, securities firms and exchanges, with which the Funds and/or Managed Accounts interact on a daily basis.

Interest Rate Risk – The value of the fixed rate securities in which the Funds and/or Managed Accounts may invest generally will have an inverse relationship with interest rates. Accordingly, if interest rates rise the value of such securities may decline. In addition, to the extent that the receivables or loans underlying specific securities are prepayable without penalty or premium, the value of such securities may be negatively affected by increasing prepayments, which generally occur when interest rates decline.

Fraud – Of paramount concern in investing in securities backed by loans and other debt instruments is the possibility of material misrepresentation or omission on the part of the borrower or the lender. Inaccuracy or incompleteness of information concerning borrowers may adversely affect the valuation of the collateral underlying the loans or may adversely affect the ability of the Funds and/or Managed Accounts to perfect or effectuate a lien on the collateral securing the loan. Inaccurate or incomplete disclosure of the terms of the loan by the lender may adversely affect the ability of a borrower to assess accurately its ability to repay the loan and make accurate representations to lenders with respect thereto. The

Funds and/or Managed Accounts will rely upon the accuracy and completeness of representations made by borrowers and lenders to the extent reasonable, but cannot guarantee such accuracy or completeness.

Credit Default Swaps – The Funds and/or Managed Accounts may invest in CDS. A CDS contract is a contract between two parties that transfers the risk of loss if a borrower fails to pay principal or interest on time or files for bankruptcy. CDS can be used to hedge a portion of the default risk on a single corporate debt or a portfolio of loans. In addition, CDS can be used to implement Good Hill's view that a particular credit, or group of credits, will experience credit improvement. In the case of expected credit improvement, the Funds and/or Managed Accounts may "write" credit default protection in which they receive spread income. The Funds and/or Managed Accounts may also "purchase" credit default protection even in the case in which it does not own the referenced instrument if, in the judgment of Good Hill, there is a likelihood of credit deterioration. Swap transactions dependent upon credit events are priced incorporating many variables including the pricing and volatility of the common stock, and potential loss upon default, among other factors. As such, there are many factors upon which market participants may have divergent views.

Non-U.S. Financial Instruments – Investments in financial instruments of non-U.S. issuers (including non-U.S. governments) and financial instruments denominated, or whose prices are quoted, in non-U.S. currencies pose, to the extent not hedged, currency exchange risks (including repatriation restrictions, devaluation and non-exchangeability) as well as a range of other potential risks which could include expropriation, confiscatory taxation, political or social instability, illiquidity, price volatility and market manipulation. In addition, less information may be available regarding securities of non-U.S. issuers and non-U.S. issuers may not be subject to accounting, auditing and financial reporting standards and requirements comparable to or as uniform as those of U.S. issuers. There is generally less government supervision and regulation of exchanges, brokers and issuers than there is in the United States. The Funds and/or Managed Accounts might have greater difficulty taking appropriate legal action in non-U.S. courts. Non-U.S. markets also have different clearance and settlement procedures which in some markets have at times failed to keep pace with the volume of transactions, thereby creating substantial delays and settlement failures that could adversely affect the performance of the Funds and/or Managed Accounts. In addition, the value of non-U.S. financial instruments is often dependant on the ability of the holder to recover portions of the cash flow. The withholding and redemption practices of non-U.S. governments may change from time to time without notice, and the ability of the Funds and/or Managed Accounts to guarantee recovery of the cash flow is necessarily uncertain.

The fact that evidences of ownership of such financial instruments may be held outside the United States may subject the Funds and/or Managed Accounts to additional risks, which include possible adverse political and economic developments, and the attendant risk of seizure or nationalization of foreign deposits, and possible adoption of governmental restrictions which might adversely affect payments on non-U.S. financial instruments or might restrict payments to investors located outside the country of the issuers, whether from currency blockage or otherwise. In addition, dividend and interest payments from, and capital gains in respect of, certain non-U.S. financial instruments may be subject to non-U.S. withholding or other taxes that may or may not be reclaimable.

