

Form ADV Part 2A – Firm Brochure

Ranieri Residential Investment Advisors LLC
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This brochure provides information about the qualifications and business practices of Ranieri Residential Investment Advisors LLC, an investment adviser registered with the United States Securities and Exchange Commission (the “SEC”). If you have any questions about the contents of this brochure, please contact us at 212-558-2000 or venkatr@ranieripartners.com

This information has not been approved or verified by the SEC or by any state securities authority. Registration with the SEC or with any state securities authority does not imply a certain level of skill or training.

Additional information about Ranieri Residential Investment Advisors LLC also is available on the SEC’s website at www.adviserinfo.sec.gov.

Item 2: Material Changes

On November 1, 2013, Julie Madnick joined Ranieri Residential Investment Advisors LLC as an Executive Officer. Ms. Madnick is responsible for the structured products platform, including Commercial Real Estate (“CRE”) debt, Residential Mortgage-Backed Securities (“RMBS”) and Asset-Backed Securities (“ABS”.) She has a particular expertise in managing the commercial mortgage-backed portfolios individually, but works collectively as part of a team to set the investment protocol for all clients. Prior to joining Ranieri Residential Investment Advisors LLC she was a Managing Director and Portfolio Manager of Ranieri Partners Asset Management LLC (September 2009 – October 31, 2013).

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Item 4: Advisory Business

Ranieri Residential Investment Advisors LLC (“*Residential Advisors*” the “*Manager*” or “*we*”) is a registered investment adviser organized as a Delaware limited liability company. Its parent company is Ranieri Partners LLC (“*Ranieri Partners*”).

Residential Advisors provides investment advisory services to private investment funds and on a discretionary or nondiscretionary basis to Separate Accounts for insurance companies, collective trusts, pension plans, corporations, and other institutional investors. The private investment funds are structured as partnerships organized in the United States (“*US Partnerships*”) or offshore (“*Offshore Partnerships*”) (all partnerships are collectively referred to as the “*Funds*”). Each Offshore Partnership invests in its respective US Partnership in a master-feeder structure through its wholly owned corporation referred to as a “*Blocker Corporation*.” The advisory services to the separate accounts are with respect to fixed income securities, including: High yield and high grade residential-mortgage-backed securities (“*RMBSs*”) and commercial mortgage-backed securities (“*CMBSs*”); High grade asset-backed securities (“*ABSs*”); Agency mortgage-backed securities (“*Agencies*”) and debentures; U.S. Treasuries; and Short term investments such as commercial paper, discount notes and repurchase agreements (“*Separate Accounts*”).

THE FUNDS

Each Fund has a general partner (the “*General Partner*”). Residential Advisors was organized to assume the investment advisory responsibilities for the Funds, which were previously discharged by the General Partners. The General Partners continue to provide day to day managerial and administrative services to its respective Funds.

Residential Advisors tailors its advisory services to the needs of the Funds in accordance with the investment objectives, strategies and limitations (if any) described in the respective Fund’s Confidential Private Placement Memorandum (“*PPM*”) and Limited Partnership Agreement (“*LPA*”).

Residential Advisors focuses its advisory business on distressed opportunities in the residential mortgage marketplace. The Manager’s primary objective is to acquire nonperforming residential mortgage whole loans; modify the loans through hands-on resolution with the borrowers; and sell the re-performing loans at a profit to institutions or refinance through government sponsored programs. The Manager’s investment strategy includes investing in Troubled Mortgage Loans, REO Assets and other Fund Investments. An affiliate of the Manager is the mortgage servicer (“*Special Servicer*”) for the Funds’ mortgage loan portfolio. Please see Item 11 below for additional information regarding the Special Servicer.

THE SEPARATE ACCOUNTS

The Manager enters into an investment advisory agreement with each of its clients. Residential Advisors works with each client in establishing the appropriate investment strategy and investment guidelines for such client. The Manager will review a client's current portfolio and make recommendations as to the appropriateness of current holdings to meet the client's needs and objectives. Clients also may establish investment restrictions and additional instructions, directions, or guidelines as part of the investment advisory agreement, and from time to time, clients may amend the investment guidelines as well.

Entities under common control with Residential Advisors and each General Partner may provide additional services to the Funds and to other private investment funds and certain institutional clients advised by such affiliates. Please see Item 10 below for further details.

Item 5: Fees and Compensation

THE FUNDS

The General Partners of the US Partnerships receive from the US Partnerships annual management fees ("*Management Fee*") equal to a percentage ("*Management Fee Percentage*") of (i) aggregate capital commitments of each of the respective Fund's investors (each a "*Limited Partner*") during the Investment Period (as such term is defined in the PPM) and (ii) following the Investment Period, the sum of each Limited Partner's Management Fee Percentage of the aggregate value of the US Partnership's investments allocated to that Limited Partner pro rata on the basis of its capital commitments, subject to limitations set forth in the PPM. Limited Partners with capital commitments of \$100 million or more may be entitled to a reduction in the Management Fee. The General Partners have the discretion not to charge a Management Fee to owners and affiliates of the General Partners who are Limited Partners. Management Fees payable to the General Partners currently range from 1.33 percent per annum to 1.75 percent per annum.

The General Partners of the US Partnerships share a portion of their Management Fees with Residential Advisors, as compensation for its investment advisory services (the "*Investment Adviser Fee*"). The Investment Adviser Fee is determined and calculated by the General Partner in accordance with the terms of the Formation Documents of the Partnership. The Investment Adviser Fee equals a percentage, greater than 0 percent and less than 100 percent (the "*Advisory Fee Percentage*"), of the Management Fee as such Management Fee is computed in accordance with the provisions of the LP Agreement. On a periodic basis, the General Partner and Residential Advisors, upon mutual agreement, determine the Advisory Fee Percentage with

respect to the Investment Adviser Fee payable in respect of the period following such determination. Such determination is based upon the fair market value of the scope of services anticipated by the General Partner and Residential Advisors to be rendered by Residential Advisors during the following period. The General Partner deducts fees from the Funds' assets on a periodic basis. Applicable periods currently range from one month to one quarter. The fees are deducted in advance of such periods. No portion of the Investment Adviser Fee is refundable. To the extent that an Investment Adviser Fee is payable for less than a full payment period, the amount is appropriately prorated.

Additionally, please see Item 6 below regarding performance-based compensation (“*Carried Interest*”) that the Funds may pay.

