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March 2014

This Brochure provides information about the qualifications and business practices of 400 Capital Management LLC (“400CM”). If you have any questions about the contents of this Brochure, please contact 400CM’s Chief Compliance Officer (“CCO”), Bill Sanders at (212) 612-3101 or by e-mail at Bill.Sanders@400Capital.com. The information in this Brochure has not been approved or verified by the U.S. Securities and Exchange Commission (“SEC”) or by any state securities authority.

Additional information about 400CM also is available on the SEC’s website at www.adviserinfo.sec.gov.

400CM may refer to itself as a “registered investment adviser.” Registration with the SEC does not imply a certain level of skill or training.

Item 2: Material Changes

400 Capital Management LLC's ("400CM") investment adviser registration with the U.S. Securities and Exchange Commission became effective on March 27, 2012. This is the second annual amendment that 400CM is filing with respect to its Form ADV. No material changes have been made to this Brochure since the last annual update, however, set forth below is a summary of certain key amendments included in this Brochure.

- i. 400CM amended its net assets under management reported in Item 4 to \$881,054,253 (as of December 31, 2013).
- ii. 400CM has amended the minimum investment requirement from \$1,000,000 to reflect a range of \$1,000,000 - \$5,000,000 in Item 7. In addition, 400CM amended Item 7 to reflect that it manages a Fund that relies on the 3(c)1 exemption from registration under the Investment Company Act (defined below) as well as Funds that rely on the 3(c)7 exemption from registration under the Investment Company Act.
- iii. 400CM amended Item 8 to reflect the types of investment instruments that 400CM Client Accounts (defined below) may invest in. In addition, 400CM made certain amendments to the risk factors in Item 8 to reflect what it believes to be the current risks associated with its investment strategy in Item 8.
- iv. 400CM amended Item 10 to clarify that it does not have financial industry affiliations to be disclosed in Item 10.
- v. 400CM amended Item 11 to clarify certain policies and procedures set forth in its Code of Ethics.
- vi. 400CM amended Item 12 to reflect that it receives research from certain broker-dealers that it executes transactions with.

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Item 4: Advisory Business

400 Capital Management LLC (“**400CM**,” “**we**,” “**us**” or “**our**”) was founded in October of 2008 and is organized as a Delaware limited liability company. 400CM has its principal place of business in New York, New York. Chris Hentemann is the principal owner of 400CM.

400CM provides discretionary investment advisory and management services to privately pooled investment vehicles (each a “**Fund**” and collectively, the “**Funds**”). We also manage separate accounts for select institutional clients (“**Managed Account Clients**”). Collectively, we refer to the Funds and Managed Account Clients as the “**Client Accounts**.”

400CM does not tailor advisory services for the Funds, but may, under certain circumstances, agree to tailor advisory services to the individual needs of Managed Account Clients.

400CM has established an advisory board (the “**Advisory Board**”) for the purpose of providing non-binding advice to 400CM in connection with our business and operations. In addition, the Advisory Board shall participate in the risk management and valuation procedures and methodology for certain Client Accounts. Members of the Advisory Board are seasoned professionals in the structured credit industry. They are not compensated for their services, however, they are reimbursed for any expenses incurred in providing such services.

As of December 31, 2013, 400CM had approximately \$881,054,253 net assets under management, all of which are managed on a discretionary basis.

Item 5: Fees and Compensation

Management Fee

400CM generally charges each Client Account a monthly or quarterly management fee at an annual rate ranging from 0.25% to 1.5% of the net assets of the Client Account. Depending upon the Client Account, management fees are charged monthly or quarterly (either on the first or last business day of the applicable period) based on the net asset value of the assets in the Client Account (including net unrealized appreciation or depreciation of investments and cash, cash equivalents and accrued interest) on such date. The management fee will be prorated for additions to and withdrawals from a Client Account during a month or quarter, as applicable.

