



Item 1 – Cover Page

Spring Mountain Capital, LP

65 E. 55th Street, 33rd Floor

New York, NY 10022

(212) 292-8300

www.springmountaincapital.com

www.smcfixedincome.com

March 31, 2015

This Brochure provides information about the qualifications and business practices of Spring Mountain Capital, LP (“SMC”). If you have any questions about the contents of this Brochure, please contact Aaron De Angelis, SMC’s Chief Compliance Officer, at (212) 292-7050. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

SMC is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Investment Adviser provide you with information about which you determine to hire or retain an Investment Adviser.

Additional information about SMC is also available on the SEC’s website at www.adviserinfo.sec.gov. You can search this site by a unique identifying number, known as a CRD number. The CRD number for SMC is 119126.

Item 2 – Material Changes

This Item of the Brochure will discuss only specific material changes that are made to the Brochure and provide clients with a summary of such changes. The last amendment to this brochure was made on December 3, 2014. This annual amendment filing, made on March 31, 2015, reflects the following amendments:

- New references to the Spring Mountain Blue Fund, LP under Items 4 and 5.
- Deletion of any reference to SMC's high yield fixed income management services throughout the Brochure.

We will further provide you with a new Brochure as necessary based on material changes or new information, at any time, without charge.

Currently, our Brochure may be requested by contacting Aaron De Angelis, CPA, SMC's Chief Compliance Officer, at (212) 292-7050. Additional information about SMC is also available via the SEC's web site at www.adviserinfo.sec.gov.

Item 3 – Table of Contents

Item 1 – Cover Page	i
Item 2 – Material Changes	ii
Item 3 – Table of Contents.....	iii
Item 4 – Advisory Business	1
Item 5 – Fees and Compensation	5
Item 6 – Performance-Based Fees and Side-By-Side Management	13
Item 7 – Types of Clients.....	13
Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss.....	14
Item 9 – Disciplinary Information	27
Item 10 – Other Financial Industry Activities and Affiliations	28
Item 11 – Code of Ethics	28
Item 12 – Brokerage Practices	32
Item 13 – Review of Accounts	37
Item 14 – Client Referrals and Other Compensation	38
Item 15 – Custody	39
Item 16 – Investment Discretion	39
Item 17 – Voting Client Securities.....	40
Item 18 – Financial Information.....	42
Privacy Notice	43

Item 4 – Advisory Business

SMC is principally owned by John “Launny” Steffens, Founder, Chairman, and Senior Managing Director, and Gregory Ho, President and Chief Operating Officer. SMC has been providing advisory services since 2001.

As of December 31, 2014, SMC managed \$1,200,172,340 on a discretionary basis and \$23,238,234 on a non-discretionary basis.

SMC provides continuous investment management services to a number of pooled investment vehicles (hereinafter, “Private Funds”) and to a limited number of separate accounts (“Managed Accounts”; collectively, the Private Funds and Managed Accounts are referred to herein as the “clients”). In the case of the Private Funds that are domiciled in the United States (the “Domestic Funds”), the Private Funds rely on registration exemptions available under the Investment Company Act of 1940. SMC also serves as the investment manager for six Private Funds organized under the laws of jurisdictions other than the United States (the “Offshore Funds”). Interests in the Offshore Funds are offered on a private placement basis to persons who are not “U.S. Persons,” as defined under Regulation S of the Securities Act of 1933, and U.S tax-exempt entities (or substantially comprised of U.S. tax-exempt entities), and subject to certain other conditions, which are described in the offering documents for the Offshore Funds.

SMC also provides municipal fixed income management services through SMC Fixed Income Management (“SMCFIM”) and single family office services through Seven and Eight Investments, both divisions of SMC. The advisory services offered by SMC are detailed below:

1. Investment Management Utilizing a “Fund-of-Funds” Approach:

SMC predominantly focuses on an investment strategy of exposure to other independent hedge funds, private equity funds, and separate accounts managed by unaffiliated third-parties via a fund-of-funds approach.

The Private Funds that SMC manages utilizing this strategy are:

- Spring Mountain Partners QP I, LP (the “SMP Domestic Fund”);
- Spring Mountain Partners Overseas I, Ltd. (the “SMP Overseas Fund”);
- SMC Alternative Strategies Fund, LLC (the “Domestic Alt Strategies Fund”);
- SMC Alternative Strategies Fund, Ltd. (the “Offshore Alt Strategies Fund”);

- SMC Reserve Fund II, LP (the “Reserve Fund II”);
- SMC Reserve Fund II Offshore, LP (the “Offshore Reserve Fund II”)
- Centigrade Fund Limited (the “Centigrade Fund Offshore”);
- Aozora-SMC Alternative Strategies Fund, Ltd. (the “Aozora Fund”);
- SMC Alpha Plus Fund, LP (the “Alpha Plus Fund”); and
- Spring Mountain Blue Fund, LP (the “Blue Fund”).

For all Domestic Funds, affiliates of SMC act as General Partner or Manager of the Private Funds. For Offshore Funds, supervised persons of SMC typically serve as one or more of the Directors. SMC’s risk management analysis of third party funds is based on a variety of factors including investment risk, operational risk, and portfolio risk. SMC conducts investment strategy analyses focusing on leverage, portfolio diversification, liquidity, portfolio turnover, and hedging strategies. On the operational risk side, SMC conducts separate due diligence that includes interviews with third party portfolio officers, legal document review, independent verification of assets, and counterparty analysis. With respect to portfolio risk, SMC carries out a quantitative risk assessment as well as a qualitative risk assessment.

2. Direct Private Fund Investment Management:

In addition to its predominant fund-of-funds strategic management, SMC also manages the following Private Funds directly (i.e., direct investment decisions are made by SMC as opposed to a third-party manager selected by SMC):

- SMC Select Co-Investment Fund I, LP (the “Co-Invest Fund”);
- SMC Holdings I, LP, SMC Holdings II, LP, and SMC Holdings III, LP (the “SMC Holdings Funds”).
- SMC Private Equity Holdings, LP (“PE Holdings”); and
- SMC Growth Capital Partners II, LP (“Growth Capital Partners II”).

SMC’s management of the Co-Invest Fund and PE Holdings focuses on direct private equity opportunistic co-investments (where the Co-Invest Fund or PE Holdings invests directly in opportunities either alone or side-by-side with non-affiliated private equity funds) in private equity and/or distressed equity markets. SMC invests the Co-Invest Fund and PE Holdings across the full private equity spectrum, including buyouts, recapitalizations, restructurings, mezzanine financings, growth capital and, on occasion, venture capital.

SMC’s management of Growth Capital Partners II focuses predominantly on direct growth capital investments on a stand-alone basis (i.e., not on a co-invest basis) in small capitalization companies, principally in the United States. SMC also invests a small portion of Growth Capital Partners II in smaller, earlier stage investments.

The SMC Holdings Funds are Private Funds that were created for one or a small number of co-investments into either private equity or distressed investment opportunities. While SMC employees comprise a significant portion of the ownership in each of the SMC Holdings Funds, investment in these Private Funds has and is also offered to external investors (who may or may not also be investors in one or more of the other Private Funds managed by SMC).

The investments made by the SMC Holdings Funds are sourced either through the various industry contacts maintained by SMC, or via SMC's private equity management team. SMC has full discretionary authority with respect to investment decisions, and its advice with respect to Private Funds is made in accordance with the investment objectives and guidelines as set forth in their respective offering memoranda. Investors and prospective investors in the Private Funds are requested to refer to the offering memorandum of the applicable Private Fund for complete information.

3. Separate Account Management:

SMC also serves as discretionary adviser to certain clients who open separate accounts ("Managed Accounts") with full power and authority to supervise direct investments for Managed Accounts without prior consultation with clients.

Similarly, SMC's investment decisions and advice with respect to Managed Accounts shall be in accordance with a client's investment objectives and guidelines in the client's investment management agreement, as well as any written instructions provided by the client to SMC. SMC may invest separate accounts into other independent hedge funds and private equity funds managed by unaffiliated third-parties.

4. Unit investment Trusts:

Portfolio consulting services are provided to Advisors Asset Management, Inc. ("AAM"), an unaffiliated investment adviser, with regard to AAM's management of certain Unit Investment Trusts ("UITs") that are sponsored, underwritten and distributed by AAM. SMC/FIM advises and consults with AAM regarding the initial and ongoing security selection of companies that own gold for inclusion in the UITs. However, all UIT investment and trading decisions are made by AAM, which retains discretion for all UIT portfolio transactions.