The Funds are responsible for their organizational and operating expenses. “*Organizational Expenses*” means all expenses related to organizing each Fund and the Blocker Corporation, including, but not limited to, initial offering expenses, legal and accounting fees, marketing expenses, consulting fees, printing and mailing expenses, government filing fees (including blue sky filing fees and all offshore filing fees and costs) and structuring fees incurred in connection with the organization and formation of the entities and the offering and closings of the purchase of Limited Partner interests. “*Operating Expenses*” means all expenses and obligations of operating each entity, including, but not limited to: Management Fees; third-party fees and expenses (including technical consultancy fees and commissions on residential mortgage loan transactions); reasonable legal fees (more particularly described in the PPM); reasonable marketing expenses; reasonable accounting fees; any taxes imposed on the Funds; all reasonable costs and expenses related to the sourcing, evaluation, development, negotiation, acquisition, implementation, ownership, disposition, hedging or financing of any potential or actual project or investment, including related travel expenses; administrator and administrative fees and expenses, (including, without limitation, the fees and expenses payable to the Special Servicer); reasonable meeting costs; reimbursement of expenses incurred by the Limited Partners Advisory Board (defined in Item 8 below); reasonable insurance (more particularly described in the PPM); the costs and expenses of any litigation (including fees and disbursements of counsel) involving any entity and the amount of any judgments or settlements paid in connection therewith; and any other expenses incurred in the operations of the Funds that do not exceed a specified annual amount.

THE SEPARATE ACCOUNTS

Advisory fees are subject to a fee schedule set forth below and vary depending on the investment strategy, but are negotiable. Generally, the advisory fee charged by Residential Advisors for its services in managing Separate Accounts is calculated based on the average

market value of the assets under management in the separate account during the billing quarter. Residential Advisors provides clients fee invoices, which contain the amount of the fee, the value of the assets in the account on which the fee was based, and the specific manner in which the fee was calculated. Our advisory fees are payable quarterly in arrears. The amount of any advisory fee paid by a client is prorated for periods of less than a full quarter at the beginning or end of Residential Advisors' management. Our services are terminable by us or by the client, generally upon 30 days written notice to the other party.

Below are our standard fee schedules:

<u>Investment Strategy</u>	<u>Standard Fee</u>
Agency RMBS	0.50%
Non-Agency RMBS and CMBS	1.00%
Opportunistic (Agency, MBS, Non-Agency, RMBS and CMBS)	0.75%
Short Duration	0.20%

Generally, clients pay fees in arrears, but may pay advisory fees in advance, and upon termination of an advisory relationship, fees will be prorated to the date of termination; any accrued portion of unpaid fees will be retained by Residential Advisors, and any unearned portion of prepaid fees will be refunded by Residential Advisors.

Residential Advisors reserves the right to negotiate fees. Some clients pay more or less than others depending on certain factors, including but not limited to, the type and size of the account, the range of additional services provided to the client, and the total amount of assets managed for a single client. The fees that we charge for investment advisory services are specific in the investment advisory agreement between Residential Advisors and each individual client.

Residential Advisors also may waive or modify advisory fees for members, employees, or affiliates of Residential Advisors and for relatives of such persons.

Clients may pay other expenses in addition to the fees paid to Residential Advisors. For example, clients may pay costs such as brokerage commissions, transaction fees, custodial fees,

transfer taxes, wire transfer fees, and other fees and taxes charged to brokerage accounts and securities transactions, which are unrelated to the fees collected by Residential Advisors. (Item 12 provides more information on our brokerage practices.)

Residential Advisors and its supervised persons do not accept compensation for the sale of securities or other investment products, including asset-based sale charges or service fees from the sale of mutual funds.

Although Residential Advisors does not generally utilize the services of broker-dealers to acquire or dispose of investments for the Funds, in the event that it chooses to use a broker-dealer for limited purposes, the Funds will incur brokerage and other transaction costs. For additional information regarding Residential Advisor's brokerage practices, please see Item 12.

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

THE FUNDS

Each of the US Partnerships allocates a percentage of its profits, Carried Interest, to a Limited Partner that is an affiliate of Residential Advisors (each a "*Special Limited Partner*"). Such Carried Interest, as described in more detail in the PPM, is allocated to the Special Limited Partner after the Limited Partners in the Funds receive 100% of their contributed capital plus a cumulative preferred return of 8% per annum, compounded annually. Thereafter, the Special Limited Partners receive cumulative distributions equal to 20% of the total amounts distributed pursuant to the cumulative preferred return distributed to the Limited Partners, thereafter, the Special Limited Partners receive 20% of all further distributions.

Residential Advisors does not currently engage in "side-by-side management" of accounts which are charged a performance-based fee, and other accounts which are charged other types of fees.

THE SEPARATE ACCOUNTS

This section is inapplicable

Item 7: Types of Clients

The clients of Residential Advisors are the Funds and the clients of the Separate Accounts are insurance companies, collective trusts, pension plans, corporations, and other institutional investors. The Funds are not registered under the Investment Company Act of 1940, as amended and the investments purchased for the Funds are not registered under the Securities Act of 1933, as amended (the “1933 Act”). Access to information about the Funds is limited to investors who meet specified minimum investment criteria relating to their financial holdings, investment experience, etc. Access to information regarding Separate Accounts is limited to the client.

The minimum capital commitment that the Funds will accept from a prospective investor is \$25 million; however the General Partner of a Fund, in its sole discretion, may reduce this requirement for any prospective investor. The minimum separate account size is \$10 million. However, it may be waived at the Manager’s discretion.

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

THE FUNDS

Methods of Analysis and Investment Strategies

Residential Advisors actively acquires, manages and disposes of investments in residential mortgage and real estate related investment opportunities arising from the unparalleled conditions affecting the residential real estate industry (collectively, “*Fund Investments*”). We focus on residential mortgage loans (“*Mortgage Loans*”), primarily through the purchase of discounted whole loans and secondary pools of Mortgage Loans, and discounted residential real estate (“*REO*”) and related assets (“*REO Assets*”), primarily through bulk REO Asset purchases. Generally, Mortgage Loan investments are sub-performing, non-performing or re-performing (“*Troubled Mortgage Loans*”). The Manager seeks to hold, modify and service Troubled Mortgage Loans, and then sell them as a portfolio of performing Mortgage Loans.