Performance-Based Compensation

400CM or one of its affiliates may be entitled to receive certain performance-based compensation, which generally is compensation that is based on net capital appreciation (including realized and unrealized gains and losses) of the Client Account. Performance-based compensation is generally charged at a rate ranging from 10% to 20%. Performance-based compensation to 400CM or one of its affiliates may vary across Client Accounts with respect to a number of terms, including but not limited to, the applicable measurement period, the performance of the account reaching a certain rate of return before 400CM or one of its affiliates receives performance-based compensation, and the requirement to recoup prior losses before earning such compensation. In certain circumstances, 400CM or one of its affiliates may receive performance-based compensation greater than 20% in the event that investment returns have exceeded a certain hurdle rate. Performance-based

compensation is charged in compliance with Rule 205-3 of the Investment Advisers Act of 1940, as amended (the “Advisers Act”).

The administrator to the Funds authorizes the payment of fees from the Funds’ custodial bank accounts to 400CM or its affiliates, as applicable. Our Managed Account Clients generally pay us after having been invoiced for our services or after having calculated the amount of fees owed to 400CM or one of our affiliates.

Although fees charged to investors in the Funds are generally not negotiable, we reserve the right to waive or impose different fees or otherwise modify the fee arrangements of certain large and/or strategic investors. Employees of 400CM, relatives of such persons, members of the Advisory Board (discussed in Item 4) and affiliates of 400CM may invest in the Funds on a fee free basis.

No other hourly, flat or asset-based fees are charged to the Client Accounts.

Expenses

The expenses borne by investors in a respective Fund are set forth in full in the Fund’s offering documents. Please refer to such documents for a complete description of the types of expenses an investor in the Fund may bear.

Generally, a Fund (and indirectly the investors in such Fund) shall be responsible, as applicable, for its organizational as well as for its operating expenses, including but not limited to all accounting (including third party accounting services), auditing, tax preparation, legal, administrator fees and expenses, fund compliance (including expenses related to compliance software), expenses incurred in the initial and ongoing offering and sale of interests/shares, expenses related to credit facilities and other borrowings, shareholder proxy voting services, investment expenses such as commissions, research fees and expenses (including Bloomberg and similar subscriptions and data services and research-related travel), risk management expenses (including expenses related to risk management software), order management systems, as well as other analytical systems, interest on margin accounts and other indebtedness, borrowing charges on securities sold short, custodial fees, bank service fees, fund-related insurance costs (including directors and officers’ (D&O) liability insurance costs), expenses of the independent directors and advisory committee members of the Funds, a Fund’s pro-rata share of the master fund’s expenses (if any), and any other expenses related to the purchase, sale or transmittal of Fund assets. Expenses related to software (as outlined above) may include software used by 400CM with respect to its management of the Fund.

With respect to certain Funds, 400CM has adopted an annual limit on the amount of certain ordinarily recurring expenses payable by the Funds. Specifically, 400CM would reimburse such Funds for “Third Party Service Provider Expenses,” to the extent that such expenses exceed 0.75% of the net assets of the Fund. Third Party Service Provider expenses include the following: ongoing legal, accounting, audit, administration, software, data and system subscription service fees and expenses. For the avoidance of doubt, the management fee and performance-based compensation are not included when calculating Third Party Service Provider Expenses.

The expenses allocated to Managed Account Clients will be negotiated between each client and 400CM, but generally include all investment related expenses such as brokerage commissions and other trading related costs and fees, custodial fees, interest incurred on borrowings, legal, administrator fees and expenses, tax, accounting and other costs associated with operating the managed account.

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

400CM or one of its affiliates is entitled to be paid performance-based compensation by its Client Accounts. In addition, certain Client Accounts may have more favorable performance-based compensation arrangements than other accounts. Performance-based fee arrangements may create an incentive for 400CM to recommend investments which may be riskier or more speculative than those which would be recommended under a different fee arrangement. Such fee arrangements may also create an incentive to favor higher fee paying accounts over other accounts in the allocation of investment opportunities. 400CM has adopted and implemented policies and procedures intended to address conflicts of interest relating to the management of multiple Client Accounts and the allocation of investment opportunities. It is 400CM's policy to treat all Client Accounts in a fair and equitable manner. In circumstances where a trade may be appropriate for more than one Client Account, the allocation of such trade shall generally be made on a pro rata basis (based on the asset size of the Client Account). Allocations shall be adjusted to allocate even lots when possible, exclude accounts where the trade does not fit the guidelines and to lower exposure if the full pro-rata allocation exceeds strategy constraints. These policies and procedures are monitored by the CCO.