5. Advisory Services Offered by SMCFIM:

SMCFIM offers:

- a. Specialized fixed income management for institutions, trusts, and high net worth individuals. As part of this service, SMCFIM seeks to achieve investment objectives of clients by investing in a portfolio of assets consisting primarily of debt securities and other obligations issued by or on behalf of states, territories, and possessions of the United States and the District of Columbia and their political subdivisions, agencies, and instrumentalities, the interest on which is exempt from regular federal income tax.
- b. Portfolio consulting services to Advisors Asset Management, Inc. ("AAM"), an unaffiliated investment adviser, with regard to AAM's management of certain Unit Investment Trusts ("UITs") that are sponsored, underwritten, and distributed by AAM. SMCFIM advises and consults with AAM regarding the initial and ongoing fixed income security selection for inclusion in the UITs. However, all UIT investment and trading decisions are made by AAM, which retains discretion for all UIT portfolio transactions.

6. Pooled Vehicle & Fund Liquidations:

SMC also serves as an investment adviser to provide advice and recommendations to clients with respect to the liquidation into cash of the clients' investments in pooled vehicles. The objective of the liquidation service offered by SMC is to reduce a client's investments in a pooled vehicle to cash as promptly as reasonably practicable and at such price and on such terms as SMC shall determine in good faith to be the then best achievable overall. In instances where a client receives redemption proceeds paid in-kind and not in cash (any such redemption or withdrawal proceeds, "in-kind proceeds"), SMC shall provide advice and recommendations to the client with respect to converting such in-kind liquidation into cash.

SMC's liquidation services are limited to advice and recommendations, and the client shall retain absolute discretion over any actions with respect thereto. SMC shall not have any discretion to make any investments on behalf of the client or to redeem, sell, or otherwise manage or dispose of any investment or asset, including any investment in the client assets, without approval of the client. Risk of gain or loss with respect to the client's assets shall be borne solely by the client and not by SMC.

SMC will not have physical custody of any of the client assets. SMC will not render, or be responsible for rendering, any legal, accounting, or tax advice to the client with regard to the liquidation service.

7. Family Office Services:

Seven and Eight Investments, a division of SMC, provides single family office services and through these services takes a measured approach to opportunistic markets, either through direct investments or through co-investments on behalf of the client. Examples include private equity, real assets, hedge fund, high quality and distressed municipal bonds, and various niches within the credit markets. The favored investment profile includes asymmetrical returns, misunderstood or orphaned securities, and low-to-no correlation to general business cycles.

In addition to investing the client in affiliated private funds, SMC may engage third party, unaffiliated investment advisers (“Independent Managers”) to manage portions of the client’s portfolio consistent with the desired investment strategy. SMC performs routine due diligence on outside managers, and factors that SMC considers in recommending Independent Manager(s) include the client’s stated investment objective(s), management style, performance, reputation, financial strength, reporting, pricing, and research.

Client may address inquiries to individual employees of SMC concerning investments, products or services not offered, managed, or sold by SMC. Any opinions offered by employees of SMC to the Client in response to such inquiries do not constitute the views or investment advice of SMC, nor is SMC compensated for such information. Such investments, products, or services are not subject to SMC’s fiduciary duty with respect to the management of Client’s account, and SMC is not liable for any action that Client may take on Client’s own initiative as a result of any such inquiry or any communications it may have with any employee of SMC on such issues. Furthermore, Client agrees not to hold SMC liable for such opinions or views.

Item 5 – Fees and Compensation

1 & 2. Private Fund Management:

While it is the general policy of SMC to charge fees to its clients in accordance with the fee schedules in the offering documents (or investment management agreement in the case of separate account clients), SMC has the ability to negotiate alternative fee arrangements with clients based on specific circumstances and on a case-by-case basis.

The fees paid to SMC for investment advisory services are separate and distinct from those fees and expenses charged by each of the sub-managers of the underlying pooled investment vehicles to which SMC allocates Private Fund assets (“Sub-managers”). Each of the Sub-managers of the underlying pooled investment vehicles may also charge

management fees and/or performance-based compensation. Similarly, SMCFIM's fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses that are incurred by the client. Clients may also incur certain charges imposed by custodians, brokers, and other third parties such as custodial fees, sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions.

In very limited circumstances, SMC may invest one of its funds-of-funds into an affiliated Private Fund. However, fees are always waived at the fund-of-funds level in such circumstances.

SMC does not typically invest Private Fund assets in mutual funds; however, it may utilize mutual funds to sweep cash that is in the Private Funds. All fees paid to SMC for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds to their shareholders, including management fees, fund expenses, and distribution fees.

The fees applicable to each Private Fund are set forth in detail in each of the Fund's respective offering documents. A brief summary of the fees is provided below:

- a) Spring Mountain Partners QP I, LP – SMC is entitled to a quarterly management fee, at the beginning of each quarter, equal to 0.1875% (0.75% annualized) of the sum of the value of each investor's capital accounts plus any uncalled capital commitments, payable as soon as practicable. Generally at the end of each fiscal year, an amount equal to 5% of each investor's investment profits (subject to a high-water mark and subject to adjustments for withdrawals) will be reallocated to the capital account of the GP.
- b) SMC Alternative Strategies Fund, LLC – SMC is entitled to a quarterly management fee, at the beginning of each quarter, equal to 0.25% (1.0% annualized) of the net asset value of outstanding interests, payable as soon as practicable. Generally at the end of each fiscal year, an amount equal to 10% of the net capital appreciation (subject to a high-water mark and subject to adjustments for withdrawals) in an investor's interests is allocated to the account of the GP Affiliate. The allocation is made only to the extent that such allocation does not cause the investor's net capital appreciation to fall below a hurdle rate of 6%. This hurdle rate is not cumulative (i.e., if the hurdle rate is not earned in any fiscal year, the shortfall need not be made up in following years).
- c) SMC Alternative Strategies Fund, Ltd. – SMC is entitled to a quarterly management fee, at the beginning of each quarter, equal to 0.225% (0.90% annualized) of the aggregate net asset value of Class A Shares and Class B Shares and 0.25% (1.0% annualized) of the

aggregate net asset value of Class C Shares and Class D Shares as of the first day of each quarter. An additional management fee is calculated and paid to SMC in respect of each series of Class B Shares on the earlier of (i) the date of any redemption prior to each fifth anniversary (a "Fifth Anniversary") of the issuance of each series of Class B Shares or (ii) each Fifth Anniversary (the "Supplemental Class B Management Fee"). The amount of the Supplemental Class B Management Fee is equal to 0.25% multiplied by the number of years (and fractional years thereof) that the series of Class B Shares has been held since its initial issuance or the prior Fifth Anniversary (whichever is longer) multiplied by the net asset value of each series of Class B Shares on the date of a redemption or Fifth Anniversary (as the case may be). The Supplemental Class B Management Fee will be paid on a Fifth Anniversary only to the extent that the net realized and unrealized appreciation of such series of Class B Shares for such period reflects a rate of return in excess of 8% per annum compounded.

SMC is entitled to an annual performance fee determined as of the end of each calendar year equal to 10% of the net realized and unrealized appreciation in the net asset value of each of the Class C Shares and Class D Shares in excess of a high-water mark (the "Performance Fee"). The Performance Fee will be paid only to the extent that such payment does not cause the net realized and unrealized appreciation in the net asset value of each of the Class C Shares or Class D Shares to fall below a 6% hurdle rate. The hurdle rate is not cumulative from year to year (i.e., if the hurdle rate is not achieved in any fiscal year, the shortfall need not be made up in following years). All fees are payable as soon as practicable.

- d) SMC Reserve Fund II, LP – SMC is entitled to a quarterly management fee, at the end of each quarter, equal to 0.25% (1.0% annualized) of the net asset value of the outstanding interests at the beginning of the quarter, payable as soon as practicable. Generally at the end of each fiscal year, an amount equal to 10% of the net capital appreciation (subject to a high-water mark and subject to adjustments for withdrawals) in an investor's interests is allocated to the account of the GP Affiliate. Investments made on behalf of the fund into private equity funds will pay a fee equal to 10% of distributions only after an investor has received all of its initial investment back. (Note: The Class C management fee is 1% paid in advance, calculated on the opening NAV of the fund, and the incentive fee is 10% of the net capital appreciation of an investor's interests (subject to a high-water mark and subject to adjustments for withdrawals).)
- e) SMC Reserve Fund II Offshore, LP – SMC is entitled to a quarterly management fee, at the end of each quarter, equal to 0.25% (1.0% annualized) of the net asset value of the outstanding interests at the beginning of the quarter, payable as soon as practicable.

