

Part 2 A of Form ADV: Firm Brochure

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This brochure provides information about the qualifications and business practices of Hillenbrand Capital, LLC. If you have any questions about the contents of this brochure, please contact us at (312) 920-9651 or email jim.williamson@hillenbrandpartners.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

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

Item 2 Material Changes:

The brochure is being updated for the annual update and it contains no material changes from the last annual update in January, 2011. The only material change is effective 12/31/2011 Hillenbrand Capital, LLC is withdrawing SEC Registration as the firm no longer meets the assets under management requirement.

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Item 4 Advisory Business

A. Hillenbrand Capital, LLC (HC) is an investment advisor specifically focused on structured credit products, debt and other instruments related to commercial real estate assets and real estate operating companies both domestically and internationally. HC's investor base is limited to sophisticated institutional and high net worth clients.

HC has been in business for just over 6 years and has been managing a Fund for 5 years. HC's principal owner is Hillenbrand Partners, LLC.

B. HC will provide investment advice on structured debt products, debt and other instruments related to commercial real estate assets and real estate operating companies both domestically and internationally. HC specializes in below investment grade structured credit products; however, HC may also provide advice on investment grade assets as the skills are easily transferrable. HC's goal is to assemble a balanced, diversified and uncorrelated portfolio of real estate debt investments in targeted markets in the United States and Canada. HC aims to identify and profit from trends and opportunities by targeting a broad spectrum of real estate debt that will generate stable current investment income and capital appreciation. The advice that HC is offering is limited in scope to the above reference products.

C. HC will tailor advisory services to the individual client needs within the structured debt products, debt and other instruments related to commercial real estate assets and real estate operating companies both domestically and internationally. HC will meet with each client in order to establish an expected yield and risk tolerance. Once the expected yield and risk tolerance is identified, HC and the client agree where in the rating structure HC will invest client funds. HC will only invest in a small segment of the capital market universe, and will be limited in the types of securities they will purchase on their client's behalf. Within the smaller universe of real estate debt products, the client has the option to advise HC as to the rating and/or types of debt products that HC can invest in on the client's behalf.

D. HC does not participate in a wrap fee program.

E. As of December 31, 2011 HC has \$562,325 of client assets invested on a discretionary basis, and zero dollars on a non-discretionary basis.

Item 5 Fees and Compensation

A. HC negotiates the advisory fee on a client by client basis which varies based on the investment profile and risk tolerance. HC seeks to get a capital commitment from a client and will charge a fee based on the committed capital, not on market value.

B. HC will offer to clients the option to deduct fees directly from their investment account or to be billed. HC does expect to charge fees quarterly in advance of the current quarter.

C. HC clients will be responsible for the payment of custodial fees in regards to their accounts. It is not anticipated that brokerage fees will be incurred as we are not a broker nor do we provide brokerage services. However, HC will pass along specific deal related transaction costs to clients on a pro-rata basis based on the cost basis allocated to each investor. Transaction costs include, but are not limited to legal expenses, due diligence expenses such as site inspections and appraisals.

D. HC and any supervised persons will not accept compensation for the sale of any security or other investment product.

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

HC will negotiate fees individually on a client by client basis. HC and client will agree on a preferred rate of return based on the capital contributed. When the preferred rate of return is achieved any excess return is split between HC and the client at the upfront negotiated rate.

HC as a firm will get paid a performance based fee, and no individual person will be paid for their individual work on a client account.

HC will manage all accounts in the same manner, regardless of the performance fee. HC has an established method of monitoring assets and that method will be followed regardless of the performance based fee. The firm works as a team, with no one individual responsible for the decisions in a particular account.

Item 7 Types of Clients

HC's investor base is limited to sophisticated institutional and high net worth clients. HC currently seeks to maintain a minimum investment amount of \$10 million.

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

A. HC believes that its ability to invest and achieve attractive risk-adjusted returns will be enhanced by an approach that incorporates the following actions:

- * Understanding real estate cycles and application of capital structuring techniques in various local markets around the world;
- * Diversifying assets;
- * Selecting Investment Assets at different priorities in the capital structure; and
- * Using securitization as an acquisition, leverage and disposition technique.

The approach for the selection of Investment Assets will include a comprehensive analysis of individual asset characteristics and local market dynamics combined with an evaluation of the trends and opportunities in real estate-related securities. The overall investment analysis is expected to incorporate transaction-specific default assumptions, while the asset-level analysis is expected to include both default vectors and prepayment assumptions, guided by the vintage and track records of the specific structured product, as well as future prepayment expectations.

The Investment Committee of HC (“**Investment Committee**”) has overall responsibility and accountability for the entire portfolio of Investment Assets for each client. Each acquisition and disposition will be approved by the Investment Committee. The Investment Committee has established procedures and guidelines to review the investment process and monitor portfolio performance.