Item 7: Types of Clients

We consider the Funds and the Managed Account Clients to be our clients. The Funds advised by 400CM are exempt from registration under the Investment Company Act of 1940, as amended (the “**Investment Company Act**”), pursuant to Section 3(c)1 or Section 3(c)(7) of such act. Investors in the Funds are required to represent that they meet the requirements of an “accredited investor” as such term is defined in Rule 501 of Regulation D of the Securities Act of 1933, as amended and, if applicable, that they meet the requirements of a “qualified purchaser” as such term is defined in Section 2(a)(51) of the Investment Company Act. The Managed Account Clients consist of institutional investors and high net worth individuals.

Minimum investment requirements for the Funds generally range from \$1,000,000 to \$5,000,000; although we reserve the discretion to accept less. There is no fixed minimum account size required for managed accounts, although the size of such account is, in general, significantly in excess of the minimum investment required for the Funds.

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

Methods of Analysis and Investment Strategies

General

400CM is a structured credit asset management firm that invests across asset backed, residential mortgage-backed and commercial mortgage-backed securities, other structured finance securities, mortgage loans and pools of mortgage loans, and related synthetic instruments. 400CM may directly or indirectly purchase or participate in purchases, or the financing of, commercial or residential mortgage loans, loan portfolios or pools of consumer receivables, including credit cards, automobile loans, student loans, or potentially other secured or unsecured consumer assets.

Investment Strategies

Certain Funds managed by 400CM offer a multi-sector approach while other Funds offer a single sector investment approach. We may take both long and short positions, driven by

fundamental, quantitative, economic research and proprietary analytics. We may use futures, options, interest rate swaps, credit default swaps and market indexes to hedge interest rate and credit risks. We may employ leverage in the execution of our strategies.

We generally pursue relative value and absolute value investment strategies to achieve our objectives.

Relative value is a trading strategy designed to exploit dislocated or misaligned pricing among securities in the investment universe. We will primarily focus on buying and selling securities. We will actively seek to identify overvalued and undervalued securities using proprietary and third-party analytical models, purchase securities determined to be undervalued, and sell securities determined to be overvalued. We may take long or short positions in cash bonds, derivatives, or indexes.

Absolute value is an investment strategy designed to take advantage of opportunities to purchase and workout performing or non-performing portfolios of securities, commercial or residential mortgages, or consumer loans or receivables. The strategy involves performing comprehensive due diligence and may require investing on a partnership basis with specialized servicers or special asset managers. Investments may take over a year to be realized.

The execution of our investment strategies revolves around three core functions:

- (1) Research and Quantitative Modeling;
- (2) Portfolio Management; and
- (3) Analytics, Surveillance and Loss Mitigation.

Our investment professionals integrate economic and market research with loan-level prepayment, delinquency, and default analysis to identify attractive investment opportunities. We anticipate using a combination of similar proprietary and third-party models and systems to analyze potential investments and evaluate performance risks on an ongoing basis.

As a general matter, other than through a separately managed account, 400CM does not permit investors in the Funds to impose restrictions on investing in certain securities or types of securities.

Risk Management

Risk management is an integral part of our portfolio management process. We base our investment decisions on a combination of systematic and non-systematic risk and valuation considerations. We conduct active surveillance of each position in Client Account portfolios to seek to identify and mitigate potential problems and losses, as well as determine acquisition price and hedging strategies. We use third party and proprietary systems to help us identify potential risk areas and/or positions that are not performing in-line with our expectations. Senior level employees from trading, risk and operations participate in this process.