With respect to any country, there is the possibility of nationalization, political changes, government regulation, social instability or diplomatic developments (including war) which could adversely affect the economies of such countries or the value of the investments of the Funds and/or Managed Accounts in those countries.

Concentration of Investments – Because the Funds and/or Managed Accounts are generally not necessarily restricted from concentrating their investments in the financial instruments of a single issuer (or borrower) or guarantor, and may invest all or most of its assets in a single market sector, the negative impact to the Funds and/or Managed Accounts of adverse movements in the value of the financial instruments of a single issuer (or borrower), guarantor or market sector could be considerably greater than if the Funds and/or Managed Accounts were not permitted to concentrate their investments to such an extent.

Highly Volatile Markets – The prices of financial instruments in which the Funds and/or Managed Accounts may invest can be highly volatile. Price movements of forward and other derivative contracts in which the Funds and/or Managed Accounts may be invested are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies.

Counterparty Risk – Some of the markets in which the Funds and/or Managed Accounts may affect transactions are “over-the-counter” or “interdealer” markets. The participants in such markets are typically not subject to credit evaluation and regulatory oversight as are members of “exchange-based” markets. This exposes the Funds and/or Managed Accounts to the risk that a counterparty will not settle a transaction in accordance with its terms and conditions because of a dispute over the terms of the contract (whether of not bona fide) or because of a credit or liquidity problem, thus potentially causing the Funds and/or Managed Accounts to suffer losses. Such “counterparty risk” is accentuated for contracts with longer maturities where events may intervene to prevent settlement, or where the Funds and/or Managed Accounts have concentrated their transactions with a single or small group of counterparties. The Funds and/or Managed Accounts are not restricted from dealing with any particular counterparty or from concentrating any or all of its transactions with one counterparty. Moreover, the Funds’ and/or Managed Accounts’ internal credit functions which evaluate the creditworthiness of its counterparties may prove insufficient. The lack of a complete and “foolproof” evaluation of the financial capabilities of the Funds’ and/or Managed Accounts’ counterparties and the absence of a regulated market to facilitate settlement may increase the potential for losses by the Funds and/or Managed Accounts.

General Economic and Market Conditions – The success of the Funds’ and/or Managed Accounts’ activities will be affected by general economic and market conditions, such as interest rates, availability of credit, inflation rates, economic uncertainty, changes in laws (including laws relating to taxation of the Funds’ and/or Managed Accounts’ investments), trade barriers, currency exchange controls, and national and international political circumstances (including wars, terrorist acts or security operations). These factors may affect the level and volatility of securities’ prices and the liquidity of the Funds’ and/or Managed Accounts’ investments. Volatility or illiquidity could impair the Funds’ and/or Managed Accounts’ profitability or result in losses. The Funds and/or Managed Accounts may maintain substantial trading positions that can be adversely affected by the level of volatility in the financial markets; the larger the positions, the greater the potential for loss.

Unpredictable or unstable market conditions may result in reduced opportunities to find suitable investments to deploy capital or make it more difficult to exit and realize value from the Funds’ and/or Managed Accounts’ existing investments. An example of this sort of instability occurred in July and August of 2007 when markets experienced significant losses arising largely because global spreads widened materially, equity index levels declined, and many funds liquidated assets. It is important to understand that the Funds and/or Managed Accounts can incur material losses even if they react quickly to difficult market conditions and there can be no assurance that the Funds and/or Managed Accounts will not suffer material adverse effects from broad and rapid changes in market conditions.

Item 9 - Disciplinary Information

There are currently no legal issues or disciplinary events to report that would be material to a client’s or prospective client’s evaluation of Good Hill’s advisory business or the integrity of its management. Specifically, to the best of our knowledge, there have never been any criminal or civil actions, administrative proceedings, or self-regulatory organization proceedings involving Good Hill or any of its personnel.

Item 10 - Other Financial Industry Activities and Affiliations

Good Hill currently does not engage in other financial industry activities or maintain other financial industry affiliations. Good Hill does not have any broker-dealer, futures commission merchant, commodity pool operator or commodity trading advisor registrations (or pending registrations). Good Hill does not recommend other advisors to its clients or investors.