Assessment of Pricing and Valuation

HC intends to price and value Investment Assets taking into consideration the types and quality of underlying collateral, prepayment optionality and interest rate sensitivity. The data will be modeled and incorporated into the Approval Memorandum. Prepayment and loss estimations will vary with investment and market conditions. Volatility of cash flows from the underlying collateral will be analyzed, including multiple scenarios of expected loss assumptions. Pricing and valuation of the Investment Asset is anticipated to be based upon the probability, timing and impact of losses associated with the underlying collateral. When the Investment Asset valuation is dependent upon interest rate or currency movements, the Manager intends to take positions to insulate from such risk. The management of basis, currency and interest rate risk will require the use of strategies to mitigate exposure to general market movements; such strategies may include shorting physical securities and utilizing various derivative hedging instruments, including futures, forwards, swaps or options.

Due Diligence Procedures

Investment Assets will be subject to due diligence procedures approved by the Investment Committee. A due diligence manager will be named for each investment considered. That manager will coordinate all necessary diligence tailored to the particular risks of that investment’s collateral and structure using internal staff as well as approved third-party due diligence firms.

The Fund’s due diligence process begins with a “from the bottom up” approach in reviewing potential Investment Assets. With commercial mortgage investments, each underlying asset is re-underwritten, a factor that makes investing in the non investment grade tranche of a securitization an intensive exercise. The conclusions on asset quality and default potential will be analyzed using proven systems and are expected to be supported with third-party evaluations. Diligence will focus on the likelihood and level of loss on an asset-by-asset basis which will be augmented by statistically significant analysis. The Manager intends to select third-party due diligence firms based upon the experience of such firms in collateral and

file reviews for similar asset portfolios. The Manager expects that due diligence will include, as applicable, the review and analysis of the following:

- Current and historical financial information;
- Loan and investment documents;
- Local and general market conditions;
- Borrowers, sponsors and tenants;
- Engineering, environmental, valuation and other asset-specific reports;
- Interest rate and currency sensitivities; and
- Asset inspections.

B. HC will determine an investment strategy with each client based on expected yield and risk tolerance.

C. Investment in mortgages and real estate-related securities involves a high magnitude of risk. Investors must be prepared to hold their investment indefinitely and must be able to bear the risk of loss of all of their investment. Investors should carefully consider the risks and uncertainties, in addition to the other information contained in this document. The risks described below are not the only risks facing client. Additional risks and uncertainties, not presently known to the Manager currently deemed immaterial, may also materially and adversely affect the financial condition and results of operations and cash flow

The projected and targeted returns are based upon certain assumptions with respect to the mortgage and structured finance market. Some of these assumptions are based on historical trends. There can be no assurances that such assumptions will hold true or that current and future mortgage and structured finance market trends will be consistent with past history. Any inaccuracy in such assumptions may materially and adversely impact the Fund's business, financial condition, results of operations, and cash flow. For example, in the event the mortgage market suffers a downturn, values of Investment Assets would be unlikely to increase in accordance with the assumptions and, accordingly, returns would likely be materially and adversely affected. Values of Investment Assets may also decline because of the perceptions of their relative value by other financial market participants.

Item 9 Disciplinary Information

None at this time

Item 10 Other Financial Industry Activities and Affiliations

A. Not Applicable

B. Not Applicable

C. Not Applicable

D. Not Applicable

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

A. A Copy of the Hillenbrand Capital, LLC code of ethics will be provided to any investor/client or prospective investor/client upon a written request sent to:

James P. Williamson, CCO
190 S. LaSalle Street, Suite 1530
Chicago, IL 60603

The HC code of ethics is specifically designed to avoid any conflicts of interest in the structured real estate products field. As such, our employees are prohibited from purchasing any Structured Real Estate products without permission from the Chief Compliance Officer. In the unlikely event that our employees and / or directors would purchase these products, they would first be required to seek permission from the Chief Compliance Officer after showing that they have no inside or proprietary information involving the assets being purchased or sold.

Item 12 Brokerage Practices

A. HC will be selecting the broker-dealer based on product availability and not commissions. Unlike the equities market, one broker-dealer will have the asset available for purchase. HC will analyze the information the broker-dealer makes available to the interested bidders, and decide how much to bid for an asset (or not bid if we do not like the deal). The bid is either accepted or rejected, and no commissions are paid on the trade.

When formulating a bid for a broker-dealer, HC is not given any different information than any other bidder on the assets. HC will receive no soft dollar benefit or other benefits from any broker-dealer. The decision on the selection of a broker-dealer is based on the availability of the product.

Item 13 Review of Accounts

A. Client accounts will be reviewed by the investment committee not less than quarterly. The investment committee will receive a listing of the underlying holdings with the current security price as well as the previous quarter's security price since the asset was purchased. The client's market value and other account characteristics will be reviewed to ensure we are meeting the client's objectives.

HC will also be monitoring each asset individually on monthly basis but not in the context of the customer account or market value. HC monitors all the assets and the underlying collateral in back of the assets we hold on a monthly basis to make sure the assets and underlying collateral are performing as expected. These reports will be used to make decisions on the management of the client assets.

B. HC will review client accounts quarterly, but as stated above the assets in the accounts will be monitored on a monthly basis to ensure they are performing as expected. HC will pay special attention to assets that have issues related to the underlying collateral, and will monitor those more closely than other assets.