Generally at the end of each fiscal year, an amount equal to 10% of the net capital appreciation (subject to a high-water mark and subject to adjustments for withdrawals) in an investor's interests is allocated to the account of the Investment Manager and Special Limited Partner. Investments made on behalf of the fund into private equity funds will pay a fee equal to 10% of distributions only after an investor has received all of its initial investment back. (Note: The Class C management fee is 1% paid in advance, calculated on the opening NAV of the fund, and the incentive fee is 10% of the net capital appreciation of an investor's interests (subject to a high-water mark and subject to adjustments for withdrawals)).

- f) Spring Mountain Partners Overseas I, Ltd. – SMC is entitled to a quarterly management fee, on the first day of each quarter, equal to 0.1875% (0.75% annualized) of the net asset value of outstanding shares plus any uncalled capital commitments, payable as soon as practicable. SMC also is entitled to receive an annual performance fee, determined as of the end of each calendar year, equal to 5% of the net realized and unrealized appreciation in the net asset value of the outstanding shares in excess of a high-water mark. The high-water mark is adjusted for redemptions.
- g) Centigrade Fund Limited – SMC is entitled to a quarterly management fee equal to 0.125% (0.5% per annum) of the net asset value of shares, payable as soon as practicable. SMC also receives an annual performance fee equal to 5% of the increase in the net asset value of each series of shares.
- h) Aozora-SMC Alternative Strategies Fund, Ltd. – SMC is entitled to a monthly management fee, at the end of each month, equal to 0.041667% (0.50% annualized) of the aggregate NAV of the Class A Shares (out of the assets of the Class A Shares) and 0.083% (1.0% annualized) of the aggregate NAV of the Class B Shares (out of the assets of the Class B Shares), payable as soon as practicable. SMC is also entitled to an annual performance fee. At the end of each calendar year, out of the assets of the Class A Shares, SMC will receive an amount equal to 5% of the net realized and unrealized appreciation in the net asset value of each series of the Class A Shares, subject to a high-water mark and subject to adjustments for withdrawals. At the end of each calendar year, out of the assets of the Class B Shares, SMC will receive an amount equal to 10% of the net realized and unrealized appreciation in the net asset value of each series of the Class A Shares, subject to a high-water mark and subject to adjustments for withdrawals.
- i) SMC Alpha Plus Fund, LP - SMC is entitled to a monthly management fee, at the beginning of each month, equal to 0.0833% (1.0% annualized) of the net asset value of the outstanding interests at the beginning of the month, payable as soon as practicable.

SMC is also entitled to an incentive allocation equal to 10% of the investment proceeds of the fund after the fund's performance exceeds the benchmark (SPDR S&P 500 ETF Trust (NYSE: SPY)).

- j) SMC Select Co-Investment Fund I, LP - SMC is entitled to a quarterly management fee, at the end of each quarter, equal to 0.0625% (0.25% annualized) during the commitment period of an investor's capital commitment; and thereafter, an amount equal to 0.0625% (0.25% annualized) of the sum of such investor's allocable share of (A) the cost basis of portfolio investments that have not been disposed of and (B) aggregate unfunded reserves not yet drawn or released, calculated as of the last day of the immediately preceding quarter. SMC is also entitled to an annual performance fee, at the end of each calendar year, equal to 17% carried interest allocable to the General Partner, with catch-up distributions of profits on a "whole funds basis". The carried interest is subject to an 8% annual compounded preferred return to investors and the fund has a clawback provision for excess distributions.
- k) SMC Holdings I, LP - SMC is entitled to a monthly management fee, at the end of each month, equal to 0.833% (1.0% annualized) of the net asset value of the outstanding interests at the beginning of the month, payable as soon as practicable. SMC is also entitled to an incentive allocation equal to 15% of the investment proceeds of the Fund after 100% of each Limited Partner's aggregate capital contributions are returned.
- l) SMC Holdings II, LP - SMC is entitled to a monthly management fee, at the end of each month, equal to 0.166% (2.0% annualized) of the net asset value of the outstanding interests at the beginning of the month, payable as soon as practicable. SMC is also entitled to an incentive allocation equal to 20% of the investment proceeds of the Fund after 100% of each Limited Partner's aggregate capital contributions are returned, subject to a preferred return of 6%. (Note: Fees may vary by fund share class).
- m) SMC Holdings III, LP - SMC is entitled to a monthly management fee, at the end of each month, equal to 0.125% (1.5% annualized) of the net asset value of the outstanding interests at the beginning of the month, payable as soon as practicable. SMC is also entitled to an incentive allocation equal to 20% of the investment proceeds of the Fund after 100% of each Limited Partner's aggregate capital contributions are returned, subject to the Preferred Return of 8%.
- n) SMC Private Equity Holdings, LP - SMC is entitled to a quarterly management fee, at the beginning of each quarter, equal to 0.5% (2.0% annualized) of each investor's capital commitment, payable as soon as practicable. SMC is also entitled to an incentive allocation equal to 20% of the investment proceeds of the Fund after 100% of each

Limited Partner's aggregate capital contributions are returned, subject to a preferred return of 8%. (Note: Fees may vary by fund share class).

- o) SMC Growth Capital Partners II, LP - SMC is entitled to an annual management fee, payable monthly in arrears, equal to 2.0% annualized during the Fund's investment period, and thereafter 2% per year based upon unreturned capital contributions to the Fund (including any capital that has been reserved by SMC for follow-on investments). SMC is also entitled to an incentive allocation equal to 20% of the investment proceeds of the Fund after 100% of each Limited Partner's aggregate capital contributions are returned, subject to a preferred return of 8%.
- p) Spring Mountain Blue Fund, LP - SMC is entitled to an annual management fee, payable quarterly in advance, equal to 1.0% annualized. In addition, Spring Mountain International, Ltd. (the "Consultant"), an affiliate of SMC, has been appointed as a consultant of the Fund. With respect to each Limited Partner, the Blue Fund will pay to the Consultant, quarterly in advance, a consultation fee (the "Consultation Fee"). The Consultation Fee due on each fee payment date with respect to each Limited Partner will equal 1% per annum of the aggregate balance of such Limited Partner's capital account as of such date. SMC and the Consultant are each also entitled to an incentive allocation equal to 5% of the investment proceeds of the Fund after 100% of each Limited Partner's aggregate capital contributions are returned, which allocation increases to 10% each after each Limited Partner has received a 20% annual compounded rate of return on its aggregate capital contributions.

SMC charges each Limited Partner with a one-time subscription fee (the "Subscription Fee") by the Fund equal to 2% of the amount of such Limited Partner's subscription into the Fund. The Subscription Fee will be charged to each Limited Partner in addition to each Limited Partner's capital contribution to the Fund. The Subscription Fee will be shared equally between the Advisor and the Consultant to the Fund, Spring Mountain International, Ltd.

3. Separate Account Management by SMC:

Annual fees for SMC Managed Accounts are negotiated on a case-by-case basis. With regard to all fees charged, it is the general policy of SMC to charge fees to clients in accordance with the fee schedule in effect at the time of the charge; however, at the discretion of SMC, fees are subject to negotiation and modification.

SMC charges an annual fee for investment services as a percentage of assets under management that generally ranges from 0.25% to 0.40%. The exact fee for each client will

be negotiated and will be based on the total assets under management, complexity of investment guidelines or restrictions initiated by a client, or report services required/requested by the client, among other factors.

The specific manner in which fees are charged by and paid to SMC is established in the client's written agreement with SMC. Clients may elect to be billed directly for fees or to authorize SMC to directly debit fees from client accounts. *If clients elect to authorize SMC to directly debit fees from their accounts, clients should review the billing invoice to verify the fee calculation against the corresponding debit as reflected in their account statement provided by their custodian.*

To the extent that a Private Fund or Managed Account's assets are invested in another Fund advised by SMC, the target Fund will waive any fees or other compensation payable to SMC or its affiliates in connection with such investments.