Material Risks (Including Significant, or Unusual Risks) Relating to Investment Strategies

The risks associated with investments in a specific Fund are included within the respective Fund's offering documents. Investors or prospective investors in a Fund are strongly urged

to review the risk factors set forth in the Fund's offering documents for a discussion of the specific risks involved in investing in such Fund.

Below we have set forth a general description of the types of risks that may be associated with investing in the types of securities that are generally a part of 400CM's investment strategy. The following summary does not intend to identify all risks associated with an investment in a Client Account portfolio or provide a full description of the identified risks.

Nature of Investments

400CM's investment strategy generally consists of investments in fixed income securities and other financial instruments, including, without limitation, asset and mortgage backed securities, consumer and commercial loans and receivables, high yield investments and related synthetic instruments, and credit linked notes that may be affected, among other things, by business, financial market or legal uncertainties. There can be no assurance that we will correctly evaluate the nature and magnitude of the various factors that could affect the value of and return on investments. Prices of investments may be volatile, and a variety of factors that are inherently difficult to predict, such as domestic or international economic and political developments, may significantly affect the return on such investments.

Interest Rate Risk

Generally, the value of fixed income securities will change inversely with changes in interest rates. As interest rates rise, the market value of fixed income securities tends to decrease. Conversely, as interest rates fall, the market value of fixed income securities tends to increase. This risk will be greater for long-term securities than for short-term securities. 400CM may attempt to minimize the exposure of the portfolios to interest rate changes through the use of interest rate swaps, interest rate futures and/or interest rate options. However, there can be no guarantee that 400CM will be successful in fully mitigating the impact of interest rate changes.

Residential Mortgage-Backed Securities (RMBS)

Investments in RMBS represent interests in pools of residential mortgage loans secured by one to four family residential mortgage loans. 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 such securities issued may be guaranteed. Such loans may be prepaid at any time. The rate of defaults and losses on residential mortgage loans will be affected by a number of factors, including general economic conditions and those in the geographic area where the related mortgaged property is located, the terms of the loan, the borrower's "equity" in the mortgaged property and the financial circumstances of the borrower. If a residential mortgage loan is in default, foreclosure of such residential mortgage loan may be a lengthy and difficult process, and may involve significant expenses. Furthermore, the market for defaulted residential mortgage loans or foreclosed properties may be very limited.

Investments in RMBS bear various risks, including the risks traditionally associated with fixed-income securities, such as interest rate and credit risk. Certain additional risks and special considerations with respect to such investments include the risk of prepayment, the risk of investing in real estate generally, the risk of nonconforming mortgage loans, valuation risks, lack of credit availability, risks related to downgrades or withdrawal of ratings, ability of counterparties (originators, servicers, bond insurers and mortgage insurers) to satisfy their contractual obligations, environmental risks, legal risk, the risk of loan modifications by servicers, the risk that consumer protection laws may subject lenders

to liability and the risk of adverse government action that reduces recoveries on defaulted mortgage loans or increases the level of defaults on mortgage loans.

Commercial Mortgage-Backed Securities (CMBS)

Investments in CMBS generally consist of mortgage loans secured by income producing property, such as regional malls, other retail space, office buildings, industrial or warehouse properties, hotels, rental apartments, nursing homes, senior living centers and self storage properties. Investments may be made (i) directly in CMBS, (ii) in credit derivatives that reference CMBS, and (iii) in collateralized debt obligation (CDO) securities that are backed in whole or in part by CMBS. Performance of a commercial mortgage loan depends primarily on the net income generated by the underlying mortgaged property. The market value of a commercial property similarly depends on its income-generating ability. As a result, income generation will affect both the likelihood of default and the severity of losses with respect to a commercial mortgage loan. Any decrease in income or value of the commercial real estate underlying an issue of CMBS could result in cash flow delays and losses on the related issue of CMBS.

