

PART 2A OF FORM ADV: FIRM BROCHURE

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This brochure provides information about the qualifications and business practices of Altum Capital Management, LLC (“Altum”). If you have any questions about the contents of this brochure, please contact us at 212-317-4000. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

Additional information about Altum is also available on the SEC’s website at www.adviserinfo.sec.gov by using a unique identifying number known as a CRD Number. Altum’s CRD Number is 160123.

Altum is registered as an investment adviser with the SEC under the U.S. Investment Advisers Act of 1940, as amended (the “Advisers Act”). SEC registration does not imply a certain level of skill or training.

ITEM 2 – MATERIAL CHANGES

This section provides a summary of the material amendments made to this firm brochure since its original form dated December 22, 2011.

The cover page of this firm brochure was previously amended to reflect the current contract information for Altum.

The “Advisory Business” section of this firm brochure was amended to more clearly disclose that Altum provides investment advisory services to private investment funds and that the Investors of such funds will not receive individualized advice from Altum. This section is further amended to reflect the addition of Altum Credit European Master Fund, Ltd. and Altum Credit European Fund, L.P., a new master/feeder structure that launched May 1, 2013, to the list of existing clients to which Altum provides continuous discretionary advisory services.

The “Fees and Compensation” section was revised to provide additional disclosure regarding the specific basis on which Altum may be entitled to receive performance-based fees and to update previous disclosures regarding the allocation of compliance-related expenses to Altum’s private investment fund clients.

The “Types of Clients” section was amended to more clearly disclose that Altum does not impose any minimum account requirements on its clients; however, its private investment fund clients may impose minimum requirements on their investors.

The “Methods of Analysis, Investment Strategies, and Risk of Loss” section was amended substantially in an effort to make disclosures more plain English, if and when possible, to focus discussions on the risks that Altum’s clients should expect and be prepared to bear, to provide disclosure regarding the risks inherent when using models to assist in the portfolio management of clients’ accounts, and to eliminate risk disclosures not directly relevant to Altum’s management of its private investment clients’ accounts.

The “Other Financial Industry Activities and Affiliations” section was revised to disclose that Altum is now a registered commodity pool operator, to provide disclosure regarding Altum’s use of an affiliated entity for advisory and research services, and to disclose that an affiliate of Altum’s serves as the general partner of one of Altum’s private investment fund clients.

The “Code of Ethics, Participation or Interest in Client Transactions and Personal Trading” section was revised to update disclosures to bring them in line with Altum’s current code of ethics and to provide disclosure regarding the potential conflicts of interest that may arise when Altum’s Access Persons wish to transact in the same securities as Altum’s clients and how Altum addresses those conflicts of interest.

The “Brokerage Practices” section was amended to reflect that Altum does not have any formal soft dollar arrangements and does not consider the receipt of any unsolicited research in its brokerage allocation decisions. Furthermore, we clarified our prior disclosures regarding the factors that we consider when selecting brokers or dealers to execute transactions on our client’s

behalf. The “Voting Client Securities” section was amended to provide additional disclosure as to how Altum will address situations where it has a material conflict of interest in voting securities on behalf of its clients.

Other amendments were made to this brochure, which are not discussed in this summary, and consequently, we encourage you to read this firm brochure in its entirety.

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ITEM 4 – ADVISORY BUSINESS

Altum was organized under the laws of the State of Delaware in 2011. Altum currently provides discretionary investment advisory services to private investment funds that are organized into two separate master-feeder structures (each feeder fund, a “Feeder Fund,” each master fund, a “Master Fund” and collectively, the “Funds”). Each of the Feeder Funds invests their assets into their respective Master Fund.

Marjorie Hogan is the Managing Member and principal owner of Altum. Ms. Hogan is the portfolio manager of the Funds (the “Portfolio Manager”).

Types of Advisory Services

Altum currently provides fee-only discretionary investment management services to five pooled investment vehicles, two master funds with actively managed investment portfolios and three feeder funds, two onshore and one offshore, which invest substantially all of their assets in their respective master funds. All investment portfolios are managed in accordance with the private investment fund clients’ confidential information memorandum and memorandum and articles of association or limited partnership agreement, if applicable (“Offering Documents”). Altum’s five pooled investment vehicles are as follows:

- Altum Credit Fund, L.P., a Feeder Fund organized as a Delaware limited partnership;
- Altum Credit Fund, Ltd, a Feeder Fund organized as a Cayman Islands exempt company;
- Altum Credit Master Fund, Ltd, a Master Fund, organized as a Cayman Islands exempt company;
- Altum Credit European Fund, L.P., a Feeder Fund organized as a Delaware limited partnership
- Altum Credit European Master Fund, Ltd., a Master Fund organized as a Cayman Islands exempt company.

Each Fund’s investment objective is to maximize the Fund’s total return while preserving capital. Altum will seek to achieve each Fund’s investment objective through the strategy of investing in structured credit investments as well as through other strategies that Altum believes are complimentary to the structured credit strategies. The focus of the Funds’ strategy is in the structured credit markets, with a particular focus on collateralized debt obligations, residential mortgage-backed securities, commercial mortgage-backed securities, other asset-backed securities, or such other structured credit products in which Funds may choose to invest from time to time.

Each Master Fund will pursue the above investment objective by making investments through various entities that are advised by the Investment Manager or its affiliates (each, an “Acquisition Vehicle”). The master funds currently utilize the following Acquisition Vehicles: Altum Credit Master Fund, Ltd. uses Altum Trading SPC, Ltd. and Altum European Trading SPC, Ltd.; and Altum Credit European Master Fund, Ltd. uses Altum European Trading SPC, Ltd. Other investment vehicles may also invest through the Acquisition Vehicles. Notwithstanding the foregoing, the Funds may also make investments directly and not through its respective Master Fund or Acquisition Vehicle(s).

Altum does not tailor its advisory services to the particular needs of investors in the Feeder Funds ("Investors"). Information about each of the Feeder Funds is set forth in their respective Offering Documents. Altum has broad and flexible investment authority and discretion with respect to its private investment fund clients. Since Altum does not provide individualized advice to Investors, such Investors should consider whether the respective Feeder Fund(s) that they are invested in meet their investment objectives and risk tolerance prior to investing.

In the future, Altum may advise separately managed accounts. It is expected that any separately managed account agreements would be heavily negotiated and would include a requirement that the holder of the account commit to a substantial investment.

Altum and the Feeder Funds may enter into agreements (sometimes referred to as "Side Letters") with certain prospective, initial or existing Investors whereby such Investors may be subject to terms and conditions that are more advantageous than those set forth in the Offering Documents. For example, such terms and conditions may provide for special rights to make future investments in a Feeder Fund, other investment vehicles or managed accounts; special redemption rights relating to frequency, notice, a reduction or rebate in fees or redemption fees to be paid by the Investors and/or other terms; rights to receive reports from the Funds, or from Altum on the Funds' behalf, on a more frequent basis or that include information not provided to other Investors (including, without limitation, more detailed information regarding portfolio positions) and such other rights as may be negotiated by Altum, the Feeder Funds and such Investors. The modifications are solely at the discretion of Altum and the Feeder Funds and may, among other things, be based on the size of the Investor's investment in the Feeder Fund or affiliated investment entity, an agreement by an Investor to maintain such investment in the Feeder Fund for a significant period of time, or other similar commitment by an Investor to the Feeder Fund.