Good Hill Capital LLC serves as the general partner of the Funds, and Good Hill Capital II LLC serves as the general partner of two of the other Funds. Each of these entities (each, a “General Partner”) is an affiliate of Good Hill. Any individuals acting on behalf of the General Partners are subject to the supervision and control of Good Hill in connection with any investment advisory activities. In accordance with SEC guidance, the General Partners are registered as investment advisors in reliance on the Form ADV filed by Good Hill.

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

Good Hill has adopted a code of ethics that sets forth standards of ethical and business conduct expected of the personnel of Good Hill and its affiliates and addresses conflicts that may arise from personal trading by Good Hill personnel. Good Hill’s code of ethics, among other things, requires compliance with the federal securities laws, reflects Good Hill’s fiduciary responsibilities and those of its advisory personnel, prohibits certain personal securities transactions, requires Good Hill personnel to periodically report their personal securities transactions and to pre-clear certain securities transactions and addresses prevention of the misuse of material nonpublic information. The code of ethics will be provided to any client or investor or potential client or investor upon request.

Item 12 - Brokerage Practices

Best Execution - In selecting a broker-dealer, Good Hill will use its reasonable efforts to obtain best price and best execution, taking into account relevant factors including, but not limited to (a) price, (b) the broker-dealer’s facilities, reliability and financial responsibility, (c) the ability of the broker-dealer to effect securities transactions, particularly with regard to such aspects as timing, order size and execution of orders, (d) the research, brokerage and other services provided by such broker-dealer to Good Hill and (e) ancillary services such as capital introduction. Good Hill need not solicit competitive bids and does not have an obligation to seek the lowest available commission cost or spread. Accordingly, if Good Hill concludes that the commissions charged by a broker or the spreads applied by a dealer are reasonable in relation to the quality of services rendered by such broker or dealer (including, without limitation, the value of the brokerage and research products or services provided by such broker-dealer), the Funds and/or Managed Accounts may pay commissions or be subject to spreads to such broker-dealer in an amount greater than the amount another broker-dealer might charge or apply. Good Hill is not required to allocate either a stated dollar or stated percentage of its transactions to any broker-dealer for any minimum time period and reviews such relationships from time to time.

Soft Dollar Benefits - Good Hill currently has no soft dollar arrangements (i.e., arrangements under which Good Hill agrees to pay more than the lowest available commission for products or services provided by a broker-dealer). However, Good Hill may use full-service broker-dealers that provide research or other products or services to most or all of their customers, without being requested to do so, and Good Hill may on occasion receive and use research provided by these full service broker-dealers. This research may include, but is not limited to, information and analyses pertaining to consumer credit, mortgage defaults and related

severities, mortgage prepayments, and other related mortgage and loan statistics. This information may be presented to Good Hill in a number of formats including, but not limited to, formal research reports, bulk data downloads, emails, and various presentations. In this situation, Good Hill receives a benefit because it does not have to produce or pay for the research. Good Hill may have an incentive to select broker-dealers based on its interest in receiving the research or other products or services, even though no soft dollar arrangements are in place, rather than on Good Hill's clients' interest in receiving the most favorable execution. However, since the research provided is not material in nature and quantity and is provided by most broker-dealers with which Good Hill deals, Good Hill's receipt of such research does not have a material effect on Good Hill's selection of broker-dealers. Good Hill does not separately compensate such broker-dealers for the provision of such services and does not believe that it "pays up" for such services. The research received is used for the benefit of all Good Hill clients. Good Hill does not direct investor transactions to a particular broker-dealer in return for any soft dollar benefits.