Asset-Backed Securities (ABS)

The structure of ABS, and the terms of the investors' interest in the underlying collateral, can vary widely depending on the type of collateral, the desires of investors and the use of credit enhancements. Individual transactions can differ markedly in both structure and execution. Important determinants of the risk associated with issuing or holding ABS include (i) the relative seniority or subordination of the class of ABS held by an investor, (ii) the relative allocation of principal and interest payments in the priorities by which such payments are made under the governing documents, (iii) the effect of credit losses on both the issuing vehicle and investors' returns, (iv) whether the underlying collateral represents a fixed set of specific assets or accounts, (v) whether the underlying collateral assets are revolving or closed-end, (vi) the terms (including maturity of the ABS) under which any remaining balance in the accounts may revert to the issuing vehicle and (vii) the extent to which the entity that sold the underlying collateral to the issuing vehicle is obligated to provide support to the issuing vehicle or to investors. With respect to some types of ABS, the foregoing risks are more closely correlated with similar risks on corporate bonds of similar terms and maturities than with the performance of a pool of similar assets.

Whole Loan Mortgages

Whole loan mortgages, which may include subprime residential mortgage loans and non-performing and sub-performing residential mortgage loans, are subject to increased risks. Unlike non-agency RMBS and GSE (Government-Sponsored Enterprise) issued agency securities, whole loan mortgages generally are not government guaranteed or privately insured, though in some cases they may benefit from private mortgage insurance. A whole loan mortgage is directly exposed to losses resulting from default and foreclosure. Therefore, the value of the underlying property, the creditworthiness and financial position of the borrower and the priority and enforceability of the lien will significantly impact the value of such mortgages. There can be no assurance as to the adequacy of the protection of the terms of the loan, including the validity or enforceability of the loan and the maintenance of the anticipated priority and perfection of the applicable security interests. Furthermore, claims may be asserted that might interfere with enforcement of the investor's rights. In the event of a foreclosure, an investor may assume direct ownership of the underlying real estate. The liquidation proceeds upon sale of such real estate may not be sufficient to recover the investor's cost basis in the loan, resulting in a loss to the investor. 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.

Options

The purchase or sale of an option involves the payment or receipt of a premium by the investor and the corresponding right or obligation, as the case may be, to either purchase or sell the underlying security, commodity or other instrument for a specific price at a certain time or during a certain period. Purchasing options involves the risk that the underlying instrument will not change price in the manner expected, so that the investor loses its premium. Selling options involves potentially greater risk because the investor is exposed to the extent of the actual price movement in the underlying security rather than only the premium payment received (which could result in a potentially unlimited loss). Over-the-counter options also involve counterparty credit and solvency risk.

Derivatives

400CM may utilize interest rate swaps, credit default swaps and market indexes, as well as long and short positions in related derivatives or indexes, to hedge interest rate and credit risk. In addition, 400 CM may utilize both exchange-traded and over-the-counter futures and options, for hedging purposes, as well as other derivatives. Such derivative instruments are highly volatile, involve certain special risks and expose investors to a high risk of loss. Such risks include, but are not limited to: (i) counterparty risk, (ii) basis risk, (iii) interest rate risk, (iv) settlement risk, (v) legal risk and (vi) operational risk.

Long-Term Investments

Investments in certain securities will frequently require longer-term holding periods to be successful and positions may experience considerable price volatility over such holding periods. In addition, investments in a 400CM Fund have limited redemption rights. Therefore, an investment in a Fund may not be appropriate for investors requiring short-term liquidity or stable returns.

Illiquid Portfolio Investments

400CM may invest in securities or loans that either lack a readily assessable market value or should be held until the resolution of a special event or circumstance. 400CM may not be able to readily dispose of such investments and, in some cases, may be contractually prohibited from disposing of such investments for a specified period of time. As a result, investors may be required to bear the risk of such investments until such investment is realized or deemed realized.