Assets under Management

As of May 31, 2013, Altum had “Regulatory Assets under Management” (as defined by the instructions to Form ADV) of \$430,030,664. All such assets are managed on a discretionary basis.

ITEM 5 – FEES AND COMPENSATION

Altum is compensated by its private investment fund clients in the form of management fees (“Management Fees”) and performance-based allocations (“Performance Allocation”), which may be paid to an affiliate of Altum. Management Fees are generally calculated and paid monthly, in arrears (regardless of a client’s profits), and generally equal .1667% per month (2.0% per annum). Management Fees are prorated for partial months. Performance Allocations generally equal 20% of any net profits achieved by each series of shares issued by a private investment fund client or 20% of any net profits allocated to the capital sub-accounts of the limited partners of a private investment fund client in any fiscal year, subject to a customary high-watermark that is generally equivalent to any net losses allocated to such shares or capital sub-accounts in previous fiscal years that have not been recouped. Management Fees and Performance Allocations are not generally negotiable but may be waived or reduced at any time, in Altum’s sole discretion.

Without limiting the generality of the foregoing, other fees and expenses that private investment fund clients may pay in connection with Altum’s advisory services include (i) clearing and executing broker fees, (ii) data feed and market data costs (and related software and hardware expenses), (iii) costs relating to trading, investment strategy implementation, research and risk management, including related software, hardware and infrastructure expenses, (iv) exchange membership expenses, (v) interest expenses, (vi) stock loan expenses, (vii) regulatory and self-regulatory fees, (viii) other transactional charges, (ix) expenses relating to cash management, (x) legal, audit, accounting, tax and custodial fees and expenses and (xii) fees and expenses of the Administrator and consultants engaged by Altum for the client’s benefit.

Altum is entitled to reimbursement from its private investment fund clients for expenses that Altum pays out of pocket on behalf of, or for the benefit of, the client.

Please refer to Item 12 of this Brochure for a description of Altum’s brokerage practices, including the factors that Altum considers in selecting or recommending broker-dealers for its private investment fund clients’ transactions and determining the reasonableness of their compensation (e.g., commissions) that may be relevant to this discussion of fees.

Neither Altum nor any of its related person accepts or receives compensation from the sale of securities or other investment products to Altum’s clients.

ITEM 6 – PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

As described in Item 5 above and in each private investment fund client's Offering Documents, Altum (or its affiliate) is eligible to receive performance-based compensation from its private investment fund clients. This type of compensation arrangement may create an incentive for Altum to make investments that are riskier or more speculative than would be the case if such arrangements were not in effect. In addition, because performance-based compensation is calculated on a basis that includes unrealized appreciation of a client's assets, it may be greater than if such compensation were based solely on realized gains.

In the future, Altum or its affiliates may manage multiple clients with different fee structures, including accounts that pay fees lower or higher than those paid by other clients. There is a potential conflict of interest in that Altum or any of its affiliates may have an incentive to provide preferential treatment in terms of time, resources, and investment opportunities to clients paying higher fees. In addition, if Altum receives performance-based fees from one client but not another it may have an incentive to make riskier or more speculative investment decisions for the client subject to performance fees. Altum will mitigate these potential conflicts of interest by enforcing Altum's and its associated persons' compliance with its policies and procedures regarding trade allocation and its Code of Ethics, which requires Altum to put the interests of clients first.

ITEM 7 – TYPES OF CLIENTS

Altum provides investment advisory services to pooled investment vehicles operating as private investment funds and does not impose any minimum account requirements on such clients. Altum's private investment fund clients, however, generally impose minimum account requirements on their Investors and/or require them to satisfy certain suitability standards.

ITEM 8 – METHODS OF ANALYSIS, INVESTMENT STRATEGIES, AND RISK OF LOSS

METHODS OF ANALYSIS

In managing client accounts, Altum seeks to maximize total return while preserving capital by investing in structured credit investments and by engaging in other investment strategies that Altum believes are complementary to its structured credit strategies. Altum primarily seeks investment opportunities in the U.S. and European markets, but may invest in other markets depending on the opportunity.

Altum's fundamental analysis approach involves estimating the risk-adjusted value of an investment if held to maturity and then finding investments with significant upside but limited downside exposure. This analysis oftentimes requires that Altum make various estimations regarding inputs and/or create various models, including models to determine factors such as prepayment or refinancing rates, default rates, severities, loan modifications, or property price appreciation rates, each of which then becomes an input into Altum's asset valuation model. Frequently there are tradable markets that provide insight into how the market implies various asset valuation model inputs, and often risks may be mitigated through the use of certain hedging instruments. An important part of Altum's approach is performing this analysis at as granular a level as possible – projecting performance of each individual loan or security within a structured credit transaction collateral pool. In addition, Altum wherever possible analyzes the deal documentation in detail to determine how the collateral cash flows interact with the deal terms.

Altum's fundamental approach can be effectuated in a variety of ways. The performance of a structured credit instrument is dependent on the performance of its collateral (the assets underlying the instrument), and Altum therefore analyzes each underlying loan, receivable or other asset underlying each instrument, and ultimately, when applicable, on the collateral securing those assets. Altum believes this granular analysis is a key differentiator of its fundamental approach. In structured transactions with limited collateral pools it can be done manually, unaided by any computer models. More frequently however, it is done using a combination of sophisticated computer models (both proprietary and vendor-provided) that are continually modified and developed in an iterative fashion.

Use of Automated Computer Runs:

Altum relies on computer-driven modeling techniques in several ways. One is to perform complex, data intensive analyses in situations where a manual calculation would not be feasible. Another use is to perform multi-factor analysis on a large universe of assets to compare them with one another and to identify those most likely to have value so they can be manually reviewed, as further described below.

Models can also be used to isolate trends in relative value by isolating unexplained price shifts, after netting out the price movement explained by the model. This can be very useful in

differentiating unexplained market trends from explainable trends, to identify trade entry and exit points.

Manual Review:

In addition to the computer driven, bottom-up approach described above, Altum undertakes a qualitative, top-down analysis. Altum analyzes embedded risks in a position to estimate the potential for loss, tailor any loss mitigation strategies, and assess the extent of the upside and downside. In addition, the risks to the investment are assessed in terms of sensitivities to market parameters (e.g., home prices, default rates, etc.), as well as to discrete events, such as governmental program changes or shifts in servicer behavior.

Surveillance:

Altum applies ongoing surveillance for two general purposes. First, Altum regularly updates its cash flow and other projections and compares them with actual monthly outcomes in order to confirm confidence in its models. Second, Altum continually monitors and analyzes each investment's performance to check that the performance is in line with expectations. Any significant deviations are studied to hone or update the strategy and to drive future trades.