We may use any transaction structure determined by the Manager's Investment Committee to selectively acquire Troubled Mortgage Loans, Acquisition Development and Construction Loans (“*ADC Loans*”), Mortgage Servicing Rights (“*MSRs*”) or other Fund Investments, including: purchasing mortgage-backed securities in instances where the Manager can obtain control of the related mortgage servicing on the securities; or as a means to acquire the underlying portfolio of Troubled Mortgage Loans; or acquiring MSRs for the purpose of acquiring Mortgage Loans. Additionally, we may agree to a performance-based fee or joint

venture or other contractual relationship in connection with acquiring an interest in or servicing, advising, managing or rehabilitating Fund Investment assets of such third party or, in connection with acquiring Fund Investments from a bank, thrift or other regulated mortgage lender, acquire an equity based investment in such financial institution or an entity formed by Residential Advisors and such financial institution.

While we may engage in appropriate hedging transactions, we will not conduct any speculative trading of any asset, including mortgage backed or structured mortgage securities, public or private stocks, derivatives, or long-term real estate investments.

Residential Advisors expects to continue to evaluate and pursue a variety of other Fund Investment opportunities arising from the unparalleled real estate industry conditions. The Manager will seek to achieve an attractive return on investment by acquiring: (i) Troubled Mortgage Loans at discounts and increasing their investment value through special servicing and loan modifications, as well as receiving current interest income from performing Mortgage Loans held in the portfolio; (ii) REO Assets, primarily in bulk at an attractive discount to the aggregate value of the individual properties, then holding and possibly renting these investments until they are sold through an orderly market process to residential home buyers or on a portfolio basis; and (iii) other Fund Investments from time to time selected by the Manager's Investment Committee, including selectively acquiring mortgage-backed securities in instances where the Manager can obtain control of the related mortgage servicing on the securities or as a means to acquire the underlying portfolio of Troubled Mortgage Loans, MSRs or ADC Loans.

The Manager believes that banks, thrifts, non-bank mortgage lenders, Government Sponsored Entities ("GSEs") (such as the Federal Housing Administration ("FHA") and the Federal Deposit Insurance Corporation ("FDIC")), mortgage servicers, private mortgage insurers, residential real estate developers and other participants in the residential mortgage and real estate market will continue to be motivated to sell Troubled Mortgage Loans, REO Assets and other Fund Investments or participations in these investments, allowing the Manager to selectively purchase Fund Investments at attractive prices. The Manager expects to purchase Fund Investments at discounted prices to achieve its investment return objectives.

Investing in Fund Investments involves risk of loss that the Funds and their investors should be prepared to bear.

Material Risks Related to Investment Strategies

Competitive Market for Investment Opportunities – Residential Advisors may compete in the acquisition of its investments with many other individuals and entities engaged in acquiring Troubled Mortgage Loans, REO Assets and other Fund Investments. Accordingly,

there may be intense competition in obtaining investments that the Manager would like to purchase for the Funds. Competition may also result in increased costs of suitable investments. Such competition may include investments by pooled investment vehicles with investment objectives substantially similar to those of the Funds. The Manager believes that, currently, Troubled Mortgage Loans, REO Assets and other Fund Investments may be acquired at favorable discounts due to, among other factors, motivated sellers seeking liquidity or responding to anticipated further decreases in asset value. The lack of competition and a developed market for such assets as well as various factors causing market dislocation has increased the difference between the bid and ask prices for such assets. As competition increases and market participants stabilize their portfolios, a more reliable and stable market for such assets will likely develop. As a result, the currently available discounts in purchase prices will decrease, thereby increasing the Funds' cost of acquiring and holding Troubled Mortgage Loans, REO Assets and other Fund Investments. Similarly, favorable market conditions may permit sellers to hold these assets for a longer period of time, thereby decreasing the supply such assets available for sale.

Illiquid Investments - . Many of the Fund Investments will be highly illiquid with no established market, and there can be no assurance that the Funds will be able to realize on such investments in a timely manner. The disposition strategy for Troubled Mortgage Loans, REO Assets and other Fund Investments is subject to the Manager's ability to pool Mortgage Loans, securitize such loans, or otherwise sell the Fund Investments, in whole or in part. Numerous risks affecting the residential home market generally, including risks that there will be continued and prolonged unemployment, rising interest rates and further tightening of available credit for home buyers, will also affect the Manager's disposition strategies. While an investment may be sold at any time, this will occur typically a number of years after the investment is made. The Manager will generally not be able to sell any of its securities investments (including interests in securitization vehicles or equity based investments in banks, thrifts or other regulated financial institutions), if any, in the public securities markets unless their sale is registered under applicable securities laws, or unless an exemption from such registration requirements is available. In addition, in some cases the Manager may be prohibited by contract from selling certain securities for a period of time.

Ability to Manage Investments Effectively - Residential Advisors ability to implement its investment strategy will depend on its ability to identify, analyze, invest in, and modify Fund Investments. Accomplishing this result on a cost effective basis is largely a function of the Manager's structuring of the investment process and the ability to provide competent, attentive and efficient services to (1) modify Troubled Mortgage Loans on acceptable terms, (2) hold, rent and sell REO Assets in an orderly market process and (3) acquire other Fund Investments that enable the Funds to achieve their investment objectives. Fund Investments in banks, thrifts or other regulated financial institutions will be minority equity interests and Residential Advisors

will not have any right to control the management or business of such companies. The Funds will therefore be subject to the risks of holding a passive minority equity interest that may be illiquid. There can be no assurance that any investment in a bank, thrift or other regulated entity may be sold in an orderly manner at an acceptable price. The Manager's failure to manage investments and provide such services effectively could have a material adverse effect on the Funds' performance.

Leverage - Residential Advisors may use leverage on behalf of the Funds in connection with their investments, subject to the limitations set forth in the respective PPMs. The amount of leverage deployed by the Manager will be subject to numerous factors, including, without limitation, market conditions and investment opportunities, as well as types of investments held and total market value of such investments. The Funds have the authority to leverage their investments with recourse or nonrecourse debt financing and to use other nonequity financial structures to increase leverage. The use of leverage may allow the Funds to close transactions quickly and on favorable terms. Although the use of leverage may enhance returns and increase the number of investments that can be made, it may also substantially increase the risk of loss.