C. We provide a report to our investors monthly. In the report, we highlight our current holdings notional and invested balances for each security along with delinquency and losses for each deal. In addition, at the portfolio and deal level, we provide geographic, tenant, property and loan maturity concentrations. Finally, we provide loan detail and commentary for each specially serviced loan and loans on the watchlist to which HP assigns a medium to high risk rating.

Item 14 Client Referrals and Other Compensation

A. We currently have no arrangements with any outside party providing investment advice or advisory services.

B. HC has hired a firm to refer capital sources with the ultimate goal of raising capital for investment purposes. HC has a signed agreement in place. The agreement calls for our solicitor to identify and introduce potential capital sources to HC, and the solicitor is not required to perform any other functions other than an introduction. Solicitor will also provide a Brochure to the capital sources to clients that do commit capital to HC. HC will be responsible for making all investment strategy disclosures to potential clients. As compensation for the introduction, the solicitor will receive 1.5% of the client committed capital. This fee will be paid over time and not at the initial closing of the committed capital. Additionally, HC will be responsible for all out of pocket costs and expenses of the solicitor.

Item 15 Custody

HC will not have custody of client funds or securities. HC will always have an independent qualified custodian custody all funds and securities. Clients will receive statements directly from the independent outside qualified custodian, and these statements should be reviewed by the clients when they are received. HC will also send a statement not less than quarterly with the each security and the quantity listed as well and these statements should be compared to the independent outside qualified custodian statement.

Item 16 Investment Discretion

HC exercises discretionary authority to manage securities accounts on behalf of clients. HC's current fund is a multi investor fund. The investors are all sophisticated institutional investors that are either insurance companies or commercial banks. The scope of HC's authority to manage client's securities accounts, including any limitations, is established with the client in advance of the client funding any commitments and is set forth in the Limited Partnership Agreement. The limitations on investment discretion are as follows:

(1) intentionally performing any act in violation of the Act, any applicable law or regulation, including applicable federal and state securities laws;

(2) without the approval of Two-Thirds of the Partners, (i) selling all or substantially all of the assets of the Partnership other than in the ordinary course of owning, liquidating or financing the Investment Assets as contemplated by this Agreement or in connection with any Fund Securitization Transaction or Fund Financing involving the Investment Assets, (ii) exchanging any or all of the Investment Assets for stock or other beneficial ownership interests in any other entity (other than a Special Purpose Investment Entity); or (iii) agreeing to merge or combine the Partnership with or into any other entity (other than a Special Purpose Investment Entity);

(3) after the completion of the Commitment Period, at the time of initial acquisition of any Investment Asset, (x) causing the Partnership to invest more than 10% of the aggregate Commitments of the Partners in any single security, (y) permitting the Partnership to commit to fund as equity in any single Investment Asset transaction more than 20% of the aggregate Commitments of the Partners, or (z) permit the Partnership to commit to fund more than 25% of the aggregate Commitments of the Partners to Investment Assets in

Europe and Asia; *provided, however*, that these limitations may be waived if either (a) a Majority of the Advisory Board approves the Manager's deviation from such restriction, or (b) prior to or contemporaneously with making any such investment, the Manager has secured written commitments to finance such investment and/or acquire co-investment interests in such investment such that, following such financing and/or co-investment, the Fund's investment would not violate the investment limitations set forth in this sub-paragraph;

(4) causing any Debt (excluding any hedging, pending securitization, Fund Securitization or Fund Financing or any residential mortgage warehouse) to be incurred which the General Partner reasonably anticipates will result in aggregate Debt being in excess of 66.67% of the total aggregate Commitments;

(5) other than the assets purchased from the Sponsor or its Affiliates on or after the Initial Closing Date or any co-investment in an Investment Asset, purchasing any Investment Assets from or in which the General Partner or an Affiliate thereof (other than the Parallel Fund, any Special Purpose Investment Entity and any Co-Investment Vehicle) has an ownership interest, or selling any Investment Assets to the General Partner or an Affiliate thereof, in each case without the prior written approval of a Majority of the Limited Partners;

(6) causing the Partnership to make loans to the General Partner or its Affiliates (other than Special Purpose Investment Entities); or

(7) causing the Partnership to engage in any hedge transaction other than non-speculative hedge transactions in connection with the Investment Assets.

HC expects to continue to accept discretionary authority to manage securities accounts on behalf of our clients in single investor, managed accounts. The management authority as well as any limitations is negotiated with client in advance of the client funding any commitments. The delegated authority is then set forth in the management agreement that is signed by our client prior to HC exercising that authority. HC expects that the clients in the single investor, managed accounts, will be comprised of large, sophisticated, institutional investors.

Item 17 Voting Client Securities

A. HC will have full discretionary authority over the assets we manage, however, our assets will not require any proxy voting. HC will from time to time be required to make decisions regarding the underlying collateral in back of the assets we manage. Clients will not be consulted or have the ability to make those decisions. HC will review all the relevant information on any decision, and use our expertise to maximize our clients overall value.

B. This should not be applicable to the types of securities HC will manage.

Item 18 Financial Information

- A. Not applicable since we are only charging fees quarterly in advance.
- B. Not applicable since we are only charging fees quarterly in advance.
- C. Not applicable at this time.