Hedges:

Hedges will be employed in many situations. Altum's approach often relies on computer model results of prospective investments to project the sensitivities of future performance to select market inputs. Instruments with offsetting risks are utilized to mitigate risk at the portfolio level. During periods of turbulent markets, Altum generally uses a substantial amount of hedging. Over time, a position may have a substantial correlation with the overall market. Altum will occasionally hedge in related markets and thereby introduce relative value trading to the strategy.

INVESTMENT STRATEGIES AND MATERIAL RISKS

Investment Strategies

In seeking its distressed credit investments, Altum will undertake various trading strategies based on a fundamental analysis approach, which involves seeking out attractive investments by estimating the risk-adjusted value of an investment (both a security and its likely hedge) if held to maturity. Altum will apply this fundamental analysis approach to a number of strategies: buy-and-hold, capital structure arbitrage, relative value, documentation arbitrage, and activist investing. The following are brief descriptions of the strategies that the Funds intend to employ as of the inception of trading.

- *Buy-and-Hold:* In Altum's buy-and-hold strategy, when Altum enters into an attractive investment based on fundamental analysis, it is assuming, for purposes of its analysis, that the investment will be held to maturity and so the return should be attractive on that basis. Hedges might be employed in trying to increase the likelihood of that return being realized. Assets are generally held until one of four criteria are met: (1) the estimated

performance is realized through actual cash flows or at maturity, (2) the price corrects to a level more in agreement with Altum's fundamental estimate of its value, (3) Altum lowers its fundamental estimate of the investment's value based on unanticipated performance or model updates, or (4) Altum identifies other investments that it believes represent more compelling opportunities for return on capital.

- *Capital Structure Arbitrage*: Under this strategy, Altum seeks trades in which the risk of two instruments are derived from the same underlying credit or collateral pool where, in the manager's estimation, one instrument is cheap relative to the other or where Altum expects certain events to occur that will result in one asset changing in value more than the other. Altum will seek to take offsetting positions in the instruments in an effort to have the risks offset one another, and to capture the mispricing.
- *Relative Value*: In its relative value investments, Altum seeks to enter into spread trades in instruments with some performance correlation where instruments with better value can be hedged with instruments of lesser value. These trades will frequently feature purchasing a security that Altum has identified as attractive through its fundamental analysis, and shorting an index of another asset class through a derivative. Altum believes this position can have a lower market risk than an un-hedged position, while isolating profit potential.
- *Documentation Arbitrage*: This strategy involves Altum identifying deals with particularly complicated legal structures and undertaking detailed review of the deal documentation to find any particular risks or opportunities present that might be unappreciated or overlooked by most market participants. Often the opportunity is a result of the interplay between collateral and deal structure. Altum pays special attention to events of default or acceleration triggers and any voting rights provided in the governing documents, as well as the legal rights and responsibilities of the collateral manager and servicers. Opportunities may also arise in connection with unusual waterfalls or other cash flow features that are not well understood by many market participants.
- *Activist Investing*: Altum's activist investment strategy generally entails working to influence noteholder voting outcomes to effect the passage of deal amendments, teaming up with other interested parties to influence noteholder actions, and actively monitoring servicer and manager performance to ensure compliance with the deal terms. Among other outcomes, these efforts are intended to result in beneficial changes affecting deal waterfalls, partially or fully liquidating deals, extending deals, or allowing some limited trading of the portfolio. Altum's activist strategies do not necessarily require or involve taking a control position in any security or creditor committee.

Material Risks

The discussion of material risks provided below is not meant to be a complete description of risks that may be applicable to Altum or to its methods of analysis or investment strategies.

Concentrated Portfolios. Client portfolios may not be diversified among a wide range of issuers, industries, geographic areas, capitalizations or types of securities and may have relatively significant, concentrated positions. As a result, investment portfolios may be subject to rapid changes in value.

Illiquid Investments. Altum may invest in securities and other financial instruments or obligations that are thinly traded or for which no market exists and/or which are restricted as to their transferability under applicable securities laws. The sale of any such investments may be possible only at substantial discounts, and it may be extremely difficult to value accurately any such investments.

Use of Leverage. Altum may use margin in client accounts. Leverage may increase client returns, however, the use of leverage exposes clients to additional levels of risk including (i) greater losses from investments than would otherwise have been the case had leverage not been used, (ii) margin calls or changes in margin requirements may force premature liquidations of investment positions, (iii) losses on investments where the investment fails to earn a return that equals or exceeds the cost of leverage related to such investments and (iv) fluctuations in interest rates on borrowings may have a negative effect on profitability. In case of a sudden, precipitous drop in the value of a client's assets, Altum may not be able to liquidate client assets quickly enough to repay borrowings, which could further magnify losses.

In an unsettled credit environment, Altum may find it difficult or impossible to obtain leverage, which is used as part of one or more of Altum's investment strategies. Consequently, Altum may not be able fully implement its investment strategies for clients and if leverage is obtained under such circumstances, lenders may terminate lending arrangements on short notice, which could force Altum to unwind positions quickly at prices below their fair value.

Relative Value Trading Strategies. The success of relative value strategies is dependent on Altum's ability to exploit relative mispricings among interrelated instruments. Mispricings, even if correctly identified, may not converge within the time frame within which the position is held by the client and the success of relative value strategies can be negatively effected by disruptions in historical price relationships, the restricted availability of credit and the obsolescence or inaccuracy of Altum's or other third-party's valuation models. Market disruptions and/or counterparty defaults may also force premature close outs of one or more positions.

Counterparty Insolvency or Bankruptcy. Altum may recommend that clients engage in over-the-counter transactions. In those situations, clients are subject to the credit risk of the parties with which it trades over-the-counter. Transactions entered directly between two counterparties generally do not benefit from protections that apply to exchange-traded transactions and expose clients to the risk of counterparty default. Any such default by a trading counterparty could result in losses to due to the delay of settlement of a transaction, loss of market gains or, in certain circumstances, loss of a portion or the full amount of the notional value of the transaction. There is also the risk that lending counterparties or brokers will be required to restrict the amount of credit previously granted to clients due to their own financial difficulties, resulting in forced liquidation of substantial portions of a client's portfolio.