4. Advisory Services Offered by SMCFIM:

- a. For its specialized fixed income management services, SMCFIM charges an annual fee for investment services as a percentage of assets under management that generally ranges from 0.25% to 0.40%. The exact fee for each client will be negotiated and will be based on the total assets under management, complexity of investment guidelines or restrictions initiated by a client, and report services required/requested by the client, among other factors. SMCFIM may charge different clients receiving the same services different fees. The fee schedules below are SMCFIM's basic fee schedules generally charged to clients absent negotiable circumstances.

The specific manner in which fees are charged by and paid to SMCFIM is established in the client's written agreement with SMCFIM. Clients may elect to be billed directly for fees or to authorize SMCFIM to directly debit fees from client accounts. *If clients elect to authorize SMCFIM to directly debit fees from their accounts, clients should review the billing invoice to verify the fee calculation against the corresponding debit as reflected in their account statement provided by their custodian.*

- b. For the provision of Portfolio Consulting services to AAM, SMCFIM generally receives 0.2% initially and 0.05% basis points annually, payable quarterly, on the average assets remaining in the applicable UIT.

A client agreement with SMCFIM may be canceled immediately upon receipt of written notice, or any other period mutually agreed upon between SMCFIM and the client and specified in an advisory agreement. Upon termination of any account, any prepaid,

unearned fees will be promptly refunded, and any earned, unpaid fees will be due and payable.

SMCFIM's fees are exclusive of, and in addition to, brokerage commissions, transaction fees, and other related costs and expenses that shall be incurred by the respective client. Clients may incur certain charges imposed by investment managers, custodians, brokers, and other third-parties such as custodial fees, sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions.

Clients may invest in other collective investment vehicles managed by third-party investment managers that also charge management fees, other fund expenses, and a possible distribution fee as disclosed in the collective investment vehicles' prospectuses or offering memoranda. All fees paid to SMCFIM for investment advisory services are separate and distinct from the fees and expenses charged to shareholders by mutual funds or other collective investment vehicles, including money market funds in which SMCFIM client assets may be held or swept. Accordingly, the client should review both the fees charged by the funds and the fees charged by SMCFIM to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

5. Pooled Vehicle & Fund Liquidations:

SMC is entitled to an annual fee, starting at 0.30% annualized, based on the net cash proceeds received from the liquidation of assets. In situations where SMC provides services in addition to the liquidation of the client's portfolio, such as guidance for reinvesting such proceeds, an additional fee may be charged as agreed to by the client and SMC.

6. Family Office Services:

SMC offers its family office services on a fixed fee basis. SMC's fixed fee is exclusive of, and in addition to, brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the client. Clients may incur certain charges imposed by investment managers, custodians, brokers, third party investment and other third parties such as custodial fees, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions.

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

SMC may charge performance-based compensation (fees) to its clients, which in all cases shall comply with the provisions of the Investment Advisers Act of 1940. However, SMC does not charge a performance-based fee to all of its clients. In measuring clients' assets for the calculation of performance-based fees, SMC shall include realized and unrealized capital gains and losses. Performance-based fee arrangements may create an incentive for SMC to recommend investments which may be riskier or more speculative than those that would be recommended under a different fee arrangement. Such fee arrangements also create an incentive to favor higher-fee-paying accounts over other accounts in the allocation of investment opportunities. SMC follows procedures designed to ensure that all clients are treated fairly and equally and to prevent this conflict from influencing the allocation of investment opportunities among clients.

For its advisory services, SMCFIM does not charge any performance-based fees.

Item 7 – Types of Clients

Investors in the SMC Private Funds may include individuals, banks, thrift institutions, investment companies, corporations, pension and profit sharing plans, trusts, estates, or charitable organizations. SMC also currently provides advice directly to a limited number of Managed Accounts (which may include banks, trusts, or corporations), a single family office, and third-party portfolios.

Investors in the Private Funds are generally required to make minimum initial investments, depending on the Private Fund, of at least \$100,000 to \$2,000,000 at the time of subscription, subject to SMC's right to accept lesser amounts. In addition, each Private Fund maintains minimum subscription amount requirements, and investors are requested to refer to the applicable Private Fund offering documents for a complete description.

SMCFIM offers investment management services for institutional and high net worth clients, including trusts. SMCFIM also provides portfolio consulting services to an asset management firm. SMCFIM generally requires a minimum account size of \$1 million, subject to negotiation, for separately managed accounts.

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

Spring Mountain Capital (SMC)

SMC is primarily a “fund of funds manager” in that it generally allocates clients’ assets to other pooled investment vehicles and/or separate accounts. SMC provides advisory services to the Private Funds, the Managed Accounts, and family office clients by allocating capital among Sub-managers and/or Underlying Funds as described below. The Underlying Funds may be organized as corporations, limited partnerships, joint ventures, other investment companies, or similar entities managed by Sub-managers. In addition, the Private Funds and the Managed Accounts may retain Sub-managers to manage and invest select portions of their assets through separately managed accounts. SMC provides advisory services to the Private Funds by allocating capital among various investments. The Private Funds and the Managed Accounts invest in a wide range of alternative asset strategies, including a full array of hedge fund strategies (*e.g.*, equity-long biased, equity-long/short, and equity-market neutral; relative value; event-driven; sector-focused; regional-focused; and macro) and private-equity disciplines (*e.g.*, early, expansion, and later-stage venture capital; buyouts; mezzanine financing; and distressed securities).

As noted above, SMC typically allocates its fund-of-fund assets to other Sub-managers by investing the assets of each Private Fund in a portfolio of unregistered pooled investment vehicles (the “Underlying Funds”) or separate accounts managed by alternative asset managers (“Sub-managers”). Underlying Funds are privately offered pools of capital with few (if any) investment restrictions. Underlying Funds may utilize leverage in their operations. SMC may also invest each Private Fund directly in securities and other investments, including, without limitation, common stocks, preferred stocks, warrants, instruments convertible into such securities, and debt securities. In addition to purchasing securities, SMC may sell securities short and may also use its capital as margin to secure positions in options and stock index options and to utilize forward contracts and other financial instruments when deemed appropriate.

SMC may invest in securities, the transfer of which is subject to legal or contractual restrictions (restricted securities), or engage in various trading strategies involving financial futures, options, forward contracts, and other derivatives for hedging purposes and for profit, either directly or through investments in other Underlying Funds. Although SMC does not intend to invest in fixed income securities as its main area of focus, it may, from time to time, invest in bonds and other fixed income instruments issued by governments, corporations, or other bodies, both in Organization for Economic Cooperation and Development countries and emerging economies, on an opportunistic basis.

SMC may also enter into currency transactions on behalf of the Private Funds on both a spot and forward basis. It is anticipated that this would be primarily for hedging purposes.

On behalf of each Private Fund, SMC may borrow for cash management purposes when deemed appropriate by SMC including, without limitation, to fund withdrawals.

Each Private Fund's investment program could be considered speculative and entails substantial risks. There can be no assurance that the investment objectives of any Private Fund will be achieved, and results may vary substantially over time.

When selecting Sub-managers and Underlying Funds, SMC uses a five-step, top-down investment process that involves: (i) gathering input and formulating conclusions regarding the relevant macro-trends and future developments that will impact hedge fund and private equity investing in the short, medium, and long-term; (ii) selecting strategies that SMC believes are likely to achieve a Private Fund's objective; (iii) identifying, evaluating, and selecting managers for the proposed strategies; (iv) constructing a diversified portfolio, testing it, and making required adjustments to it; and (v) monitoring the portfolio and its underlying managers and making required adjustments.

SMC Co-Invest Fund I, PE Holdings and SMC Holdings I, II & III:

Co-investment opportunities within SMC Select Co-Investment Fund I, PE Holdings or SMC Holdings I, II & III Funds are analyzed and evaluated by SMC on several dimensions, including:

- the company's historical operating performance;
- the strength of the management team;
- the company's relative competitive position;
- the overall industry outlook;
- the realism of the business plan going forward;
- the reasonableness of the proposed capital structure;
- the visibility of the company's cash flow;
- the available exit alternatives; and
- the transactions expected return relative to risk.

SMC's due diligence process will place particular emphasis on leveraging the investment insights and rationale of the lead investor with whom the Private Funds are co-investing. The due diligence process includes reviewing the work undertaken by the lead investor and third parties, including accounting, tax, legal, pension, insurance, environmental, and

industry due diligence reports as they are available. If there are matters of particular concern or interest, SMC may, in certain instances, also commission additional third party review.