Brokerage for Client Referrals - Broker-dealers (including prime brokers) may assist the Funds in raising additional capital from investors and Good Hill in securing additional Managed Account investors, and representatives of Good Hill may speak at conferences and programs sponsored by prime brokers for investors interested in investing in hedge funds or managed account structures. Through such "capital introduction" events, prospective investors in the Funds and/or Managed Accounts would have the opportunity to meet with Good Hill. Representatives of Good Hill do not regularly participate in these conferences and programs and to date, investments made into the Funds and Managed Accounts as a result of this very limited participation have been immaterial. Neither Good Hill, any affiliate of Good Hill, the Funds or the Managed Accounts will compensate any broker-dealer for organizing such events or for any investments ultimately made by prospective investors attending such events. Good Hill may have an incentive to select a broker-dealer based on its interest in receiving client and investor referrals, rather than on Good Hill's clients' interest in receiving most favorable execution. However, while such services provided by a broker-dealer may influence Good Hill in deciding whether to use such broker-dealer in connection with brokerage, financing and other activities of the Funds and/or Managed Accounts, Good Hill and its affiliates will not commit to allocate a particular amount of brokerage to a broker-dealer in any such situation nor will Good Hill select that broker-dealer to effect a transaction for a Fund or Managed Account if the most favorable execution is not being received. Good Hill does not select broker-dealers based on the receipt or potential receipt of any client or investor referrals from those broker-dealers.

Directed Brokerage – Good Hill is not involved in any type of directed brokerage practices relative to its clients.

Trade Allocation Policies and Procedures – In general, when Good Hill determines that it would be appropriate for more than one Fund and/or Managed Account to participate in an investment opportunity, Good Hill seeks to execute orders pro rata based on such Funds' and/or Managed Accounts' respective net asset values; provided however, that investments may be allocated in a different manner under circumstances such as differing liquidity needs, availability of cash, different tax situations and the size of the available position. Good Hill may implement a rotational allocation system with respect to certain types of investments. In cases where a limited amount of a security is available for purchase, the allocation of such security among Funds and/or Managed Accounts may necessarily reduce the amount available for purchase by a particular Fund and/or Managed Account. There can be no assurance that a particular order or investment opportunity will be allocated in a particular manner. Where conflicts arise in the allocation of investment opportunities, Good Hill seeks to resolve such conflicts fairly.

General Policies – Good Hill shall purchase or sell securities on behalf of the Funds and/or Managed Accounts based on their respective investment objectives and policies. Each transaction should be suitable for each Fund and/or Managed Account in light of the characteristics of the specific security and the overall portfolio composition of such Fund and/or Managed Account. Good Hill has a fiduciary obligation to use its best efforts to ensure that no Fund and/or Managed Account is treated unfairly in relation to any other Fund and/or Managed Account in the allocation of securities or the order of the execution of transactions. Good Hill shall create and retain documentation of allocations made among investors.

Good Hill is not required to make each investment opportunity available to each Fund and/or Managed Account.

Rotational Allocation Basis – Good Hill in its sole discretion may allocate purchased assets in a rotational allocation among Funds’ and/or Managed Accounts’ portfolios.

Aggregation of Trades – Good Hill follows procedures for bunching orders for purchases of securities and allocating securities purchased and sold. These procedures incorporate (i) the applicable restrictions of the federal securities laws, including the Advisers Act and (ii) general principles of fiduciary duty relating to the bunching of transactions and the allocation of purchases and sales of securities among investor accounts. In accounting for such aggregation, order, price, commission or other expenses will be averaged on a per transaction basis or in such other fair and equitable manner as determined by Good Hill.

Allocation of filled purchase orders – Investable funds will be combined, subject to the minimum balance of investable funds, for purchase orders for all Funds and/or Managed Accounts for which the purchased security is deemed appropriate. Filled purchase orders will be allocated to each Fund and/or Managed Account based on the ratio of the net asset value of each Fund and/or Managed Account to the total net asset value for all Funds and/or Managed Accounts for which such purchased security is deemed to be appropriate, subject to the amount of investable funds for each Fund and/or Managed Account and any concentration limits. However, Good Hill may increase or decrease the amounts of securities allocated to each Fund and/or Managed Account, if necessary, to avoid having an illiquid or small number of shares held for any Fund and/or Managed Account and may deviate from this allocation methodology if deemed necessary. Each filled order will be allocated to a Fund and/or Managed Account at the price paid for the investment. Good Hill will keep records of all allocations.