Hedging Transactions - The Manager may use financial instruments such as derivatives to seek to hedge against fluctuations in the relative values of the portfolio of Mortgage Loans as a result of changes in interest rates and other investment factors. Such hedging transactions may not always achieve the intended effect and can also limit potential gains. While the Manager may enter into such transactions to seek to reduce interest rate risks, unanticipated changes in interest rates and the financial markets may result in a poorer overall Fund performance. For a variety of reasons, the Manager may not obtain a perfect correlation between such hedging instruments and the portfolio holdings being hedged. Such imperfect correlation may prevent the intended hedge or expose the Funds to additional losses.

Material Risks related to Fund Investments

Residential Mortgage and Real Estate Related Investment Risks - The Manager's investment strategy includes investing in Troubled Mortgage Loans, REO Assets and other Fund Investments. This strategy subjects the Funds to risks including, among others: (a) continued declines in the value of residential real estate; (b) risks related to general and local economic conditions; (c) possible lack of availability of mortgage funds for borrowers to refinance or sell their homes; (d) overbuilding; (e) the general deterioration of the borrower's ability to keep a modified or rehabilitated Troubled Mortgage Loan current; (f) increases in competition, property taxes and operating expenses; (g) changes in zoning and other applicable laws; (h) costs resulting from the clean-up of, and liability to third parties for damages resulting from, environmental problems; (i) casualty or condemnation losses; (j) uninsured damages from floods, earthquakes or other natural disasters; (k) limitations on and variations in rents; (l) fluctuations in interest

rates; (m) foreclosure moratoriums; and (n) the creation of new, or the extension of existing, homebuyer incentive programs. To the extent that assets underlying the Fund Investments are concentrated geographically, by property type or in certain other respects, the Funds may be subject to certain of the foregoing risks to a greater extent. In addition, to the extent that the Manager makes Fund Investments where the underlying residential property or issuer is outside the U.S., the Funds will be subjected to risks related to such non-U.S. investments, including the costs associated with compliance with non-U.S. laws, administration and management of the non-U.S. based investments, currency fluctuations, and governmental policies that could be contrary to U.S. policies. In addition, the Funds may become subject to a regulatory regime that is broader than applicable U.S. laws and regulations and may not have a favorable and convenient forum to assert its rights with respect to any non-U.S. Fund Investment. In certain circumstances, the Manager may be required to foreclose on certain Fund Investments, in each case resulting in a Fund's ownership of residential real estate properties. This ownership of property subjects the affected Fund to greater concentration of the risks of the residential real estate markets and risks related to the ownership and management of real property. Additionally, the affected Fund will be required to comply with zoning and other laws applicable to the ownership of property and such Fund may be subject to liability arising from the ownership of the REO Asset, such as personal injury lawsuits, casualties and property taxes. Although the Manager intends to purchase and foreclose on real property through an ownership structure that is intended to mitigate the risks associated with owning real property, the Manager cannot provide any assurance that these risks will in fact be mitigated by the ownership structure or insurance.

Troubled Mortgage Loans Risks - The borrowers under Troubled Mortgage Loans may have a variety of rights to contest the enforceability of the Mortgage Loan and prevent or significantly delay and increase the cost of any foreclosure action, including, without limitation, allegations regarding fraud in the inducement by the original lender or broker, failure of the lender to produce the original documentation, improper recordation of the mortgage, various theories of lender liability, and relief through the U.S. Bankruptcy Code and similar state laws providing debtor relief. The Troubled Mortgage Loans and loan portfolios acquired by the Manager will have been originated by third parties. While the Manager will conduct due diligence through attorneys and other professionals, there is a risk that the underlying Mortgage Loan documentation and calculations of outstanding principal, interest, late fees and other amounts are deficient and/or inaccurate and that the Manager will not detect such deficiencies and inaccuracies prior to acquisition. Accordingly, the Mortgage Loan portfolio may be compromised, reducing the value of the Fund Investments. The Mortgage Loan market is subject to increasing incurrence of fraud, including personal identity theft. The actual home owner is not responsible for such fraudulent Mortgage Loans. Such fraudulent Mortgage Loans may not be identified as such due to internal control weaknesses and failure of the loan originator or intermediary to be advised of such claims. Such Mortgage Loans could be acquired by the

Manager despite the exercise of prudent due diligence. The Manager believes that the default rate for residential mortgage loans will continue to increase due in large part to initial inability to carry the Mortgage Loan on a current basis, increased Mortgage Loan carrying costs resulting from ARM resets, increases in interest rates, increases in taxes and insurance, the inability of borrowers to refinance Mortgage Loans and general factors that reduce the ability of the borrower to pay its Mortgage Loan obligations, including loss of employment, increased cost of living and unexpected significant bills such as health care related expenses. Lenders who exercise their foreclosure rights may further decrease the value of the residential real estate, because foreclosure sales are often at lower prices than sales in the ordinary course. Such conditions could cause a spiraling cycle that decreases the value of the residential real estate, making it difficult for borrowers to refinance and adding to recessionary pressures in the affected markets. The Manager could face increased default rates on its Troubled Mortgage Loans, including loans that were modified with the expectation that they would be reperforming loans.

Lack of Diversification - The Fund Investments will be concentrated in the residential real property markets and adverse changes in one or more components of these markets could materially and adversely affect the Funds. Furthermore, the Funds may hold loans or assets concentrated in certain geographic regions and such loans or assets may not perform the same as the overall residential mortgage or real estate market, as applicable. Additionally the Manager will likely invest in a concentration of loans in one credit sector, such as Sub-Prime, Alternative-A or Prime Mortgage Loans, that may result in performance volatility that would be greater than an investment in a more diversified portfolio of Mortgage Loans.

Legislation and Government Sponsored Plans - In connection with the Emergency Economic Stabilization Act of 2008, many financial institutions received funds through the Troubled Asset Relief Program (“TARP”). As a result of this influx of capital and liquidity changes in certain accounting standards and other factors, banks and other regulated financial institutions may have the ability to hold Troubled Mortgage Loans and other troubled assets for an extended period of time. As a result of these and other changes to the regulatory framework of financial institutions, certain financial institutions may be less motivated to sell Troubled Mortgage Loans and other assets.