Bankruptcy Process. There are a number of significant risks inherent in the bankruptcy process. First, many events in a bankruptcy are the product of contested matters and adversarial proceedings and are beyond the control of the creditors. While creditors are generally given an opportunity to object to significant actions, there can be no assurance that a bankruptcy court in the exercise of its broad powers would not approve actions that would be contrary to the interests of clients. Second, the effect of a bankruptcy filing on a company may adversely and permanently affect the company resulting in situations where the current liquidation value no longer equals the liquidation value that was believed to exist at the time of the investment. The uncertainties as to the value of the investment in the bankruptcy process may result in a determination by Altum to sell the investment rather than hold it through the bankruptcy process. Any such sale could result in a lower realization than could potentially be obtained in the bankruptcy process. Third, the duration of a bankruptcy proceeding is difficult to predict, which can negatively effect a creditor's return. Fourth, the administrative costs in connection with a bankruptcy proceeding are frequently high and are paid out of the debtor's estate prior to any return to creditors. In addition, the bankruptcy process may also require the expenditure of client resources in order to pay fees to lawyers and other professionals representing clients' interests, and may require a disproportionate amount of Altum's time and attention. Fifth, bankruptcy law permits the classification of "substantially similar" claims in determining the classification of claims in a reorganization. Because the standard for classification is vague, there exists the risk that clients may not have as much influence with respect to the class of securities they own as was previously anticipated. Sixth, in the early stages of the bankruptcy process it is often difficult to estimate the extent of, or even to identify, any contingent claims that might be made. Seventh, especially in the case of investments made prior to the commencement of bankruptcy proceedings, creditors can lose their ranking and priority if they exercise "domination and control" over a debtor and other creditors can demonstrate that they have been harmed by such actions. Eighth, certain claims that have priority by law (e.g., claims for taxes) may be quite significant. Any restructuring as a result of bankruptcy proceedings may involve allegations of ambiguities and other issues under the transaction documentation, and interpleaders, other proceedings, and other circumstances relating to those issues may create additional delays, risks and uncertainties.

Non-Bankruptcy Restructuring. In many cases, investments held by clients may be restructured in contractual arrangements or court proceedings that are not bankruptcy or similar proceedings. In particular, many structured products (such as MBS, ABS and CDOs) are issued by entities that are intended to be "bankruptcy-remote", so that restructurings of those investments are generally not effected through bankruptcy or similar proceedings.

The restructuring process may involve allegations of ambiguities and other issues under the transaction documentation, and interpleaders, other proceedings, and other circumstances relating to those issues may create additional delays, risks and uncertainties.

Altum may recommend investments in securities that are part of a multi-tranche structure, where the investments held by clients will differ from other securities or obligations issued by the same obligor as to priority of payment and/or other characteristics. In any such case, clients will be subject to the risk that the rights of the tranche(s) held by clients may be subordinate to the rights of other tranches. The value of a client's investment will depend upon the existence and

enforceability of those rights, as well as the percentage of the tranche held by clients and/or by other investors with similar or dissimilar objectives.

Creditor Committee Participation. Altum and/or its officers or employees may participate on committees formed by creditors to negotiate the management of financially troubled companies that may or may not be in bankruptcy or Altum may seek to negotiate directly with the debtors on behalf of its clients with respect to restructuring issues. If Altum does join a creditors' committee, the participants of the committee would be interested in obtaining an outcome that is in their respective individual best interests and there can be no assurance of obtaining results most favorable to clients in such proceedings. Furthermore, by participating on such committees, Altum and/or its clients may be deemed to have duties to other creditors represented by the committees, which might thereby expose Altum and/or its clients to liability to such other creditors who disagree with Altum's actions. Altum may also be provided with material non-public information that may restrict client's ability to trade in the company's securities.

Lender Liability Considerations and Equitable Subordination. In recent years, a number of judicial decisions have upheld the right of borrowers to sue lending institutions on the basis of various evolving legal theories, collectively termed "lender liability". Generally, lender liability is founded on the premise that a lender has either violated a duty, whether implied or contractual, of good faith and fair dealing owed to the borrower or has assumed a degree of control over the borrower resulting in the creation of a fiduciary duty owed to the borrower or its other creditors or Investors. Altum may become subject to allegations of lender liability.

In addition, under common law principles that in some cases form the basis for lender liability claims, if Altum takes certain actions and/or engages in certain activities, a court may elect to subordinate Altum's claims as the offending lender to the claims of a disadvantaged creditor or creditors, a remedy called "equitable subordination". Because of the nature of certain structured finance transactions, clients may be subject to claims from creditors of an obligor, that debt obligations issued by such obligor that are held by clients should be equitably subordinated.

In addition, insofar as debt obligations issued by non-U.S. issuers are concerned, the laws of certain foreign jurisdictions may impose liability upon lenders or bondholders under factual circumstances similar to those described above, with consequences that may or may not be analogous to those described above under U.S. federal and state laws.

Fraudulent Conveyance Considerations. Various laws enacted for the protection of creditors may apply to certain investments that are debt obligations, although the existence and applicability of such laws will vary from jurisdiction to jurisdiction. In addition, if an issuer in which a client has an investment becomes insolvent, any payment made on such investment may be subject to avoidance as a "preference" if made within a certain period of time (which may be as long as one year) before insolvency. In general, if payments on an investment are voidable, whether as fraudulent conveyances or preferences, such payments can be recaptured either from the initial recipient or from subsequent transferees of such payments.

Currency Risk. To the extent un-hedged, the value of a client's assets that are denominated in a currency other than U.S. dollars will fluctuate with U.S. dollar exchange rates, as well as with

price changes of the investments in the various local markets and currencies. Thus, an increase in the value of the U.S. dollar compared to any other currencies in which a client makes investments will reduce the effect of increases and magnify the U.S. dollar equivalent of the effect of decreases in the prices of the securities in their local markets.

Risks Associated with the use of Models. The use of any model in the investment management process is subject to certain risks, including but not limited to, programming, implementation, and calibration errors. Additionally, the value of any model is dependent on the quality of the underlying data, which may not be indicative of the future.

Types of Securities and Material Risks Related to Securities

Fixed Income Investments Contain Certain Risks. Clients will invest primarily in fixed income investments, including mortgage-backed securities, asset-backed securities, CDOs, Structured Finance Securities and Synthetic Securities. Fixed income investments are subject to credit, liquidity and interest rate risk. The risk that clients could be adversely affected by losses on fixed income investments may be increased to the extent the portfolio of fixed income investments is concentrated in any one issuer, industry, region or country. The market value of fixed income investments will generally fluctuate with, among other things, the financial condition of the obligors on the underlying debt obligations and, with respect to Synthetic Securities, of the obligors on or issuers of the reference obligations, general economic conditions, the condition of certain financial markets, political events, developments or trends in any particular industry and changes in prevailing interest rates.

Mortgage-Backed Securities and Asset-Backed Securities Risks. 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 with respect to MBS, usually monthly, and that MBS principal may be prepaid at any time because the underlying mortgage loans or other assets generally may be prepaid at any time.

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 a client’s portfolio 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 Altum may have constructed for these investments, resulting in a loss to a client’s overall portfolio. In particular, prepayments (at par) may limit the potential upside of many MBS and ABS to their principal or par amounts, whereas their corresponding hedges often have the potential for unlimited loss.

Subordinated Securities Risks. 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.

Prepayments of Principal Could Adversely Affect Investments in Stripped Mortgage-Backed Securities. The yields to maturity on interest-only securities and principal-only securities 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, clients may not fully recoup an initial investment in interest-only securities. Conversely, if the underlying mortgage assets experience less than anticipated prepayments of principal, the yield on principal-only securities could be materially and adversely affected.

