

Item 1- Cover Page

DISCLOSURE SUPPLEMENT
FORM ADV PART 2B

Paul Gregory Hagood
Nephila Advisors LLC
811 Lynnbrook Rd
Nashville, TN
USA, 37215
(615) 477-1222

September 30, 2012

This Brochure Supplement provides information about Paul Gregory Hagood that supplements the Brochure of Nephila Advisors LLC (the “Advisor”). You should have received a copy of the Advisor’s Brochure. Please contact our affiliate, Nephila Capital Ltd. (“Nephila Capital”), at (441) 296-3626 if you did not receive the Advisor’s Brochure or if you have any questions about the contents of this Supplement.

Item 2- Educational Background and Business Experience

Paul Gregory Hagood, Principal
Date of birth: June 3rd, 1968

Education: Mr. Hagood attended the University of Tennessee and obtained his B.S. in Finance in 1990.

Business background: Mr Hagood is a Co-Founder of Nephila Capital Ltd. (“Nephila Capital”), an affiliate of Nephila Advisors LLC (the “Advisor”). As Co-Founder of Nephila Capital, Mr. Hagood was involved in all aspects of the business since its inception in 1997. As a Principal of the Advisor, Mr. Hagood will consult with management of Nephila Capital, focusing on investor relations, risk management and firm strategy. Mr. Hagood is also a Director of the Nephila Capital and Nephila Holdings Ltd.

Mr. Hagood began his financial career in December 1993 when he joined Bear, Stearns & Co. in New York. He managed the mortgage servicing trading desk and was responsible for trading and brokering mortgage servicing portfolios, advising on mortgage banking mergers and acquisitions, and structuring hedging instruments for institutional clients. Mr. Hagood left Bear Stearns & Co. in February 1997 to join Willis Group Ltd. in London to specifically start what is now Nephila Capital.

Mr. Hagood moved to the Advisor in 2012. Mr. Hagood’s primary responsibilities include assisting in investor relations, risk management and firm strategy.

Item 3- Disciplinary Information

Not applicable.

Item 4- Other Business Activities

Not applicable.

Item 5- Additional Compensation

Not applicable.

Item 6 - Supervision

For purposes of the Securities and Exchange Commission’s rules, Greg Hagood is considered to be a “supervised person”, in that he formulates investment advice for the Advisor’s clients through his role as Principal of the Advisor, and has direct contact with such clients. Mr. Hagood is supervised for internal control and compliance purposes by the Advisor’s Chief Compliance Officer, Steven Glassman. Mr. Glassman is made aware of and included in key advice provided to the Advisor’s clients by Mr. Hagood. Regular meetings attended by Mr. Hagood and the Chief

Compliance Officer are held to discuss the Advisor's strategy and advice for clients and ensure that such strategy and advice complies with the Advisor's policies and procedures, and is consistent with any investment objectives, strategies, guidelines and governing documents of a particular client.

The name, titles and telephone number of Mr. Hagood's supervisor for internal control and compliance purposes is:

Steven Glassman, Chief Management Officer and Chief Compliance Officer, (441) 298-7762

Item 7- Requirements for State-Registered Advisors

Not applicable.