In addition, the U.S. government, Federal Reserve and other governmental and regulatory bodies have taken and are considering taking actions to address the current U.S. and global financial crisis. These actions include the Dodd-Frank Wall Street Reform and Consumer Protection Act (the “*Financial Reform Act*”). Under the Financial Reform Act, a consumer protection bureau is being established to monitor mortgage brokers, mortgage lenders and other banking institutions to provide regulations that will require consumers have clear information about financial products. In addition, federal financial regulators now have the authority to examine and enforce regulations for all mortgage-related businesses (lenders, servicers and

mortgage brokers). In addition, an Office of Housing Counseling is expected to be established to boost homeownership and expand the consumer protections available under federal regulations on high cost loans and foreclosures. These federal regulations may include requirements that residential mortgages are provided to borrowers that satisfy certain financial or credit criteria. The Manager cannot provide any assurances as to the benefits or adverse effects that the enactment of the Financial Reform Act or other programs will have on the Funds' operations or investment strategy.

Various state and local governments have initiated or adopted programs and legislation intended to assist residential homeowners and to mitigate foreclosures. These programs include moratoriums on the right of a residential mortgage holder to foreclose on the loan for specified periods and may include other limitations or requirements that could adversely affect the Funds. In addition, some courts have made foreclosure actions more difficult to prosecute.

Uncertain Asset Valuation - In the case of many of the Fund Investments, it is unlikely that readily available price quotations will ever exist. Accordingly, Fund investors will need to rely on the judgment of the Manager for valuing and pricing the Fund Investments both for financial statement purposes and in connection with disposing of such investments. A valuation is only an estimate of value and is not a precise measure of realizable value. Ultimate realization of the value of an asset depends to a great extent on economic and other conditions that are beyond the Manager's control. Further, valuations do not necessarily represent the price at which an investment would sell since market prices of investments can only be determined by negotiation between a willing buyer and seller. If the Manager were to liquidate a particular investment, the realized value may be more than or less than the appraised valuation of such asset.

THE SEPARATE ACCOUNTS

Residential Advisors fixed income strategies employ fundamental and technical methods. Residential Advisors has a number of proprietary models to identify value and manage portfolio risk.

The investment strategies used to implement advice to clients include:

- Bottom-up credit analysis (With respect to mortgage-backed securities, a deep credit analysis of underlying collateral, prepayment risk analysis, real estate underwriting, default risk, and structure of the bonds); and
- Relative value analysis of various securities and sectors which can lead to short-term purchases and sales.

Our investment process begins with determining our macroeconomic outlook. We evaluate the health of the consumer including house prices and performance metrics of all consumer related debt, commercial real estate metrics, government and Federal Reserve policies and regulations and review of the banking system. With this information as a backdrop, we then review the various risk and return opportunities in the market, especially as they relate to credit sensitive sectors like CMBS, RMBS and ABS markets. We make buy/hold/sell decisions based on this review and execute on behalf of the portfolio.

Our CMBS process is centered on bottom up, loan level credit analysis. Large loans and loans determined to carry higher than average risks are reviewed by credit analysts. Sustainable cash flows are determined by reviewing historical loan performance, tenancy, market rental rates and property specific factors. Property valuations are determined by applying market level capitalization rates. Loan level losses and timing of loss are ascribed when valuations are lower than current loan balances. Once cumulative losses are determined, bond structures and pricing are reviewed to determine buy/hold/sell decisions in accordance with individual portfolio objectives.

Our RMBS and ABS investment processes are tailored to meet the unique characteristics of each asset class. Residential Advisors RMBS process is based on stochastic modeling of prepayments, home prices, defaults and severities derived from loan level borrower and MSA data. We also review the impact of origination characteristics, servicer behavior, deal structure and cash flow waterfall. Our goal is to determine the value and the volatility of value through a wide range and combinations of prepayment, default, severity and home trends. Residential Advisors ABS processes are focused on issuer reviews, collateral performance, industry trends, bond structure and price analysis.

The material risks associated with these strategies are:

Bond Market Risk– The value of debt securities tend to fall as interest rates rise. In addition, such securities that have longer maturities tend to fluctuate more in price in response to changes in market interest rates.

Management Risk – Our judgments about the attractiveness, value and potential appreciation of a particular asset class or individual security may be incorrect and there is no guarantee that individual securities will perform as anticipated.

Credit Risk – Credit risk is the risk that a MBS/ABS will (1) decline in price due to deterioration of the issuer's or underlying pool's financial condition or other events or (2) fail to pay interest or principal when due.

Subordinated Securities – Credit enhancement in the form of subordination provides for the issuance of a senior class of certificates which are generally rated at least AA/Aa by any of the rating agencies and one or more classes of subordinated certificates which bear ratings lower than the senior certificates. Such subordinated classes are subject to a greater degree of nonpayment than senior classes. Holders of either the senior or the subordinated certificates will ordinarily be entitled to a pro rata share of distributions of principal and interest. In the event that delinquencies and defaults on the underlying mortgage loans cause a shortfall in the distributions to the senior certificates, distributions otherwise payable to the subordinated certificates will be distributed to the senior certificates to the extent required. Subordinated securities carry different degrees of risk, which can be measured by current credit ratings as well as Residential Advisors' analysis of security risks.

High Yield/Below Investment Grade Risk – Generally, lower rated or unrated securities of equivalent credit quality offer a higher return potential than higher rated securities but involve greater volatility of price and greater risk of loss of income and principal, including the possibility of a default or bankruptcy of issuers of such securities. Lower rated securities and comparable unrated securities will likely have larger uncertainties or major risk exposure to adverse conditions and are predominantly speculative. The occurrence of adverse conditions and uncertainties would likely reduce the value of lower rated securities. Further, lower rated securities carry fewer structural protections, often referred to as credit enhancements, which can lead to larger losses relative to higher rated securities. While the market values of lower rated securities and unrated securities of equivalent credit quality tend to react less to fluctuations in interest rate levels than do those of higher rated securities, the market value of certain of these lower rated securities also tend to be more sensitive to changes in economic conditions including unemployment rates, inflation rates and negative investor perception than higher rated securities. Lower rated securities and unrated securities of equivalent credit quality generally present a higher degree of credit risk.

Liquidity Risk – Liquidity relates to the ability of Residential Advisors to readily dispose of securities and the price to be paid therefor. Certain MBS or ABS may be deemed to be

restricted or illiquid securities. Illiquid securities are subject to legal or contractual restrictions on disposition or lack an established secondary trading market. The sale of restricted or illiquid securities often requires more time and results in higher brokerage charges or dealer discounts and other selling expenses than does the sale of securities eligible for trading on national securities exchanges or in the over-the-counter markets. Restricted securities may sell at a price lower than similar securities that are not subject to restrictions on resale. Conversely, these risks are typically reflected in a discounted purchase price.