While making investment decisions with respect to SMC Select Co-Investment Fund I, SMC's Investment Committee seeks to mitigate portfolio risk by diversifying investments among different industry and/or geographic focuses. The Investment Committee will also attempt to take into account the overall risk/return make-up of the portfolio, as well as the overall make-up of the expected realization time horizons of investments in the portfolio.

SMC Fixed Income Management

Investment Methodology and Strategy:

SMCFIM generally invests client assets in municipal securities with a broad range of maturities and credit ratings, including both investment grade and below-investment grade. A variety of hedging strategies may be used to seek to protect the value of the municipal securities against the volatility of interest rate changes and other market movements. Such hedging strategies may, however, result in income or gain to the client that is not tax-advantaged income.

Municipal securities may include, but are not limited to:

- Municipal Leases and Certificates of Participation;
- Municipal Notes of various types;
- Tax-Exempt Commercial Paper;
- Pre-Refunded Municipal Securities;
- Private Activity Bonds;
- Residual Interest Municipal Securities;
- Tender Option Bonds;
- Insured Municipal Securities;
- Auction Rate Securities;
- Municipal Bonds with Credit Enhancements;
- Zero and Stepped-Coupon Bonds;
- Structured Notes; and
- Hybrid Investments.

Research Process

SMCFIM may invest in municipal securities with a broad range of maturities and credit ratings, including both investment grade and below-investment grade municipal securities.

In managing a client's portfolio of municipal securities, SMCFIM adjusts the portfolio's duration and overall credit quality in light of changing market and economic conditions. In making decisions with respect to specific municipal securities, SMCFIM employs an approach driven primarily by proprietary research regarding prevailing interest rates, economic fundamentals at both the national and state level, and in-depth credit research conducted by its investment staff.

The two principal classifications of municipal securities are "general obligations" and "revenue obligations." General obligations are secured by the issuer's pledge of its credit and taxing power for the payment of principal and interest. Revenue obligations are payable from the revenues derived from a particular facility or class of facilities or, in some cases, from the proceeds of a special excise or other specific revenue source but not from the general taxing power. SMCFIM considers both broad economic and issuer-specific factors in selecting a portfolio designed to achieve the client's investment objective. In assessing the appropriate maturity, rating, and sector weightings of an account, SMCFIM considers a variety of factors that are expected to influence economic activity and interest rates. Once SMCFIM determines the preferable characteristics of its assets allocated to municipal securities, it selects individual securities based upon the terms of the securities (such as yields compared to U.S. Treasuries or comparable issues), liquidity and rating, sector, and issuer diversification.

Investment Thesis

SMCFIM attempts to identify investment grade and below-investment grade municipal securities that are trading at attractive valuations relative to the evaluation of the issuer's creditworthiness and, with respect to private activity bonds, the profit potential of the corporation from which the revenue supporting the bonds is derived. SMCFIM's overall investment approach is both top-down and bottom-up, first seeking to identify the sectors or regions of the municipal bond market that present the best relative value opportunities and then basing the overall sector and regional weightings on that determination. After establishing the overall regional and sector weightings, SMCFIM focuses on selecting those securities within each sector or region that meet its fundamental criteria.

Credit Management

SMCFIM may invest client accounts in municipal securities with a broad range of credit ratings, including both investment grade and below-investment grade municipal securities.

Securities of below-investment grade quality are regarded as having predominantly speculative characteristics with respect to the issuer's capacity to pay interest and repay principal and are commonly referred to as "junk bonds" or "high yield securities." They involve greater risk of loss, are subject to greater price volatility, and are less liquid,

especially during periods of economic uncertainty or change, than higher rated municipal securities.

SMCFIM will determine the allocation of a client's portfolio assets among securities with different credit ratings depending upon its evaluation of factors such as the spread between the yields on municipal securities of different ratings, changes in default rates, general economic conditions, and the outlook for fiscal issues facing municipal issuers. Generally, as the spread between the yield on investment grade and below-investment grade securities widens, SMCFIM will allocate a greater portion of assets to non-investment grade municipal securities. If the spread based on relative credit quality narrows, SMCFIM may determine that high yield municipal securities no longer offer a sufficient risk premium and increase the average credit quality of the client's portfolio. As the economy strengthens and the default risk lessens, SMCFIM may increase investment in lower quality, non-investment grade securities.

SMCFIM also seeks to mitigate the risks of investing in below-investment grade securities through an approach driven primarily by fundamental research to assess an issuer's credit quality and the relative value of its securities. Moreover, with respect to below-investment grade securities that are private activity bonds, SMCFIM intends to emphasize securities that are backed by revenue from publicly traded companies. SMCFIM may invest to a significant extent in residual interest municipal securities known as inverse floaters. Compared to similar fixed rate municipal securities, the value of these securities will fluctuate to a greater extent in response to changes in prevailing long-term interest rates. Moreover, the income earned on residual interest municipal securities will fluctuate in response to changes in prevailing short-term interest rates. Thus, when such securities are held, an increase in short- or long-term market interest rates will adversely affect the income received from such securities. To the extent an account has an issuer's preferred shares, an increase in short-term rates would also result in an increased cost of leverage, which would adversely affect the income of an account.

Duration

Duration is a measure of the expected life of a debt security that is used to determine the sensitivity of the security's price to changes in interest rates. The longer the duration of a portfolio, the more sensitive it generally is to changes in interest rates. SMCFIM generally will modify the average duration of a portfolio in response to market conditions and may employ certain strategies to reduce a portfolio's interest rate sensitivity, including investments in interest rate swap or cap transactions. There is no assurance that SMCFIM will do so or that such strategies will be successful.

SMCFIM generally will select municipal securities with a view to monitoring the duration of a client's portfolio of municipal securities, based primarily on its outlook for interest rates.

SMCFIM will consider economic trends, Federal Reserve Board actions, and capital markets activity, among other factors, in developing its outlook for interest rates. SMCFIM believes that maintaining duration at an appropriate level offers the potential for above-average returns while limiting the risks of interest rate volatility.

Risk Management

The ability of a municipal issuer to meet its obligations on municipal securities (other than private activity bonds) is subject to the risk that the municipal issuer of the securities will not have sufficient revenues from taxes and other sources of income to pay interest and repay principal on the municipal securities. The level of municipal income may be adversely affected by various factors, including general economic activity, real estate values, and changes in governmental expenses. The obligations of the issuer to pay the principal of and interest on a municipal security are subject to the provisions of bankruptcy, insolvency, and other laws affecting the rights and remedies of creditors, such as the Federal Bankruptcy Act, and laws, if any, that may be enacted by Congress or state legislatures extending the time for payment of principal or interest or imposing other constraints upon the enforcement of such obligations. There is also the possibility that, as a result of litigation or other conditions, the power or ability of the issuer to pay when due the principal of or interest on a municipal security may be materially affected.

The amount of public information available about the issuance of municipal securities is generally less than that for corporate equities or bonds, and the investment performance of client accounts may therefore be more dependent on the analytical abilities of SMCFIM than if SMCFIM were managing stock or taxable bond accounts. The secondary market for municipal bonds, particularly that of below-investment grade municipal securities in which client accounts may be invested, also tends to be less well-developed or liquid than many other securities markets, which may adversely affect the ability to sell municipal securities at attractive prices.

Municipal securities may be backed by letters of credit or other forms of credit enhancement issued by domestic or foreign banks or by other financial institutions. The credit quality of these banks and financial institutions could, therefore, cause a loss. Letters of credit and other obligations of foreign banks and financial institutions may involve risks in addition to those of domestic obligations because of less publicly available financial and other information, less securities regulation, potential imposition of foreign withholding, and other taxes, war and expropriation, or other adverse governmental actions. Foreign banks and their foreign branches are not regulated by U.S. banking authorities and are generally not bound by the accounting, auditing, and financial reporting standards applicable to U.S. banks.