CDO Risks. Clients may invest in CDOs. CDO collateral may consist of debt securities, loans, and other instruments, which often are rated below investment grade. The holders of CDOs must rely solely on distributions on the CDO collateral or proceeds thereof for payment. If distributions on the CDO collateral are insufficient to make payments on the CDOs, no other assets will be available for payment of the deficiency and following realization of a CDO’s collateral, the obligations of such issuer to pay such deficiency generally will be extinguished. The market values of CDOs tend to be more sensitive to changes in market or economic conditions than other securities. Also, the lack of an established, liquid secondary market for CDOs may have an adverse effect on the market value of CDOs and will make it difficult to dispose of such CDOs at market or near market prices. Additionally, the markets for CDOs have experienced periods of high volatility and reduced liquidity and CDOs are subject to certain transfer restrictions that contribute to illiquidity. Such illiquidity may adversely affect the price and timing of liquidations of CDOs by Altum.

Because CDOs are illiquid, they can be difficult to value and the valuations are often based on models or an indicative price from a dealer, rather than on prices at which the security was actually sold. As a result a CDO may experience large movements in price that may not reflect the actual sales prices of the security. If holders of CDOs attempt to liquidate large portfolios of such securities over a short period of time, difficulties in the market for such securities may be exacerbated, resulting in further decreased liquidity and pricing. Clients should also be aware that liquidity from CDOs and similar vehicles may be limited or delayed by the constitutional documents of such vehicles.

CLO Risks. Collateralized Loan Obligations (CLOs) are subject to particular risks. CLOs are backed by leveraged loans (i.e. high-yield business loans), many of which have balloon payments due at maturity, and many of these loans are scheduled for maturity over the next several years. If economic conditions are unfavorable, or a liquidity crisis persists, or there is not a sufficient volume of new CLO transactions or other sources of funding, borrowers may not be able to refinance these loans, in which case the loans may either be extended or the borrowers may default. This may negatively impact the value of existing CLOs, particularly lower-rated

mezzanine tranches and subordinated tranches.

The Funds may invest in CLOs and other CDOs backed by loans issued outside of the United States; in particular, the Funds currently invest in European CLOs. Several nations in Europe are in the midst of considerable economic distress, and economic difficulties there may severely impact the ability of borrowers in Europe to repay or refinance their loans. In addition, many European CLOs have assets denominated in more than one currency (e.g. EUR, USD, GBP, CHF) and, to the extent their currency risk is not fully hedged or offset by similarly-denominated liabilities, such deals may be impacted by currency fluctuations. In addition, different loans may fall under different legal jurisdictions, which may reduce the value of the loans in the event a country leaves the Eurozone.

Limitations on the Availability of Credit Support and Credit Enhancement. Certain securities may benefit from various forms of credit enhancement, including overcollateralization, subordination, insurance policies, credit default swaps, letters of credit and other types of credit support. However, the amount, type and nature of credit support, if any, relating to such securities are based upon actuarial analysis or other modeling, which are inherently limited in their ability to predict events to take place in the future. Consequently, there can be no assurance that credit enhancement or support, if any, will be sufficient to prevent losses on the related securities.

Residential Mortgage-Backed Securities Risks. Holders of residential mortgage-backed securities bear various risks, including credit, market, interest rate, prepayment, 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. The value of the real estate that underlies mortgage loans is subject to market conditions. Changes in the real estate market may adversely affect the value of the collateral and thereby lower the value to be derived from liquidation. 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 the securities issued are guaranteed by such agencies.

The rate of defaults, delinquencies and losses on residential mortgage loans will be affected by a number of factors, including general economic conditions and those in the geographic area where the mortgaged property is located, the terms of the mortgage loan, the borrower's "equity" in the mortgaged property, the financial circumstances of the borrower, whether the property or its mortgagee is able to generate sufficient income to meet its debt service payments, how well or poorly managed the property is, whether it has a high vacancy rate or whether the property has not been fully completed or is in need of rehabilitation. Non-performing loans may require a substantial amount of workout negotiations and/or restructuring, which may entail, among other things, a substantial reduction in the interest rate, capitalization of interest payments and a substantial write-down of the principal of the loan. 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.

Another factor that may result in higher delinquency rates is the increase in monthly payments

on adjustable rate mortgage loans, which exposes borrowers to increased monthly payments when the related mortgage interest rate adjusts upward from the initial fixed rate or a low introductory rate. 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. These difficulties may adversely affect the performance and market value of RMBS originated, serviced or subserviced by these companies and the market value of CDOs backed by such RMBS, which could result in clients realizing lower than expected or no returns or suffering losses.

Risks Related to Developments in the Residential Mortgage Market. The residential mortgage market has recently encountered difficulties that may adversely affect the performance of client's portfolios. Recently, delinquencies, defaults and foreclosures on residential mortgage loans have increased and may continue to increase, which may affect the performance not only of residential mortgage-backed securities, but also of collateralized debt obligations, asset backed securities and other securities. Altum may invest in CDOs and other securities that are ultimately collateralized by residential mortgage loans and as such, those investments will be negatively effected by a deterioration of the collateral securities. Further, a portion of the collateral securities may have significant exposure to residential mortgage loans which were originated or are serviced (or both) by mortgage companies which are currently in bankruptcy proceedings or which are experiencing financial difficulties or regulatory enforcement actions which have restricted the ability of the lender or its affiliates to originate mortgage loans and may affect its ability to service mortgage loans.

Commercial Mortgage-Backed Securities Risks. Mortgage loans on commercial properties underlying commercial mortgage-backed securities 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 consequently, repayment of the loan principal 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 a loan 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 not able or willing to refinance or dispose of encumbered property to pay the principal and interest owed on such mortgage loans, payments on the subordinated classes of the related CMBS are likely to be adversely affected. The ultimate extent of the loss, if any, to the subordinated classes of 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 investment may be used to make payments to others, maintain insurance coverage, pay taxes or pay maintenance costs. Such diverted revenue is generally not recoverable without a court-appointed receiver to control collateral cash flow.

Asset-Backed Securities Are Subject to Particular Risks. Through the use of trusts and special purpose corporations, various types of assets, primarily automobile loan and credit card receivables, are securitized in pass-through and pay-through structures. Altum may recommend that clients invest either directly or indirectly, through CDOs, 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 generally have the benefit of the same security interest in the related collateral, which may result in client's positions being subordinated to other parties' positions after investment and in situations where recoveries on repossessed collateral may not be sufficient or available to support payments on the securities held by the client. The risk of investing long in ABS is ultimately dependent upon payment of consumer loans by the debtor. The value of an ABS is affected by changes in the market's perception of the asset(s) backing the security and the 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.

Risks related to Investments Tied to Index-Specified Rates. Altum may recommend investments in notes and securities, which are backed by mortgages with variable rates, and certain classes of CMO derivatives with interest rates that vary with a designated rate or index. The value of these investments is closely tied to the absolute levels of such rates 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 indices or interest rates which may be difficult or impossible to hedge, and which also interact in a complex fashion with prepayment risks.