Generally, securities that are subordinated will not enjoy as great of liquidity as senior securities. A security with a lower rating is typically less liquid than a security with a higher rating. Bid/offer spreads will also typically be wider for lower rated securities.

Risks of Investing in CMBS – Investments in CMBS involve the credit risk of delinquency and default. Delinquency refers to interruptions in the payment of interest and principal. Default refers to the potential for unrecoverable principal loss from the sale of the foreclosed property. These risks include the risks inherent in the commercial mortgage loans, which support such CMBS, and the risks associated with direct ownership of real estate. The factors contributing to these risks include the effects of general and local economic conditions on real estate values, the conditions of specific industry segments, the ability of tenants to make lease payments and the ability of a property to attract and retain tenants, which in turn may be affected by local conditions such as oversupply of space or a reduction of available space, the ability of the owner to provide adequate maintenance and insurance, changes in management of the underlying commercial property, government regulations (with respect to environmental, zoning, rent control, bankruptcy and other matters), environmental risks, real estate and other taxes, and prepayments of the underlying commercial mortgage loans.

Risk of Investing in RMBS & ABS – The investment characteristics of RMBS and real estate-related ABS differ from those of traditional debt securities. The major differences include the fact that, on certain RMBS and real estate related ABS, prepayments of principal may be made at any time. Prepayment rates are influenced by changes in current interest rates and a variety of economic, geographic, social and other factors and cannot be predicted with certainty. In periods of declining mortgage interest rates, prepayments on MBS and real estate-related ABS generally increase. If interest rates in general also decline, the amounts available for reinvestment by the client account during such periods are likely to be reinvested at lower interest rates than the client account was earning on the securities that were prepaid. Such securities may decrease more in value as a result of increases in interest rates and may benefit

less than other fixed income securities from declining interest rates because of the risk of prepayment. In general, changes in both prepayment rates and interest rates will change the total return of RMBS and real estate-related ABS. Under certain interest rate or prepayment scenarios, a client account may fail to recoup fully its investment in such securities, even if the securities have been assigned the highest rating by a ratings agency or are issued or guaranteed by the U.S. government or one of its agencies or instrumentalities.

Hedging Transactions – Residential Advisors may employ a variety of hedging transactions such as interest rate swaps, credit default swaps, total rate of return swaps and futures contracts and related options. The principal risks relating to the use of hedging transactions are: (a) possible imperfect correlation between changes in the value of the hedging instrument and the changes in the market value of the underlying securities; (b) possible lack of a liquid secondary market for closing out or offsetting a hedging position; (c) losses on hedging positions resulting from general movements in securities prices or interest rate movements not anticipated by Residential Advisors, and (d) the possibility that the client account could be obligated to pay variation margin on a hedging position at a time when it would be disadvantageous to do so. While the use of hedging transactions should tend to minimize the risk of loss resulting from a decline in the value of hedged portfolio securities, these transactions will tend to limit any potential that could result from an increase in the value of these securities. Such transactions also are subject to the risk that if Residential Advisors is incorrect in its forecast of interest rates, market values or other economic factors affecting such transaction, the client account would have been better off if it had not entered into the transaction.

Investing in securities involves risk of loss that clients should be prepared to bear.

Item 9: Disciplinary Information

We are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Residential Advisors or the integrity of Residential Advisor's management.

In 2008, a Ranieri Partners affiliate had retained a third party in connection with some of its marketing efforts for the Selene Funds. The third party was not a representative of a registered broker-dealer and so the types of marketing activities that he was allowed to engage in were limited. The SEC alleged that the third party's activities went beyond what was allowed for someone who was not a registered representative of a broker-dealer and that Ranieri Partners did not oversee him sufficiently to ensure that he did not exceed his scope. The SEC did not allege

that anyone was harmed in any way by the finder's activities on behalf of Ranieri Partners or the funds. Likewise, it did not allege any wrongdoing by Ranieri Partners beyond the failure to adequately oversee the finder

Item 10: Other Financial Industry Activities and Affiliations

Mr. Scott Shay, who is a principal and owner of Ranieri Partners and a member of Residential Advisors' Investment Committee, is the Non-Executive Chairman of the Board of Signature Bank, a financial institution that is an operationally independent related entity of Residential Advisors. Signature Bank is the custodian of the Funds' cash balances. Residential Advisors does not believe that Mr. Shay's position with Signature Bank presents a conflict of interest for Residential Advisors or the Funds nor does it give rise to requirements with respect to internal control reporting. Residential Advisors has policies in place, however, to monitor this affiliation for potential conflicts. Neither Residential Advisors, nor the Funds, nor the Separate Accounts currently conduct broker-dealer business with Signature Securities.

As noted in Item 4, Ranieri Partners is the parent company of Residential Advisors. Ranieri Partners has formed various initiatives to provide investors with a horizontally integrated platform offering innovative client solutions across real estate, fixed income, consumer finance, corporate finance and private equity. Ranieri Partners and its affiliated companies currently manage institutional capital focused on financial services, real estate and private equity.

Various potential and actual conflicts of interest may arise from the overall investment and business activity of Residential Advisors and its affiliates. Ranieri Partners and its affiliates may have multiple advisory, transaction, financial and other interests in securities that may be bought or sold by Residential Advisors on behalf of the Funds. For example, Ranieri Partners or its affiliates may invest, for their own account or for accounts for which they have investment discretion, in loans or securities that would be appropriate investments for the Funds or the Separate Accounts. In addition, Ranieri Partners and its affiliates may invest in securities or loans that are senior to, or have interests different from or conflict with the interests of the Funds and/or Separate Accounts. Ranieri Partners or its affiliates also may render investment banking services to the borrower or issuer of any loan or security that may be held by the Funds and/or the Separate Accounts where the advice provided by Ranieri Partners or its affiliate, whether through a loan restructuring or loan work out, may conflict with the interest of the Funds or the Separate Accounts. The Manager has policies and procedures to ensure that purchases or sales on behalf of the Funds or the Separate Accounts are treated as confidential information and are not communicated to its affiliates.