Interest Rate and Hedging Transactions

SMCFIM may utilize a variety of hedging strategies to seek to protect the value of clients' portfolios against the volatility of interest rate changes and other market movements. SMCFIM may seek to hedge municipal securities portfolios against changes in interest rates using exchange-traded futures and option contracts, options on futures contracts, or through over-the-counter dealer transactions in caps, swap agreements, or options thereon. In large part, the success of hedging activities depends on the ability to forecast movement in securities prices and interest rates, and there can be no assurance that SMCFIM's judgment in this respect will be accurate. Although hedging transactions are designed to reduce the volatility of a client's portfolio attributable to its municipal securities, these transactions involve investment techniques and risks different from those associated with portfolio transactions in municipal securities. Distributions of any income or gains realized on a client's hedging transactions generally will not be tax-advantaged income. There is no assurance that SMCFIM will undertake any such hedging transactions or that, if undertaken, that any such hedging strategies will be successful.

RISKS:

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

An investment in the Private Funds or SMC supervision of a Managed Account involves a high degree of risk. There can be no assurance that a specific Private Fund's investment objective will be achieved or that the investors will receive a return of their capital. Client assets are subject to various market, currency, economic, political, business, and other associated risks. In addition, investment results may vary substantially on a weekly, monthly, quarterly, or annual basis.

Material Risks

The material risks presented by the strategies and financial assets pursued by SMC are set forth below. For Private Fund investors, additional information is contained in the Offering Documents related to each Private Fund. This Brochure does not purport to contain a complete disclosure of all risks that may be relevant to a prospective investor in a Private Fund or a Managed Account.

Investing involves risk of loss that an investor should be prepared to bear. Investments made by SMC involve significant risks. There can be no assurance that SMC will meet the investment objectives of any particular Private Fund or otherwise be able to carry out its investment strategy successfully.

Distressed Securities Generally: Distressed debt securities are subject to the significant risk of an issuer's inability to meet principal and interest payments on the obligations (credit risk) and may also be subject to price volatility due to such factors as interest rate sensitivity, market perception of the creditworthiness of the issuer, and general market liquidity (market risk). Distressed securities may react more than non-distressed securities to developments affecting market and credit risk. A wide variety of other considerations exist including, for example, the possibility of litigation between the participants in a reorganization or liquidation proceeding or a requirement to obtain mandatory or discretionary consents from various governmental authorities or others. The uncertainties inherent in evaluating such investments may be increased by legal and practical considerations that limit the access of SMC to reliable and timely information concerning material developments affecting a company or that cause lengthy delays in the completion of the liquidation or reorganization proceedings. The level of analytical sophistication, both financial and legal, necessary for successful investment in companies experiencing significant business and financial distress is unusually high. There is no assurance that SMC will correctly evaluate the nature and magnitude of the various factors that could affect the prospects for a successful reorganization or similar action. In any reorganization or liquidation proceeding relating to a company in which a Private Fund invests, such Private Fund may lose its entire investment or may be required to accept cash or securities with a value less than that of its original investment.

Investments in Equity Securities Generally: Investments may include preferred or common stocks, warrants, or similar equity securities. These equity investments may be purchased directly by the Private Funds or received in complete or partial exchange of a debt investment that was restructured through a bankruptcy or otherwise. Any investments in equity securities will be subject to normal market risks, including limited liquidity and price volatility. While diversification among issuers may mitigate these risks, the Private Funds are generally not required to diversify their investments in equity securities, and investors must expect fluctuations in the value of equity securities based on market conditions. In addition, the value of equity securities may be wiped out or substantially reduced in a bankruptcy proceeding or corporate restructuring. SMC generally does not seek control of companies but will often be actively involved in any bankruptcy, insolvency, or restructuring process. However, in furtherance of certain opportunities that are otherwise consistent with SMC's investment strategy, the Private Funds may pursue and obtain majority or complete ownership of a company.

Short Selling Activities: SMC may also engage in short selling. Short selling involves selling securities that may or may not be owned and borrowing the same securities for delivery to the purchaser, with an obligation to replace the borrowed securities at a later date. Short selling allows the investor to profit from declines in market prices to the extent such decline

exceeds the transaction costs and the costs of borrowing the securities. A short sale creates the risk of a theoretically unlimited loss, in that the price of the underlying security could theoretically increase without limit, thus increasing the cost of buying those securities to cover the short position. There can be no assurance that the securities necessary to cover a short position will be available for purchase. Purchasing securities to close out the short position can itself cause the price of the securities to rise further, thereby exacerbating the loss.

Short selling allows an investor to profit from declines in the value of securities (and exposes the investor to losses from increases in the value of securities) and may be an important aspect of certain of the investment strategies of SMC. Regulators and policymakers in domestic and foreign jurisdictions have been considering bans or limitations on short selling activities. Limitations on the short selling of securities could interfere with the ability of SMC to execute certain aspects of its investment strategies, including its ability to hedge certain exposures and to execute transactions to implement its risk management guidelines, and any such limitations may adversely affect the performance of a Private Fund.

Private Investments: Private investments may be subject to legal or other restrictions on transfer, and there may be no liquid market for such investments. This means that SMC may be unable to sell them when desired or to realize their previously anticipated fair value when sold. The sale of illiquid assets often requires more time and results in higher selling expenses than does the sale of more liquid assets. Calculating the fair market value of private investments can be especially difficult.

While both public and private investments may be affected by SMC's acquisition of confidential or material, nonpublic information, private investments create a heightened risk that SMC may acquire such information and may be restricted from initiating transactions in certain securities or selling certain investments at a time when an investment-related action would otherwise have been taken.

These assets are subject to credit, liquidity, and interest rate risk. Their value generally will fluctuate with, among other things, the financial condition of the obligors on or issuers of the assets, general economic conditions, the condition of certain financial markets, political events, developments or trends in any particular industry, and changes in prevailing interest rates. With respect to synthetic securities, value may also be affected by the financial condition of the related synthetic security counterparties and of the obligors or issuers of the underlying obligations.

Non-U.S. Investments: Investing outside the United States may involve greater risks than investing in the United States. There is generally less publicly available information about

non-U.S. companies, and there may be less government regulation and supervision of non-U.S. companies and investments. There may also be difficulty in enforcing legal rights outside the United States. Moreover, non-U.S. companies generally are not subject to uniform accounting, auditing and financial reporting standards, practices, and requirements comparable to those that apply to U.S. companies. Security trading practices abroad may offer less protection to investors than those in the United States.

Additionally, in some foreign countries, there is the possibility of expropriation or confiscatory taxation, limitations on the removal of securities, property, or other assets of a Private Fund, political or social instability, or diplomatic developments, each of which could have an adverse effect on such Private Fund's investments in such foreign countries. While SMC will seek to take these factors into consideration in making investment decisions, no assurance can be given that SMC will be able to successfully minimize these risks. In addition, SMC may invest in developing countries or in countries with new or developing capital markets. The considerations noted above are generally intensified for these investments. Certain of these countries may have relatively unstable governments: economies based on only a few industries and not well-developed capital markets. Securities and debt obligations of entities located in these countries tend to have volatile prices and may offer significant potential for loss.

Finally, the value of a Private Fund's investments in non-U.S. securities may be significantly affected by changes in currency exchange rates. Some non-U.S. currency values may be volatile, and there is the possibility of governmental controls on currency exchange or governmental intervention in currency markets that could adversely affect a Private Fund. Although SMC will attempt to hedge against non-U.S. currency exchange rate risks generally by using spot and forward foreign exchange contracts and non-U.S. currency options, there can be no assurance that SMC will be able to do so successfully.

Economic Conditions and Recent Events: Various sectors of the global financial markets have been experiencing an extended period of adverse conditions. These conditions have resulted in reduced liquidity, greater volatility, general widening of credit spreads, and a lack of price transparency. These difficult global credit market conditions have adversely affected the market values of equity, fixed-income, and other financial assets, and these circumstances may continue or even deteriorate further. The short- and long-term impact of these events is uncertain but could have a material effect on general economic conditions, consumer and business confidence, and market liquidity. Further, recent and current disruptions in the debt markets have affected the price of, as well as the ability to make, certain types of investments, and there can be no assurance that these disruptions will not continue or worsen in the future. Specifically, recent events in the sub-prime mortgage market and other areas of the credit markets have caused significant

dislocations, illiquidity, and volatility in the structured credit, leveraged loan, and high-yield bond markets, as well as in the wider global financial markets. Such recent and current disruptions may have a direct or indirect negative effect on a wide range of borrowers and may increase the likelihood that such borrowers will be unable to make principal and interest payments on, or refinance, outstanding debt when due. Moreover, the risk that such disruption will affect a borrower's ability to pay its debts and obligations when due is enhanced if such borrower in turn provides credit to third parties or otherwise participates in the credit markets. In the event of such defaults, the Private Funds could lose both invested capital in, and anticipated profits from, any affected investments. The continuation or worsening of any such events, or other similar or dissimilar events, could have an adverse impact on the availability of credit to businesses generally and may lead to further weakening of the U.S. and global economies.