Notwithstanding the foregoing, Good Hill recognizes that in certain circumstances, strict compliance with these procedures may not be feasible and that unusual or extraordinary conditions may on occasion warrant deviation from the standard practices and procedures set forth herein. In such circumstances, the appropriate action shall be determined which will serve the best interests of, and will be fair and equitable, to the Funds and/or Managed Accounts.

Specific Trades Between Funds and/or Managed Accounts – Sales of investments by Funds and/or Managed Accounts are eligible for purchase by other Funds and/or Managed Accounts. Such transactions will be conducted in accordance with applicable law and Good Hill’s fiduciary responsibility to each participating Fund and/or Managed Account and must be in the best interest of each such Fund and/or Managed Account. The suitability of such a transaction will be considered for each Fund and/or Managed Account involved. All such transactions will occur at a price determined as the highest of the “bid level” for the entire investment offered for sale from willing financial intermediaries conversant with such securities. The selling Funds and/or Managed Accounts will receive the highest price and the purchasing Funds and/or Managed Accounts will pay the highest price. Neither Good Hill nor any affiliates will charge any mark-up or fee for such transaction. All Funds and/or Managed Accounts involved will be notified that the transaction occurred.

Trade Errors – Good Hill will treat all trading errors (including those that result in losses and those that result in gains) as for the account of the Funds and/or Managed Accounts, unless they are the result of conduct on the part of Good Hill which constitutes bad faith, willful misconduct or gross negligence or reckless disregard of its obligations under the pertinent investment management agreement. For the avoidance of doubt, the conduct of Good Hill will not be evaluated solely based on the conduct of the individual Good Hill personnel involved, but rather in the overall context of the control and compliance environment of Good Hill as it relates to trading errors.

Item 13 - Review of Accounts

The portfolio managers review any information submitted by each new prospective client, including asset and sector limitations for investment, prior to initial trading for appropriateness of all assets placed in the account. The portfolio managers monitor the accounts and their constituent positions on a daily basis. Specifically, the portfolio managers monitor the accounts for asset performance and analyze market risk factors on a daily basis. All accounts have two primary reviewers, Mr. Frank Collins (Good Hill's managing partner and portfolio manager) and Mr. Brant Brooks (Good Hill partner and portfolio manager). Both portfolio managers review asset performance, risk, sector concentrations, and overall account composition.

All Fund investors receive monthly reporting for their individual investments and for the Fund overall. This reporting reflects the net asset value of their individual investment, their individual returns for the month and year-to-date, the asset/sector allocation for the Fund and the Fund's overall size and returns. Some investors also require specific position reporting which includes specific performance and risk metrics. This information is provided through email and is also presented on Good Hill's website via secure investor login. Managed Accounts will receive reports as agreed upon in the pertinent managed account agreements. These reports are normally provided on a monthly and/or quarterly basis. Much of the information provided to Managed Accounts is similar to that which is provided to investors in the Funds.

Item 14 - Client Referrals and Other Compensation

Good Hill does not directly or indirectly compensate any person or entity for client or investor referrals. Neither Good Hill nor any affiliate of Good Hill has any arrangements, oral or in writing, where it is paid cash by or receives some economic benefit (including commissions, equipment or non-research services) from a non-client or non-investor in connection with providing advisory services.

Item 15 - Custody

All client assets are held in custody of unaffiliated qualified custodians. However, Good Hill is deemed to have custody of the investor funds and securities contained in the Funds, since an affiliate serves as general partner of the Funds. With one exception, Fund investors do not receive quarterly account statements from the custodian; rather, the Funds are subject to an annual audit and the audited financial statements are distributed to each Fund investor. A qualified custodian provides quarterly account statements to certain Fund investors and former Fund investors with respect to assets in a special purpose vehicle.

Good Hill does not maintain custody of funds and securities contained in Managed Accounts.

Item 16 - Investment Discretion

Good Hill has full discretionary investment authority as it relates to the Funds and Managed Accounts (subject to possible restrictions in the Fund documents and managed account agreements) with the exception of one Managed Account which requires pre-approval for all trading activity. Such full discretionary authority is assumed at the time an investor subscribes to any of the Funds via a subscription agreement and deposits funds into the subscription account or executes a managed account agreement and deposits funds into a Managed Account. Specifically, Good Hill has the authority to determine the securities to be bought and sold, the amount of the securities to be bought and sold, the broker or dealer(s) to be used, and the commissions to be paid.