Use of Leverage

400CM may leverage investment positions by borrowing funds from securities broker-dealers, banks or others. Leverage increases a portfolio's returns if the portfolio earns a greater return on investments purchased with borrowed funds than the portfolio's cost of borrowing such funds. However, the use of leverage exposes a portfolio to additional levels of risk, including (i) greater losses from investments than would otherwise have been the case had the portfolio not borrowed to make the investments, (ii) margin calls or interim margin requirements which may force premature liquidations of investment positions, and (iii) losses on investments where the investment fails to earn a return that equals or exceeds the portfolio's cost of borrowing such funds. In the event of a sudden, precipitous drop in value of a portfolio's assets, the portfolio might not be able to liquidate assets quickly enough to repay its borrowings, further magnifying its losses.

In an unsettled credit environment, 400CM may find it difficult or impossible to obtain leverage for a portfolio. In addition, any leverage obtained, if terminated on short notice by the lender, could result in 400CM being forced to unwind positions quickly and at prices below what 400CM deems to be fair value for the positions.

Non-Diversification

In general, we are not subject to limitations on the percentage of assets we may invest in a particular security (unless agreed to in writing with respect to a separately managed account). Being concentrated in a small number of securities, options or futures, exposes a portfolio to the risk of adverse developments in or affecting a single issuer or industry to a greater extent than if the investments were diversified over a large number of issuers and industries.

Short Selling Increases Risk of Capital Losses

We will effect short sales. Short selling, or the sale of securities not owned by the Client Account involves certain additional risks. Such transactions expose the Client Account to the risk of loss in an amount greater than the initial investment, and such losses can increase rapidly and without effective limit. There is the risk that the securities borrowed in connection with a short sale would need to be returned to the securities lender on short notice. If such request for return of securities occurs at a time when other short sellers of the subject security are receiving similar requests, a “short squeeze” can occur, wherein 400CM might be compelled, at the most disadvantageous time, to replace borrowed securities previously sold short with purchases on the open market, possibly at prices significantly in excess of the proceeds received earlier.

Non-U.S. Investments

Investing in securities of non-U.S. governments and companies that are generally denominated in non-U.S. currencies and utilization of options on non-U.S. securities involves certain considerations comprising both risks and opportunities not typically associated with investing in securities of the United States Government or United States companies. These considerations include changes in exchange rates and exchange control regulations, political and social instability, expropriation, imposition of foreign taxes, less liquid markets and less available information than is generally the case in the United States, higher transaction costs, foreign government restrictions, less government supervision of exchanges, brokers and issuers, greater risks associated with counterparties and settlement, difficulty in enforcing contractual obligations, lack of uniform accounting and auditing standards and greater price volatility.

Item 9: Disciplinary Information

Neither we nor any of our management personnel are subject to or have in the past been subject to any criminal or civil action in any domestic or foreign court, and neither we nor any of our management personnel have been subject to any administrative proceedings before the SEC or any other state, federal or foreign financial regulatory authority.

Item 10: Other Financial Industry Activities and Affiliations

Neither 400CM nor any of its management persons is registered, or has an application pending to register, as a broker-dealer or a registered representative of a broker-dealer. Neither 400CM nor any of its management persons is registered, or has an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or is an associated person of any of the above. Except as

otherwise disclosed in this Brochure, neither 400CM nor any of its management persons has a relationship or arrangement that is material to its advisory business or to its clients with any related person. In addition, the Adviser does not recommend or select other investment advisers for its clients.

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

400CM has adopted a Code of Ethics (“Code”) that is designed to meet the requirements of Rule 204A-1 of the Advisers Act and emphasize 400CM’s role as a fiduciary to its Client Accounts. The foundation of the Code consists of three underlying principles: (i) access persons must at all times place the interests of Client Accounts first; (ii) access persons of 400CM must ensure that all personal securities transactions are conducted in a manner consistent with the Code; and (iii) access persons are prohibited from taking inappropriate advantage of their positions at 400CM.

The Code requires all employees to comply with federal securities laws and report violations of the Code to the CCO. The Code is distributed to each employee at the time of hire. All employees are required to certify their adherence to the Code upon commencement of employment and upon any material amendment to the Code. 400CM provides training on the policies and procedures set forth in the Code to its employees on not less than an annual basis.