Liquidity and Valuation of Investments: The Private Funds may invest in securities and other financial assets that are subject to legal or other restrictions on transfer or for which no liquid market exists. The market prices, if any, for such instruments tend to be volatile, and SMC may not be able to sell such securities when it desires to do so or to realize what it perceives to be their fair value in the event of a sale. The sale of restricted and 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. Because the markets for such securities are still evolving, liquidity in these securities is limited, and liquidity with respect to lower-rated and unrated subordinated classes may be even more limited. As a result, calculating the fair market value of a Private Fund's holdings may be difficult.

Risks Associated with Investing in Options and Derivatives: SMC may invest, from time to time, in options and derivative instruments, including buying and writing puts and calls on some of the securities held by the Private Funds and/or Managed Account clients in an attempt to supplement income derived from those securities. The prices of many derivative instruments, including many options and swaps, are highly volatile. The value of options and swap agreements depend primarily upon the price of the securities, indices, commodities, currencies, or other instruments underlying them. Price movements of options contracts and payments pursuant to swap agreements are also influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies. The cost of options is related, in part, to the degree of volatility of the underlying securities, currencies, or other assets.

Accordingly, options on highly volatile securities, currencies, or other assets may be more expensive than options on other investments.

Put options and call options typically have similar structural characteristics and operational mechanics, regardless of the underlying instrument or asset on which they are purchased or sold. A put option gives the purchaser of the option, upon payment of a premium, the right to sell, and the writer the obligation to buy, the underlying security, commodity, index, currency, or other instrument or asset at the exercise price. A call option, upon payment of a premium, gives the purchaser of the option the right to buy, and the seller the obligation to sell, the underlying instrument at the exercise price.

If a put or call option purchased on behalf of a client account by SMC were permitted to expire without being sold or exercised, the client account would lose the entire premium it paid for the option. The risk involved in writing a put option is that there could be a decrease in the market value of the underlying instrument or asset caused by rising interest rates or other factors. If this occurred, the option could be exercised and the underlying instrument or asset would then be sold to SMC on behalf of the client account at a higher price than its current market value. The risk involved in writing a call option is that there could be an increase in the market value of the underlying instrument or asset caused by declining interest rates or other factors. If this occurred, the option could be exercised and the underlying instrument or asset would then be sold by SMC on behalf of the client account at a lower price than its current market value.

Purchasing and writing put and call options and, in particular, writing “uncovered” options are highly specialized activities and entail greater than ordinary investment risks. In particular, the writer of an uncovered call option assumes the risk of a theoretically unlimited increase in the market price of the underlying instrument or asset above the exercise price of the option. This risk is enhanced if the instrument or asset being sold short is highly volatile and there is a significant outstanding short interest. These conditions exist in the stocks of many companies. The instrument or asset necessary to satisfy the exercise of the call option may be unavailable for purchase except at much higher prices. Purchasing instruments or assets to satisfy the exercise of the call option can itself cause the price of the instruments or assets to rise further, sometimes by a significant amount, thereby exacerbating the loss. Accordingly, the sale of an uncovered call option could result in a loss by the client account of all or a substantial portion of its assets.

Swaps and certain options and other custom instruments are subject to the risk of non-performance by the counterparty, including risks relating to the financial soundness and creditworthiness of the counterparty.

In the event that SMC determines that leverage is appropriate in its investment program, SMC may use borrowed funds and/or investments in certain types of options, such as puts, calls, and warrants, which may be purchased for a fraction of the price of the underlying securities while giving the purchaser the full benefit of movement in the market of those underlying securities. While such strategies and techniques increase the opportunity to achieve higher returns on the amounts invested, they also increase the risk of loss. To the extent SMC purchases securities for a client account with borrowed funds, its net assets will tend to increase or decrease at a greater rate than if borrowed funds are not used. The level of interest rates generally, and the rates at which such funds may be borrowed in particular, could affect the operating results of an account. If the interest expense on borrowings were to exceed the net return on the investments made with borrowed funds, SMC's use of leverage would result in a lower rate of return than if an account was not leveraged.

If the amount of borrowings outstanding for a client account at any one time is large in relation to such account's capital, fluctuations in the market value of the account will have disproportionately large effects in relation to the account's capital, and the possibilities for profit and the risk of loss will therefore be increased. Any investment gains made with the additional monies borrowed will generally cause the net asset value of a client account to rise more rapidly than would otherwise be the case. Conversely, if the investment performance of the additional monies borrowed fails to cover their cost to a client account, the net asset value of the account will generally decline faster than would otherwise be the case.

Certain of SMC's trading and investment activities may be subject to U.S. Federal Reserve Board ("FRB") margin requirements, which are computed daily. At present, the FRB's Regulation T permits a broker to lend no more than 50% of the purchase price of "margin stock" bought by a customer. When the market value of a particular open position changes to a point where the margin on deposit does not satisfy maintenance margin requirements, a "margin call" on the customer is made. If the customer does not deposit additional funds with the broker to meet the margin call within a reasonable time, the customer's position may be closed out. In the event of a precipitous drop in the value of the assets managed by SMC, SMC might not be able to liquidate assets quickly enough to pay off the margin debt and might suffer mandatory liquidation of positions in a declining market at relatively low prices, incurring substantial losses. With respect to SMC's trading activities on behalf of a client account, the account, and not SMC, will be subject to margin calls.

Overall, the use of leverage, while providing the opportunity for a higher return on investments, also increases the volatility and the risk of loss of such investments. Clients should be aware that an investment program utilizing leverage is inherently more

speculative, with a greater potential for losses, than a program that does not utilize leverage.

Risks Associated with SMC Fixed Income Management:

SMCFIM invests primarily in municipal fixed income securities. Accordingly, clients who retain SMCFIM to manage their assets may experience a greater degree of risk.

SMCFIM's investment strategies may be deemed to be a highly specialized investment, and it is not intended as a complete investment program. It is designed only for sophisticated persons who are able to bear the economic risk of the loss of their investment and who have a limited need for liquidity in their investment.

Risks of Fixed Income Investments

Securities of below-investment grade quality are regarded as having predominantly speculative characteristics with respect to the issuer's capacity to pay interest and repay principal, and are commonly referred to as "junk bonds" or "high yield securities." The yields on, and market prices of, municipal securities are dependent on a variety of factors, including general conditions of the municipal securities market, the size of a particular offering, the maturity of the obligation, and the rating of the issue. The value of outstanding municipal securities will vary as a result of changing evaluations of the ability of their issuers to make interest and principal payments. Such values will also change in response to changes in the interest rates payable on new issues of municipal securities and changes in general interest rate levels.

The risk of loss described herein should not be considered to be an exhaustive list of all the risks that clients should consider. Clients should consider the specialized nature of investing in municipal fixed income securities and the risks that such investments bear.

Item 9 – Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of SMC or the integrity of SMC's management. On January 8, 2009, the Commodity and Futures Trading Commission ("the Commission") initiated civil claims against SMC and one of its affiliates, Spring Mountain Capital G.P., LLC ("SMCG"), with respect to late filing and distribution of certain audited financial statements from 2005 and 2006 to Private Fund investors and the National Futures Association. The alleged violation was based purely on timing (the

Commission did not make any allegations with respect to the substance of the financial statements), and no other violations were alleged.

SMC and SMCG consented to settlement with the Commission without admitting or denying the Commission's findings. The Commission (1) found that SMC and SMCG violated Commission Regulation 4.7(b)(3)(i), (2) ordered SMC, SMCG and their successors and assigns to cease and desist from violating commission regulation 4.7(b)(3)(i), and (3) ordered SMC and SMCG to each pay a civil monetary penalty in the amount of \$75,000.

Item 10 – Other Financial Industry Activities and Affiliations

SMC is registered as a commodity pool operator and a commodity trading advisor. An affiliate of SMC serves as the general partner of the SMC Domestic Fund, the Reserve Fund II, the Offshore Reserve Fund, the Private Reserve Fund, the Alpha Plus Fund, the Growth Capital Partners II Fund, and the Blue Fund, and as the managing member of the Domestic Alt Strategies Fund. In addition, SMC is affiliated with Spring Mountain International, Ltd., an entity that serves as consultant to SMC in its management of certain Private Funds.