Item 17 - Voting Client Securities

Good Hill primarily offers advice on fixed income securities, and thus proxy voting is not regularly performed. However, Good Hill does accept proxy voting authority. Good Hill believes that in the event proxy voting is required, while clients and investors cannot direct Good Hill's vote in a particular situation, Good Hill has the duty to cast votes in a manner consistent with the best interests of its clients and investors. To the extent Good Hill receives such proxies, Good Hill is guided by general fiduciary principles. In the event that conflicts of interest arise between Good Hill and clients due to proxy voting, Good Hill will always act in the best interests of its clients. In the instances in which Good Hill does vote proxies, Good Hill will seek to identify and address material conflicts of interest that may arise between Good Hill's interests and those of its clients before voting proxies on behalf of clients. If Good Hill determines that a conflict of interest exists with respect to a particular proxy, Good Hill's Chief Compliance Officer will determine whether the conflict of interest is material. If it is not material, Good Hill may vote the proxy notwithstanding the existence of the conflict. If it is determined that the conflict of interest is material, Good Hill will resolve the conflict in one of several possible ways (e.g. by engaging a third party to recommend a vote). Good Hill at times may determine that refraining from voting a proxy is in a client's best interest and hence not vote that proxy. However, if Good Hill does vote, Good Hill shall cast ballots in a manner that it believes to be consistent with the interest of the Funds and/or Managed Accounts and shall not subordinate the Funds' and/or Managed Accounts' interests to its own. Furthermore, Good Hill's policy is to vote proxies in the manner that it believes is consistent with efforts to achieve a Fund's and/or Managed Account's stated objectives, including maximizing the value of the Fund's and/or Managed Account's portfolio. To that end, Good Hill will vote in a way that it believes, consistent with its fiduciary duty, will cause the value of the issue to increase the most or decline the least. Decisions will not be made on social, ethical, moral or other non-economic grounds. Consideration will be given to both the short and the long term implication of the proposal to be voted on when considering the optimal vote. Clients and Fund investors may obtain information about how proxies were voted by requesting this information in writing from Good Hill. Clients and Fund investors may also get a copy of Good Hill's proxy voting procedures upon request.

Item 18 - Financial Information

Good Hill is not aware of any financial condition affecting the firm that is reasonably likely to impair Good Hill's ability to meet contractual commitments to clients.

Good Hill has never filed for bankruptcy.

Part 2B of the Form ADV (the “Brochure Supplement”)
March 26, 2012

Good Hill Partners LP
Franklin J. Collins IV

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Westport, CT 06880
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This Brochure Supplement provides information about Mr. Franklin J. Collins IV that supplements the Good Hill Partners LP Brochure. You should have received a copy of the Brochure. Please contact William Hauf at (203) 610-8806 or whauf@goodhillpartners.com if you did not receive Good Hill Partners LP's Brochure or if you have any questions about the contents of this supplement.

Good Hill and the investment advice that it provides to the Funds and Managed Accounts are ultimately controlled by Mr. Franklin J. Collins IV (DOB 03/29/62) and Mr. Brant Brooks (DOB 07/25/66). Mr. Collins and Mr. Brooks have primary responsibility for the management of the Funds' and Managed Accounts' portfolios.

Educational Background and Business Experience - As Good Hill's managing partner, Mr. Collins performs the duties of Chief Investment Officer and is ultimately responsible for all investment and risk management decisions. Mr. Collins is an experienced trader, portfolio manager and architect of fixed income structured securities and financial products. Mr. Collins' finance experience began at Delaware Investment Advisors in 1990, where he was a fixed income trader and assistant portfolio manager. In 1992, Mr. Collins joined the fixed income research desk at Credit Suisse First Boston. In 1993, Mr. Collins became head of ABS trading at CSFB. Mr. Collins joined Bear Stearns in 1995 as Head of Asset-Backed Securities Trading and Syndication. Mr. Collins resigned from his position as Senior Managing Director at Bear Stearns to form his own company, Coar Capital, and subsequently launched a hedge fund in partnership with Bear Stearns Asset Management in 2000. Mr. Collins acted as portfolio manager for Bear Stearns Asset-Backed Securities onshore and offshore funds for five years and retired from that capacity in February 2005. Mr. Collins received an education from the University of Pennsylvania.