400CM is aware that certain conflicts of interest may arise relating to employee personal trading. For example, persons related to 400CM, including its affiliates, officers, directors and employees, may buy, sell, or have a financial interest in securities owned or acquired by Client Accounts either by investing directly in the Funds managed by 400CM or through independent transactions in personal accounts. Within our Code, we have adopted policies and procedures designed to monitor such potential conflicts of interest relating to employees’ personal trading activity, including (i) the reporting of transactions and holdings in certain securities and (ii) the pre-clearance of (A) transactions in securities that are part of an investment sector that a Client Account may invest in, (B) the acquisition of a new public offering of securities, and (C) the acquisition of a security in a limited offering. In addition, 400CM maintains a Restricted List of issuers; employees are generally prohibited from trading in the securities of such issuers. An issuer may be placed on the Restricted List under the following circumstances: (i) 400CM or an employee has or may be exposed to material non-public information about an issuer; (ii) the occurrence of an employee trading in the issuer’s securities or financial instruments could present the appearance of a conflict of interest; (iii) one of 400CM’s employees has accepted a position at the issuer, such as a director or a member of a credit committee, which may lead to 400CM or such employee receiving material non-public information; (iv) 400CM has executed an agreement (e.g., a confidentiality agreement) restricting trading in an issuer’s securities; and (v) as otherwise determined by the CCO.

Please contact Bill Sanders, our CCO, at (212) 612-3101 or by e-mail at Bill.Sanders@400Capital.com if you wish to receive a copy of our Code.

Privacy Policy

We are committed to maintaining the confidentiality, integrity and security of our investor’s personal information. It is our policy to collect only information necessary or relevant to our management business and use only legitimate means to collect such information. We do not disclose any non-public personal information about our investors or former investors to anyone except in connection with servicing and processing transactions and as required by law. We restrict access to non-public personal information

about investors to those employees with a legitimate business need for the information. We maintain security practices, physical, electronic, and procedural safeguards to protect investors' non-public personal information.

Please contact Bill Sanders, our CCO, at (212) 612-3101 or by e-mail at Bill.Sanders@400Capital.com if you wish to receive a copy of our Privacy Notice.

Item 12: Brokerage Practices

As an adviser and a fiduciary to our clients, our clients' interests must always be placed first and foremost, and our trading practices and procedures prohibit unfair trading practices and seek to disclose and avoid any actual or potential conflicts of interests or resolve such conflicts in the client's favor. We have adopted the following policies and practices to meet our fiduciary responsibilities and to ensure our trading practices are fair to all clients and that no client or account is advantaged or disadvantaged over any other.

Brokerage Discretion and Best Execution

Generally, with respect to the Funds and Managed Account Clients, 400CM is authorized to select the broker or dealer to be used and negotiate the fees to be paid to the broker-dealer in connection with such transactions. 400CM recognizes its duty to obtain best execution. Best execution is determined on a trade-by-trade basis, and should result in best qualitative execution and not necessarily the lowest possible commission cost. In selecting brokers and negotiating commission rates, 400CM will take into account the financial stability and reputation of brokerage firms, the responsiveness of the broker to 400CM, and the research, brokerage or other services provided by such brokers. In addition, 400CM need not solicit competitive bids and does not have an obligation to seek the lowest available commission cost. It is not 400CM's practice to negotiate "execution only" commission rates, thus Client Accounts may be deemed to be paying for research, brokerage or other services provided by the broker which are included in the commission rate.

Research and Other Soft Dollar Benefits

400CM does not have any formal soft dollar arrangements but does receive research from certain broker-dealers that it executes transactions with. Such receipt of research is known as a "soft dollar" benefit and is within the meaning of Section 28(e) (as described below).