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

Code of Ethics

Residential Advisors has adopted a Code of Ethics (the “*Code*”) in accordance with Section 206 of the Investment Advisers Act of 1940 (the “*Advisers Act*”) and Rule 204A-1 under the Advisers Act, setting forth rules of conduct for our employees. In summary, the Code prohibits insider trading, regulates personal securities trading activities in the accounts of employees, and prescribes standards for dealing with the Funds and its investors ethically. Potential or existing investors in the Funds may request a copy of the Code by contacting Residential Advisors’ CCO, Venkat Rao at (212) 558-2079 or by electronic mail at: venkatr@ranieripartners.com.

Personal Trading and Participation or Interest in Client Transactions

Residential Advisors does not purchase or sell securities for its own account.

Our employees may acquire, hold or dispose of the same investments for their own accounts as are held or are to be purchased or sold for the Funds or Separate Accounts. Nonetheless, other than with respect to “permitted transactions,” no employee may purchase or sell any security (or a closely related security, such as an option) within seven (7) calendar days immediately before or after any calendar day on which that security (or a closely related security) is purchased or sold on behalf of a Fund or Separate Accounts. Additionally, other than with respect to permitted transactions, no employee may engage in any transaction involving; (i) any securities issued by any registered investment company managed by Residential Advisors or affiliated with Residential Advisors; (ii) any securities issued by any other client of Residential Advisors; or (iii) any mortgage-backed securities without preclearance.

Generally, such restrictions also apply to certain members of each employee’s family. These restrictions are monitored and reported to the CCO.

“Permitted transactions” include the following: (a) transactions by the Funds or Separate Accounts in securities as to which the employee has beneficial ownership; (b) transactions in certain securities issued or guaranteed by any national government that is a member of the Organization for Economic Cooperation and Development, or any agency or authority thereof; (c) transactions that occur by operation of law or under any other circumstances in which the employee does not exercise any discretion to buy or to sell or make recommendations to a person who exercises such discretion; (d) purchases of certain securities under an automatic dividend investment plan; and (e) purchases under the exercise of rights issued pro rata to all holders of the class of securities held by the employee and received by the employee from the issuer.

Item 12: Brokerage Practices

As noted in Item 4 above, the Funds invest primarily in troubled mortgage loans and REO assets and the Separate Accounts invest with respect to fixed income securities. Accordingly investments in publicly traded securities, which require the selection or recommendation of a broker-dealer, will generally be infrequent occurrences. Nonetheless, to meet its fiduciary duties to the Funds, Residential Advisors has adopted written policies to address issues that might arise with respect to purchasing, holding, and selling publicly traded securities.

Selection of Broker-Dealers

THE FUND

The Manager has sole discretion over the purchase and sale of Investments (including the size of such transactions) and the broker or dealer, if any, to be used to effect transactions. In placing each transaction for the Funds involving a broker-dealer, the Manager will seek “best execution” of the transaction. “Best execution” means obtaining for the relevant Fund the lowest total cost (in purchasing a security) or highest total proceeds (in selling a security), taking into account the circumstances of the transaction and the reputation and reliability of the executing broker-dealer.

In determining whether a particular broker or dealer is likely to provide best execution in a particular transaction, the Manager takes into account all factors that it deems relevant to the broker-dealer’s execution capability, including, for example, price, the size of the transaction, the nature of the market for the security, the amount of the commission, the timing of the transaction taking into account market prices and trends, the reputation, experience and financial stability of the broker-dealer, and the quality of service rendered by the broker-dealer in other transactions.

The Manager does not receive “soft dollars” in connection with its use of broker-dealers.

From time to time, the Manager may aggregate the purchase or sale of Fund Investments for more than one Fund. In such cases, each Fund is treated fairly and equitably. The Manager allocates securities it has purchased to eligible Funds on a pro rata basis based on current demand. The allocation system is overseen by the CCO to ensure fair and equitable security allocation to all Funds.

THE SEPARATE ACCOUNTS

In effecting portfolio transactions for client accounts for which we exercise discretionary authority in the selection of brokers and dealers, we seek the best execution available. We determine what constitutes best execution by considering, without limitation:

- Speed of execution;
- Price improvement;
- Ability of the broker-dealer to minimize cost associated with implementing investment decisions;
- Character and market for the particular security;
- Size and type of transaction;

- Broker-dealer's location and access to primary markets and quotation sources;
- Broker-dealer's familiarity with, and knowledge of, the primary markets;
- Broker-dealer's trade settlement;
- Broker-dealer's experience with high-volume transactions;
- Ability of the broker-dealer to handle large trades with limited liquidity;
- Broker-dealer's responsiveness, financial responsibility, and any other factors that may affect confidence in the broker-dealer's stability;
- Adequacy of the capital of the broker-dealer in relationship to other broker-dealers;
- Broker-dealer's willingness to accommodate our special needs;
- Broker-dealer's accuracy in preparation of confirmations;
- Broker-dealer's willingness to take financial risk on the execution of large block orders;
- Broker-dealer's integrity (e.g., the ability to maintain confidentiality);
- Quality of the communication links between the broker-dealer and Residential Advisors;
- Adequacy of the information provided to us by the broker-dealer;
- Consideration of why trading is not being placed on electronic communication networks; and
- Value of execution services provided.

When purchasing or selling over-the-counter securities with market makers, Residential Advisors also generally seeks to select market makers that it believes to be actively and effectively trading the security being purchased or sold.

Research and Other Soft Dollar Benefits

Residential Advisors does not have any commitments or understandings to trade with specific brokers or to generate a specified level of brokerage commission with a particular broker nor does it currently engage in any soft dollar arrangements. Nonetheless, certain brokers through whom Residential Advisors executes trades may provide unsolicited proprietary research (research created or developed by the broker) to us. This research is used for all client accounts, even though certain clients may not have paid direct commissions to the broker who provided the research. This research could provide a wide variety of reports, charts, publications or proprietary data on economic and political strategy, credit analysis, or stock and bond market conditions and projections. In addition to unsolicited research, certain brokers may provide invitations to attend conferences and meetings with management representatives of issuers or with other analysts and specialists.

Receipt of research from brokers who execute client trades involves conflicts of interest. An adviser that obtains research, products or services receives a benefit, because it does not have to produce or pay for the research, products or services itself. Consequently, the adviser may have an incentive to select or recommend a broker based on its desire to receive research, products or services rather than a desire to obtain the most favorable execution, which is in the client's best interest.