Disciplinary Information - There is no disciplinary information to disclose related to Mr. Collins.

Other Business Activities - Mr. Collins is not actively engaged in any other investment related businesses or occupations. Mr. Collins does not maintain any personal or professional relationship with any type of other investment related business. Mr. Collins is not actively involved in any other business or occupation that provides substantial income or involves the commitment of a substantial amount of time.

Additional Compensation - Mr. Collins is not involved in any type of arrangement with respect to third parties that provides any economic benefits for providing advisory services.

Supervision - Mr. Collins is co-portfolio manager for the Funds and Managed Accounts with Mr. Brant Brooks. The work that Mr. Collins performs is reviewed by Mr. Brooks and support staff via daily meetings and general collaborative efforts. Mr. Brooks can be contacted at (203) 610-8809. Mr. Brooks maintains an office at Good Hill, located at 1599 Post Road East, Westport, CT 06880.

Part 2B of the Form ADV (the “Brochure Supplement”)
March 26, 2012

Good Hill Partners LP

Brant Brooks

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This Brochure Supplement provides information about Mr. Brant Brooks that supplements the Good Hill Partners LP Brochure. You should have received a copy of the Brochure. Please contact William Hauf at (203) 610-8806 or whauf@goodhillpartners.com if you did not receive Good Hill Partners LP's Brochure or if you have any questions about the contents of this supplement.

Good Hill and the investment advice that it provides to the Funds and Managed Accounts are ultimately controlled by Mr. Franklin J. Collins IV (DOB 03/29/62) and Mr. Brant Brooks (DOB 07/25/66). Mr. Collins and Mr. Brooks have primary responsibility for the management of the Funds' and Managed Accounts' portfolios.

Educational Background and Business Experience - Mr. Brooks has a broad background in mortgage and asset securitization and principal finance transactions. Mr. Brooks was most recently a Senior Managing Director and head of the Asset-Backed Securities banking group at Bear Stearns. He joined the Bear Stearns ABS group in 1996 to focus on multiple asset classes including auto loans and leases, dealer floorplan, credit card receivables, student loans, and trade receivables. Mr. Brooks was responsible for Bear Stearns' principal finance efforts purchasing over \$18 billion of whole loans and establishing the WALT (Whole Auto Loan Trust) public program. Prior to joining Bear Stearns, Mr. Brooks practiced law for three years in the Structured Finance Group at Thacher Proffitt & Wood representing investment banks and issuers in securitization transactions. His first position in securitization involved working in the securitization group at Deloitte & Touche modeling and structuring securitization transactions. Mr. Brooks received his B.A. in Economics from Emory University in 1988 and his J.D. and M.B.A with honors from Boston University in 1992. He is licensed to practice law in the States of New York and Connecticut.

Disciplinary Information - There is no disciplinary information to disclose related to Mr. Brooks.

Other Business Activities - Mr. Brooks is not actively engaged in any other investment related businesses or occupations. Mr. Brooks does not maintain any personal or professional relationship with any type of other investment related business. Mr. Brooks is not actively involved in any other business or occupation that provides substantial income or involves the commitment of a substantial amount of time.

Additional Compensation - Mr. Brooks is not involved in any type of arrangement with respect to third parties that provides any economic benefits for providing advisory services.

Supervision - Mr. Brooks is co-portfolio manager for the Funds and Managed Accounts with Mr. Frank Collins. The work that Mr. Brooks performs is reviewed by Mr. Collins and support staff via daily meetings and general collaborative efforts. Mr. Collins can be contacted at (203) 610-8811. Mr. Collins maintains an office at Good Hill, located at 1599 Post Road East, Westport, CT 06880.