To the extent that clients' 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.

Structured Notes Risks. The value of a structured note is closely linked to the level of the relevant index (or indices). Moreover, the coupon attached to a structure note may have an optional or contingent dependence on an index (or indices) increasing the complexity of any related hedge.

Whole Loan Mortgages Risks, Including Foreclosure and Resulting Costs. Whole loan mortgages generally are not government guaranteed or privately insured. A whole loan mortgage is directly exposed to losses resulting from default and foreclosure. Therefore, the value of the underlying property, the creditworthiness of the borrower, and the priority of the lien are each of great importance. In the event of a foreclosure, the client may assume direct ownership of the underlying real estate. The liquidation proceeds upon sale of such real estate, however, may not satisfy the entire outstanding balance of principal and interest on the loan, resulting in a loss to the client. Any costs or delays involved in the effectuation of a foreclosure of the loan or a liquidation of the underlying property will further reduce the proceeds and thus increase the loss.

Whole loan mortgages are also subject to "special hazard" risk (property damage caused by hazards, such as earthquakes or environmental hazards, not covered by standard property

insurance policies) and to bankruptcy risk (reduction in a borrower's mortgage debt by a bankruptcy court). In addition, claims may be assessed against the client on account of its positions as mortgage holder or property owner, including responsibility for tax payments, environmental hazards and other liabilities.

Distressed or Stressed Companies Risks. Altum may invest in the securities and other obligations of issuers in weak and/or deteriorating financial condition, perhaps having a negative net worth, experiencing poor operating results, needing substantial capital investment, facing special competitive or product obsolescence problems, or being involved in various stages of bankruptcy or reorganization proceedings. Investments of this type may involve substantial financial and business risks that can result in significant or even total losses. Among the risks inherent in investments in financially troubled companies is the fact that it is frequently difficult to obtain reliable information as to their true financial condition and prospects. The market prices of distressed and stressed securities are subject to abrupt and erratic market movements and excessive price volatility, and the “bid-ask” spreads for such securities may be greater than normally expected. Such investments may never recover and their value may become permanently impaired.

Investments with Troubled Origination May Have Impaired Value. The investments chosen by Altum may have been originated by financial institutions or other entities that are, or may in the future be, insolvent, in serious financial difficulty, or no longer in existence. As a result, the standards by which such investments were originated, the recourse to the selling institution, or the standards by which such investments are being serviced or operated may be adversely affected. Further, there is a risk of material misrepresentation or omission on the part of the borrower or the lender on the loans and other debt instruments backing the client’s investments. 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 clients to perfect or effectuate a lien on the collateral securing the loan. Inaccurate or incomplete disclosure of the terms of the loan by a 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. Altum 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. Under certain circumstances, payments to clients may be reclaimed if any such payment or distribution is later determined to have been a fraudulent conveyance or a preferential payment.

Bank Loans Risks. Loans may become nonperforming or impaired for a variety of reasons. Such nonperforming or impaired loans may require substantial workout negotiations or restructuring that may entail, among other things, a substantial reduction in the interest rate and/or a substantial write-down of the principal of the loan. In addition, because of the unique and customized nature of a loan agreement and the private syndication of a loan, certain loans may not be purchased or sold as easily as publicly traded securities, and, historically, the trading volume in the loan market has been small relative to other markets. Loans may encounter trading delays due to their unique and customized nature, and transfers may require the consent of an agent bank and/or borrower. Risks associated with bank loans include the fact that prepayments may generally occur at any time without premium or penalty.

In certain situations, Altum may recommend that clients acquire interests in loans indirectly, by way of participation, where clients will not have any rights to enforce compliance by the obligor with the terms of the loan, credit agreement or other instrument, will not have any rights of setoff against the obligor, and may not directly benefit from the collateral supporting the debt obligation in which it has purchased the participation. As a result, clients are exposed to the credit risk of both the obligor and the selling institution. In addition, when clients hold a participation in a debt obligation, they may not have the right to vote to waive enforcement of any default by an obligor, which rights are commonly reserved by the selling institution whose interests may be contrary to the interests of the client. Even if the client has voting rights, participation agreements may require the client to vote in a particular manner that may be contrary to the client's interest or be forced to sell such participation to the selling institution at par.

High-Yield Debt Securities and Lower Rated Loans Risks. Securities in the lower rating categories are subject to greater risk of loss of principal and interest than higher-rated securities and are generally considered to be predominantly speculative with respect to the issuer's capacity to pay interest and repay principal. They are also generally considered to be subject to greater risk than securities with higher ratings in the case of deterioration of general economic conditions. Because investors generally perceive that there are greater risks associated with lower-rated securities, the yields and prices of such securities may tend to fluctuate more than those for higher-rated securities. The market for lower-rated securities is thinner and less active than that for higher-rated securities, which can adversely affect the prices at which these securities can be sold. In addition, adverse publicity and investor perceptions about lower-rated securities, whether or not based on fundamental analysis, may be a contributing factor in a decrease in the value and liquidity of such lower-rated securities.

Mezzanine Debt Securities Risks. Mezzanine debt securities are generally unrated or below investment grade rated investments that have greater credit and liquidity risk than more highly rated debt obligations. Moreover, mezzanine debt securities have no trading market and are generally unsecured and subordinate to other obligations of the obligor and are subject to many of the same risks as those associated with high-yield debt securities. Adverse changes in the financial condition of the obligor of mezzanine debt securities or in general economic conditions or both may impair the ability of the obligor to make payment of principal and interest. Issuers of mezzanine debt securities may be highly leveraged, and their relatively high debt-to-equity ratios create increased risks that their operations might not generate sufficient cash flow to service their debt obligations.

Investment Grade Debt Securities Risks. Risks of investment grade debt securities may include, among others: (i) market place volatility resulting from changes in prevailing interest rates, (ii) the absence, in many instances, of collateral security, (iii) the operation of mandatory sinking fund or call/redemption provisions during periods of declining interest rates that could result in clients having to reinvest premature redemption proceeds in lower-yielding debt obligations and (iv) the declining creditworthiness and the greater potential for insolvency of the issuer of such investment grade debt securities during periods of rising credit spreads and/or interest rates and/or economic downturn.

Synthetic Securities Risks. With respect to synthetic securities, clients may only have a contractual relationship with the counterparty of such synthetic security, and not with the obligor

of the reference obligation. Clients will generally not have any rights to directly force reference obligors to comply with the terms of the reference obligation, any rights of setoff against the reference obligor, or any rights with respect to the reference obligation. Furthermore, clients will not directly benefit from the collateral supporting the reference obligation and will not have the benefit of the remedies that would normally be available to a holder of such reference obligation. In addition, in the event of the insolvency of the counterparty, clients will not have any claim with respect to the reference obligation and is thus subject to the credit risk of both the counterparty and the reference obligor. As a result, concentrations of synthetic securities in any one counterparty subject clients to an additional degree of risk with respect to defaults by such counterparty as well as by the reference obligors.