In the event that 400CM elects to receive other "soft dollars" benefits, the receipt of such soft dollar benefits will be limited to research and brokerage services that are within the meaning of Section 28(e) of the Securities Exchange Act of 1934, as amended ("Section 28(e)"). Research services within Section 28(e) may include research reports (including market research and market color) and analytic systems; certain financial newsletters and trade journals. Brokerage services within Section 28(e) may include, but are not limited to, services related to the execution, clearing and settlement of securities transactions and functions incidental thereto (i.e., connectivity services between an adviser and a broker-dealer and other relevant parties such as custodians); trading software operated by a broker-dealer to route orders; software that provides trade analytics and trading strategies; software used to transmit orders; clearance and settlement in connection with a trade; electronic communication of allocation instructions; routing settlement instructions; post trade matching of trade information; and services required by the SEC or a self regulatory organization such as comparison services, electronic confirms or trade affirmations.

Aggregation and Allocation of Orders

400CM will perform investment management services for various clients. There will be occasions on which portfolio transactions may be executed as part of concurrent authorizations to purchase or sell the same security for numerous accounts advised by 400CM, some of which accounts may have similar investment objectives. Such concurrent authorizations potentially could be either advantageous or disadvantageous to one or more particular accounts. When appropriate, we may, but are not required to, aggregate client orders to achieve more efficient execution or to provide for equitable treatment among accounts. To the extent orders are aggregated, each participating account shall be allocated securities based on the average price. Please see Item 6 for a summary of 400CM's policies and procedures on allocating investment opportunities across Client Accounts.

Trade Errors

We will determine an appropriate method to correct an error in light of the facts and circumstances and on a case-by-case basis.

Item 13: Review of Accounts

Review of Accounts

We review and reconcile the portfolios of Client Accounts on a continual basis to assure conformity with investment objectives and guidelines.

We engage in active management for the Client Accounts and, accordingly, review our transactions, positions and cash balances on a daily basis.

Reporting

Unless otherwise disclosed in a Fund's offering documents, we will distribute an audited financial report for each Fund with respect to the previous fiscal year to all investors within 120 days of year-end. In addition, each Fund will generally distribute net asset value updates on a monthly or quarterly basis.

Item 14: Client Referrals and Other Compensation

400CM has entered into relationships whereby certain third party entities may introduce (the "Introducer") prospective investors to 400CM for potential investment in interests/shares of our Funds. 400CM maintains an agreement with each Introducer and agrees to pay a portion of our management and/or performance-based compensation to the Introducer as compensation for its services. The fees we pay to our Introducers do not result in an increase in fees or expenses paid by our investors. 400CM does not currently maintain any agreements with an Introducer to solicit Managed Account Clients.

Item 15: Custody

Under Rule 206(4)-2 of the Advisers Act (the "Custody Rule"), affiliates of 400CM are deemed to have custody of the cash and/or securities of certain Funds. 400CM and our affiliates are exempt from many of the requirements of the Custody Rule because (i) such Funds are audited in accordance with U.S. generally accepted accounting principles on an annual basis by an independent public accountant that is registered with, and subject to regular inspection by the Public Company Accounting Oversight Board, and (ii) 400CM will distribute the Fund's audited financial statements to investors in such Fund within 120 days of the Fund's fiscal year end.

Item 16: Investment Discretion

We have full investment discretion to manage our Funds, including authority to make decisions with respect to which securities are bought and sold, the amount and price of those securities, the brokers or dealers to be used for a particular transaction, and the commissions paid. With respect to our Managed Account Clients, we have investment discretion, subject to any investment guidelines set forth in the respective investment management agreement for such Managed Account Clients.

Item 17: Voting Client Securities

To the extent 400CM has been delegated proxy voting authority on behalf of its Client Accounts, 400CM complies with its proxy voting policies and procedures. Such policies and procedures are designed to ensure that such proxies are voted in the best interest of the client. The investors in a Fund may not direct voting of proxies.

Upon request, we will provide clients with a copy of our proxy voting policies and procedures and/or a record of all proxy votes cast by 400CM on behalf of the respective Client Account.

Item 18: Financial Information

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about their financial condition. 400CM has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.