Brokers providing research services, even on an unsolicited basis, may charge commissions for executing portfolio transactions that are higher than the amount of commissions that other brokers would charge for effecting the same transactions. Residential Advisors will execute client transactions through these brokers only if it has determined that such brokers provide best execution based on the factors above under Broker Selection and Best Execution.

Directed Brokerage & Aggregated Trades

Residential Advisors permits clients to direct brokerage. A client may instruct Residential Advisors, through written instructions or through an instruction in its advisory agreement, to direct its transactions to a specified broker or dealer. Portfolio managers maintain a current list of those clients who have requested directed brokerage. All trades for client accounts that have directed brokerage will be effected through the specified broker or dealer. Clients who request directed trades may pay higher brokerage commissions because we may not be able to aggregate orders to reduce transaction costs, and may also receive less favorable prices and execution.

To the extent permitted by law, Residential Advisors may aggregate the client's orders with those of its other clients. We will not effect securities transactions for the client's investment account through broker-dealers that are deemed to be affiliated with Residential Advisors.

Residential Advisors allocates securities it has purchased to eligible client accounts on a pro rata basis based on current demand. Securities are allocated in marketable parcels; all client accounts may be allocated their proportionate share of the aggregate demand as long as such shares result in a marketable parcel, or round lot.

Item 13: Review of Accounts

Oversight and Monitoring

THE FUNDS

The investment portfolio of each Fund is generally private, illiquid and long-term in nature, and accordingly, our review of the Investments in the Funds is not directed toward a short-term decision to dispose of securities. However, we closely monitor each Fund's Investments and generally maintain an ongoing oversight position with respect to each Investment. Each investment is reviewed at least monthly by the Manager's investment committee members and executive officers.

Reporting

Limited Partners receive quarterly unaudited performance reports within 60 days after each fiscal quarter's end (or as soon as reasonably practicable thereafter), annual financial statements audited by the Fund's independent auditor within 120 days of each fiscal year end, and certain tax information for preparation of a Limited Partner's tax returns.

THE SEPARATE ACCOUNTS

Portfolio managers perform a periodic review of client accounts. Such periodic reviews address relevant market conditions, account risk profiles, account investment guidelines, and credit analyses, among other things. It is currently anticipated that no portfolio manager will be assigned more than ten (10) client accounts.

Residential Advisors provides advisory clients with written quarterly reports that set forth the quarterly, year-to-date, and since-inception performance of the client account, an explanation of account performance and any transactions in the account during the quarter, a market overview, a surveillance review and a statement of account

Item 14: Client Referrals and Other Compensation

THE FUNDS

The General Partner may compensate third parties (placement agents) for assistance in raising capital for the Funds. Fees paid to the placement agents are not reimbursed by the Funds.

THE SEPARATE ACCOUNTS

Residential Advisors does not receive an economic benefit from anyone other than its clients.

Residential Advisors may enter into agreements with broker-dealers or investment advisers for client referrals. These agreements are referred to as solicitor agreements. Residential Advisors pays a percentage of the management fee collected from the referred client to a referring broker-dealer or investment adviser. Clients under these agreements will not be charged fees higher than the standard fees described in Item 5. Residential Advisors currently has no solicitor agreements in place.

Item 15: Custody

This item is not applicable.

Item 16: Investment Discretion

THE FUNDS

The Manager has the discretionary authority to manage accounts on behalf of the Funds and Separate Account clients. For the Funds this discretionary authority is limited by the investment objectives, practices and limitations described in the Funds' PPMs. The Manager receives its discretionary authority under an investment management agreement between the Manager and a Fund.

THE SEPARATE ACCOUNTS

For the Separate Accounts a written investment advisory agreement is entered into with a client. The written investment advisory agreement sets forth Residential Advisors authority to enter into securities transactions on behalf of the client. Residential Advisors works with each

client in establishing the appropriate investment strategy and investment guidelines for such client. Residential Advisors discretionary authority is exercised in a manner consistent with the stated investment objectives for the particular client account

Item 17: Voting Client Securities

THE FUNDS

For the most part, Fund Investments do not consist of voting securities. Nonetheless, pursuant to its obligations under Rule 206(4)-6 of the Investment Advisers Act, Residential Advisors has adopted and implemented policies and procedures reasonably designed to ensure that proxies are voted in the best interest of the Funds. The guiding principle by which we vote all proxies is the maximization of the ultimate long term economic value of the Funds' holdings.

We do not permit proxy voting decisions to be influenced in any manner that is contrary to this guiding principle. In exercising voting discretion, we seek to avoid any direct or indirect conflict of interest between the particular Fund and the voting decision. Our Chief Compliance Officer has the responsibility to monitor votes for any conflicts of interest and to use her best judgment to address any such conflict of interest and ensure that it is resolved in accordance with her independent assessment of the best interests of the relevant Fund, which may include engaging an independent third party to determine how the proxies should be voted. The Funds and their respective investors are not provided with an opportunity to direct the voting of voting securities.

THE SEPARATE ACCOUNTS

Residential Advisors allows clients to vote the proxies in their account; however, Residential Advisors typically accepts authority to vote proxies for our client accounts. Residential Advisors maintains a proxy voting policy regarding the voting of proxies for portfolio securities of discretionary advisory clients. Clients may request a copy of the proxy voting policy, without charge, by writing to Residential Advisors. A client also may, at reasonable intervals, request information regarding how Residential Advisors voted proxies for such client's portfolio securities, without charge, by writing to Residential Advisors.

In the absence of specific voting guidelines received in writing from the client, Six50 generally will vote in accordance with the recommendations of the issuer's management with respect to routine matters, unless, in the opinion of the portfolio manager, such recommendations

are not in the best interest of clients, in which case Residential Advisors will vote in accordance with the client's best interests, as determined by the portfolio manager. In the case of any non-routine matter, Residential Advisors will vote in accordance with the client's best interests, as determined by the portfolio manager.

In the case of any conflict of interest between Residential Advisors and a client with respect to proxy voting, Residential Advisors Chief Compliance Officer may engage an independent third-party to determine how the proxy should be voted, or may establish an ethical wall or other informational barrier between the persons that are involved in the potential conflict and the persons making the voting decision in order to insulate the potential conflict from the decision maker.

Copies of relevant proxy records, identifying how proxies were voted in connection with the Funds and Separate Accounts and copies of proxy voting policies are available to any investor or prospective investor upon written request.

Item 18: Financial Information

This item is not applicable.