Structured Finance Securities Risks. Clients may invest in trust certificates or similar securities of the type generally considered to be “repackaged securities” (“Structured Finance Securities”). Structured Finance Securities may present risks similar to CDOs, however, such risks may be of greater significance in the case of Structured Finance Securities. Among other risks, Structured Finance Securities may be subject to prepayment risks, credit risk, liquidity risk, market risk, structural risk, legal risk and interest rate risk. In addition, the performance of a Structured Finance Security will be affected by a variety of factors, including the level and timing of payments and recoveries on, the characteristics and the adequacy of, and the ability to realize upon, any related collateral.

Credit Default Swaps and Other Credit Derivatives Risks. Clients may be either the buyer or seller of a credit default swap. If the client is a buyer and no credit event occurs, the client will have made fixed payments and received nothing. Additionally, if the seller fails to perform on its obligation should a credit event occur, the client will suffer a loss. In certain circumstances, the buyer can only receive the notional value of the credit default swap by delivering the physical security to the seller, and consequently, the client as the buyer may be subject to additional risk if the client is not in possession of the physical security and the deliverable security is unavailable or illiquid. As a seller, if a credit event occurs, the client may pay the buyer the full notional value of the reference obligation, which may have little or no value. In addition to general market risks, credit default swaps are subject to liquidity risk and credit risk. Swap contracts are not traded on exchanges and are not otherwise regulated, and as a consequence investors in such contracts do not benefit from regulatory protections.

Derivatives Investments Risks, Including Highly Volatile Prices and Leverage. The prices of commodities contracts and derivative instruments, including financial futures and options, are highly volatile. Because of the low margin deposits normally required in futures trading, an extremely high degree of leverage is typical of a futures trading account. As a result, a relatively small price movement in a futures contract may result in substantial losses to clients. Payments made pursuant to swap agreements may also be highly volatile. Price movements of commodities, futures and options contracts and payments pursuant to swap agreements 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. The value of futures, options and swap agreements also depends upon the price of the commodities underlying them. Like other leveraged investments, a futures transaction may result in losses in excess of the amount invested. In addition, client assets invested in such contracts and instruments are subject to risk of loss resulting from the failure of any of the exchanges on which its positions trade or of its

clearinghouses or counterparties.

Forward Trading Risks. Forward contracts and options thereon are not traded on exchanges and are not standardized; rather, banks and dealers act as principals in these markets, negotiating each transaction on an individual basis. Forward and “cash” trading is substantially unregulated; there is no limitation on daily price movements and speculative position limits are not applicable. The principals who deal in the forward markets are not required to continue to make markets in the currencies or commodities they trade and these markets can experience periods of illiquidity, sometimes of significant duration. Disruptions can occur in any market due to unusual trading volume, political intervention or other factors, which could result in major losses to clients.

OTC Derivatives Risks. Altum may recommend swaps and similar derivative transactions involving or relating to interest rates, credit risks, non-U.S. currencies, commodities, securities, investment fund interests, indices, prices or other items. Swap contracts and similar derivative contracts are not currently traded on exchanges; rather, banks and dealers act as principals in these markets. As a result, clients are subject to counterparty risks relating to their inability or refusal to perform with respect to such contracts. Speculative position limits are not currently applicable to swap transactions, although counterparties may limit the size or duration of positions available to clients as a consequence of credit considerations. Furthermore, participants in the swap markets are not required to make continuous markets in the swap contracts they trade.

Currency Contracts Risks. Altum may engage in certain foreign exchange trading to hedge the currency risk associated with investments held by clients that are denominated in a currency other than U.S. Dollars. Such hedging trades may include swaps, options, futures, forwards and other derivative instruments. In connection with its currency spot and forward trading, there is less protection against defaults in the spot and forward trading of currencies since such contracts are not guaranteed by an exchange or clearinghouse. In addition, geopolitical or other changes may significantly affect relationships among foreign currencies in an unpredictable manner, which could render currency hedges useless or harmful.

Exchange Rate Risks. Altum values some of its securities and other assets in U.S. dollars, however the Altum Credit European Master Fund, Ltd.’s investments will primarily be denominated in a currency other than U.S. dollars. Altum intends to hedge this fund’s exposure to such currencies. If, however, any investments are not hedged, Investors will be exposed to the risk that the value of the U.S. dollar will change in relation to the currency in which the investments are denominated. For example, if the U.S. dollar depreciates against such other currency, any gains attributable to unhedged investments will be reduced and any losses attributable to unhedged investments will be magnified.

Equity Investments Risks. Clients may hold equity securities, including new issues, which are subject to particular risks. In particular, equities may be subject to wide and sudden fluctuations in market value, with a resulting fluctuation in the amount of profits and losses.

ITEM 9 –DISCIPLINARY INFORMATION

Neither Altum nor any of its supervised persons have been the subject of any legal or disciplinary event that would be material to your evaluation of Altum or the integrity of its management.

ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Neither Altum nor its management persons are registered or have an application pending to register as a broker-dealer or registered representative of a broker-dealer. Furthermore, neither Altum nor its management persons are registered or have an application pending to register as a futures commission merchant, commodity trading advisor, or an associated person of the foregoing entities. Altum, however, became registered as a Commodity Pool Operator with the U.S. Commodity Futures Trading Commission on January 1, 2013 after the exemption from registration that it previously relied upon was rescinded.

Altum Capital GP, LLC, an affiliate of Altum serves as the General Partner of two of the Feeder Funds, and in that capacity, receives performance-based fees from such funds. Altum is also the sole owner of Altum Capital Management (UK) Limited, which is exempt from the U.K.'s Financial Services Authority's authorization requirements. Altum Capital Management (UK) Limited provides advisory and research services exclusively to Altum, which includes performing research on securities, performing sector analysis, and interacting with dealers to discuss potential bond investments.

Except as noted above, neither Altum nor any of its management persons have affiliations with broker-dealers, municipal securities dealers, government securities dealers, investment companies or other pooled investment vehicles, other investment advisers or financial planners, futures commission merchants, commodity pool operators, commodity trading advisors, banking or thrift institutions, accountants or accounting firms, lawyers or law firms, insurance agencies or companies, pension consultants, real estate brokers or dealers, or other sponsors or syndicators of limited partnerships.

Altum does not recommend or select other investment advisers for our clients.

ITEM 11 – CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

Code of Ethics

Altum's Code of Ethics (the "Code") is designed to meet the requirements of Rule 204A-1 of the Investment Advisers Act of 1940 (the "Advisers Act"). The Code applies to Altum's "Access Persons" and all of Altum's employees are deemed to be Access Persons.

The Code provides a standard of business conduct that takes into account Altum's status as a fiduciary and requires Access Persons to place the interests of clients and Investors above their own interests and the interests of Altum. The Code requires Access Persons to comply with applicable federal securities laws. Further, Access Persons are required to promptly bring violations of the Code to the attention of Altum's Chief Compliance Officer, Tim Murray (the "Chief Compliance Officer"). All Access Persons are provided with a copy of the Code and are required to acknowledge receipt and understanding of the Code upon hire and on at least an annual basis thereafter.

The Code also provides certain reporting and pre-clearance requirements with respect to personal trading by Access Persons. Access Persons must provide the Chief Compliance Officer with a list of their personal accounts and an initial holdings report within 10 days of hiring. In addition, Altum's Code requires Access Persons to submit annual holdings reports and quarterly transaction reports.

The Code also seeks to ensure the protection of nonpublic information about the activities of advisory clients. Investors or prospective Investors may obtain a copy of the Code by contacting the Chief Compliance Officer at tmurray@altumcredit.com.

Investment in Securities

Access Persons are generally not permitted to trade in securities for their personal accounts that are also held by clients, but may be permitted to do so under certain circumstances. This type of personal trading activity may create potential conflicts of interest because (1) Altum or its Access Persons may have an incentive in certain situations not to recommend the sale of those securities to clients in order to protect the value of their personal investment, and (2) Altum or its supervised persons may have an incentive to place their orders before those of clients in order to obtain a better price. Altum addresses these potential conflicts of interest by requiring that all Access Persons, who wish to engage in such transactions, request and obtain pre-clearance from the Chief Compliance Officer before placing their order.

ITEM 12 – BROKERAGE PRACTICES

Brokerage Allocation

Altum has the discretionary authority to determine the broker or dealer to be used to execute securities transactions on behalf of its clients. In selecting brokers or dealers, Altum generally seeks to place its clients' order with the broker-dealer that offers the best net transaction price, but also considers the financial stability and reputation of the broker or dealer. Altum does not have any soft dollar arrangements and does not consider the value of any unsolicited research received from broker-dealers in its determination of which broker-dealers to allocate client brokerage to. All transactions are made on a "best execution" basis at the time the order is placed.

Brokerage for Client Referrals

Altum does not select or recommend broker-dealers to clients based on Altum's receipt of client referrals from the broker-dealer or other third party.

Directed Brokerage

Altum does not currently accept any client arrangements that require that Altum direct a portion or all of the client's brokerage to a specific broker or dealer. Nor does Altum recommend, request, or require that its clients direct Altum to execute transactions through a specified broker-dealer.

Order Aggregation

The Funds are organized in a master-feeder structure and only one client (the Master Fund) makes portfolio investments. Accordingly, Altum does not aggregate client orders to purchase or sell securities.

ITEM 13 – REVIEW OF ACCOUNTS

The investment portfolios of Altum's clients are under constant review by the Portfolio Manager, who is assisted by Altum's investment personnel. As part of such reviews, the Portfolio Manager assesses each client's adherence to their investment guidelines and strategies and performs a risk analysis. Any proposed deviations from a client's investment guidelines or strategies is discussed with the Chief Compliance Officer to determine if client consent is necessary.

Altum does not provide any regular reports to its private investment fund clients. Investors, however, generally receive letters on a monthly basis from their respective Feeder Fund's Administrator with information regarding the performance of their investment, commentary from the Portfolio Manager, and a monthly account statement. In addition, Investors are expected to be provided with their respective Feeder Fund's and the Master Fund's annual audited financial statements within 120 days of the Feeder Fund's fiscal year-end and Investors in the U.S.-based Feeder Fund will receive tax reports relating to their capital sub-accounts.

ITEM 14 – CLIENT REFERRALS AND COMPENSATION

Altum does not receive sales awards, prizes or other economic benefits from any person who is not a client in connection with its provision of investment advice or advisory services to its clients, other than unsolicited research that may be provided by the broker-dealers that Altum uses to execute client transactions.

Neither Altum nor its related persons provide compensation to any person for referring clients to Altum or Investors to Altum's private investment fund clients. Altum does not utilize placement agents or solicitors.

ITEM 15 – CUSTODY

All client funds and securities are held at qualified custodians. Furthermore, all of Altum's private investment fund clients are audited annually by an independent public accountant that is registered with, and subject to regular inspection by the Public Company Accounting Oversight Board and audited financial statements prepared in accordance with generally accepted accounting principles in the United States of America are sent to all Investors within 120 days of the end of the respective private investment fund client's fiscal year. Investors should carefully review such audited financial statements.

ITEM 16 – INVESTMENT DISCRETION

Altum has full discretionary authority to manage client assets pursuant to its investment management agreements or pursuant to its private investment fund clients' Offering Documents. Each Fund's investment strategy is set forth in detail in their respective Offering Documents. Any restrictions or limitations on Altum's discretionary authority must be made in writing and contained in the Offering Documents or in the investment management agreement between Altum and the private investment fund. Investors do not have the ability to impose limitations on Altum's discretionary authority. At this time, Altum's private investment fund clients have not imposed any limitations on Altum's discretionary authority.

ITEM 17 – VOTING CLIENT SECURITIES

Altum has the authority to vote client securities. Altum understands and appreciates the importance of ensuring that its proxy voting procedures are clearly described to its private investment fund clients and to their Investors. Altum will follow internal procedures when proxy voting is required and will vote proxies in the best interests of the client in order to maximize the value of the client's investment.

Prior to voting any proxies, Altum will review the proxy solicitation for potential conflicts of interest. If a conflict is identified, Altum will make a determination as to whether the conflict is material or not. If no material conflict is identified, Altum will vote the proxy in question in accordance with the best interest of the client.

If a material conflict is identified, Altum will provide the Directors of its private investment fund clients, or in their absence, the Investors of its private investment fund clients with full disclosure of the material conflict of interest and how Altum intends to either address the conflict of interest (which may include utilizing an independent third party to vote such proxies) or vote. If Altum votes such securities, it will consider the conflict and determine what course of action is in the best interests of the client.

Neither private investment fund clients, nor their investors, have the ability to direct how Altum, or any independent third party acting on Altum's behalf, votes proxies.

Investors may obtain additional information regarding how Altum voted proxies and may obtain a copy of Altum's proxy voting policies and procedures by contacting the Chief Compliance Officer at tmurray@altumcredit.com.

ITEM 18 – FINANCIAL INFORMATION

Altum does not currently have any financial commitments that might impair our current or future ability to meet our contractual commitments to clients and we have not been the subject of a bankruptcy petition at any time during the past ten years.

BROCHURE DISCLOSURE

In no event should this disclosure brochure be considered to be an offer of interests in any of Altum's private investment fund clients or relied on in determining whether to invest in any private investment fund client. It is also not an offer of, or agreement to provide, advisory services directly to any recipient of this disclosure brochure. Rather, this brochure is designed solely to provide information about Altum for the purpose of compliance with certain obligations under the Advisers Act and, as such, responds to relevant regulatory requirements under the Advisers Act, which may differ from the information provided to potential investors in the Offering Documents. To the extent that there is any conflict between any discussion in this disclosure brochure and the Offering Documents provided to investors, the Offering Documents provided to such investors should govern.