Certain of SMC's clients with individually Managed Accounts also may invest in the Private Funds. Absent specific authority, SMC does not exercise discretionary authority with respect to such clients' decisions to invest in the Private Funds. However, SMC typically waives its fees for any client assets invested in the Private Funds through a Managed Account, pursuant to SMC's discretionary authority.

Item 11 – Code of Ethics

SMC strives to adhere to the highest industry standards of conduct based on principles of professionalism, integrity, honesty, and trust. In seeking to meet these standards, SMC has adopted a Code of Ethics (the "Code"). The Code incorporates the following general principles that all employees are expected to uphold, and sets forth sanctions for violations of such principles. Employees must at all times place the interests of clients first; all personal securities transactions must be conducted in a manner consistent with the Code and any actual or potential conflicts of interest or any abuse of an employee's position of trust and responsibility must be avoided; employees must not take any inappropriate advantage of their positions; information concerning the identity of securities and financial circumstances of the Private Funds or Managed Accounts, including the Private Funds' investors, must be kept confidential; and independence in the investment decision-making process must be maintained at all times.

The Code also places restrictions on personal trading by employees, including a requirement that they disclose their personal securities holdings and transactions to SMC on a periodic basis and a requirement that employees pre-clear personal securities transactions. The Code also addresses the following potential conflicts: (1) employee investment in initial public offerings and private placements; (2) outside activities; (3) rumor dissemination; (4) gifts and business entertainment; and (5) political contributions. *Investors may request a copy of the Code by contacting the Compliance Department at (212) 292-8300, or write to Spring Mountain Capital, LP, Attention: Compliance Department, 65 East 55th Street, 33rd Floor, New York, NY 10022.*

SMC also maintains Insider Trading policies and procedures (the “Insider Trading Policies”) that are designed to prevent the misuse of material, non-public information. SMC’s personnel are required to certify as to their compliance with the Code, including the Insider Trading Policies, on a periodic basis.

Restrictions Due to Inside Information

SMC’s Insider Trading Policies prohibit SMC and its personnel from trading for the Private Funds and Managed Accounts or themselves, or recommending trading, in securities of a company while in possession of material, non-public information (“Inside Information”) about the company and from disclosing such information to any person not entitled to receive it. By reason of its various activities, SMC may have access to Inside Information or be restricted from effecting transactions in certain investments that might otherwise have been initiated. SMC has designed and implemented policies and procedures reasonably designed to shield its investment professionals in most cases from access to Inside Information so that investment decisions may be made on the basis of public information only. Among other things, such policies seek to control and monitor the flow of Inside Information to and within SMC, as well as prevent trading based on Inside Information. Accordingly, SMC may not have access to Inside Information that other market participants or counterparties are eligible to receive.

Notwithstanding such policies and procedures, there may be certain cases where SMC either may receive Inside Information due to its various activities on behalf of itself or the Private Funds and Managed Accounts or may be restricted in acting for the Private Funds or Managed Accounts, resulting in limited liquidity or using such information for the benefit of certain clients in specific securities. SMC seeks to minimize those cases whenever possible, consistent with applicable law and our Insider Trading Policies, but there can be no assurance that such efforts will be successful and that such restrictions will not occur.

SMC may purchase securities from, or sell securities to, related persons for the benefit of the Private Funds and Managed Accounts. All such transactions will be effected in

compliance with applicable law, including regulations and interpretations of the Securities and Exchange Commission under the Investment Advisers Act of 1940, as amended. Subject to applicable restrictions under ERISA as well as Private Fund and Managed Account investment guidelines and restrictions, SMC may effect rebalancing or internal cross transactions between the Private Funds. In such cases, one Private Fund will purchase securities held by another Private Fund. SMC effects these transactions at a predetermined time, generally after the close of the market on the last business day of each month, pursuant to a formula that will result in the Private Fund's holding substantially similar securities relative to each Private Fund's net asset value. SMC effects these transactions based on the then current independent market price and consistent with valuation procedures established by SMC. Neither SMC nor any related party receives any compensation in connection with these rebalancing transactions. These cross transactions generally will be made without brokerage commissions being charged. When effecting cross transactions between the Private Funds and Managed Accounts, SMC will have a potentially conflicting division of loyalties and responsibilities with respect to each participating Private Fund and Managed Account. To the extent that such transactions may be viewed as principal transactions due to the ownership interest in the Private Fund by SMC and its personnel, SMC will comply with the requirements of Section 206(3) of the Advisers Act, including that SMC will notify the Private Fund (or an independent representative of the Private Fund) in writing of the transaction and obtain the consent of the Private Fund (or an independent representative of the Private Fund).

In addition, SMC may invest the assets of the Private Funds or Managed Accounts it advises with other Private Funds that SMC advises. To the extent that a Private Fund or Managed Account's assets are invested in another Private Fund advised by SMC, the target Private Fund will waive any fees or other compensation payable to SMC or its affiliates in connection with such investment.

Investment Activities of SMC and its Personnel

SMC requires that its employees obtain pre-approval through SMC's online employee trading system (PTCC) prior to trading direct securities (equities, bonds, and options) for their own account. SMC's Chief Compliance Officer monitors and reviews the employees' own accounts for compliance with SMC's personal trading policies as detailed in the Code of Ethics. Employees must obtain written approval from the Chief Operating Officer and the Chief Compliance Officer before acquiring for a personal account any securities as part of an initial public offering or a limited offering (i.e., an offering that is exempt from registration under the Securities Act pursuant to Section 4(2), Section 4(6), Rule 504, Rule 505, or Rule 506 thereunder).

As a result of employee investing in some of SMC's Private Funds, such funds are considered to be proprietary funds of SMC due to ownership percentages equaling or exceeding twenty-five percent. However, no preferential treatment is given to such funds due to the fact that they have an inherent conflict of interest. In addition, any such investments in such Private Funds are made in conformity with SMC's policies and procedures regarding investments by SMC's personnel. Potential conflicts may also arise due to the fact that advisory affiliates may have investments in some Private Funds but not in others or may have different levels of investments in the various Private Funds, and because the Private Funds and Managed Accounts may pay different levels of fees to SMC. These policies and procedures include comprehensive guidelines regarding the use of confidential information and personal trading. It is SMC's policy that personnel involved in investment decision-making must act in the best interests of clients before acting in their own best interests.

Additional Considerations

From time to time, various potential and actual conflicts of interest may arise from the overall advisory, investment, and other activities of SMC, its affiliates, and personnel (each an "Advisory Affiliate" and, collectively, the "Advisory Affiliates"). SMC has established policies and procedures to monitor and resolve conflicts and will endeavor to resolve conflicts with respect to investment opportunities in a manner it deems equitable to the extent possible under the prevailing facts and circumstances. The Advisory Affiliates may invest on behalf of themselves in securities and other instruments that would be appropriate for, held by, or may fall within the investment guidelines of the Private Funds or the Managed Accounts. These activities may adversely affect the prices and availability of other securities or instruments held by or potentially considered for one or more Private Funds or Managed Accounts.

In addition, SMC may give advice or take action with respect to the investments of one or more Private Funds or Managed Accounts that may not be given or taken with respect to other Private Funds with similar investment programs, objectives, and strategies. Accordingly, Private Funds or Managed Accounts with similar strategies may not hold the same securities or instruments or achieve the same performance. SMC may also advise Private Funds or Managed Accounts with conflicting programs, objectives, or strategies. These activities may also adversely affect the prices and availability of other securities or instruments held by or potentially considered for one or more Private Funds. Finally, SMC and its personnel may have conflicts in allocating their time and services among the Private Funds and Managed Accounts. SMC will devote as much time to each Private Fund or Managed Account as SMC deems appropriate to perform its duties in accordance with its management agreements.

Item 12 – Brokerage Practices

Spring Mountain Capital's Brokerage Practices:

Best Execution: SMC's overriding objective in effecting portfolio transactions is to obtain the best combination of price and execution. SMC seeks to effect each transaction at a price and commission that provides the most favorable total cost or proceeds reasonably attainable under the circumstances. SMC may consider various factors when selecting a broker or dealer, including, but not limited to, the nature of the portfolio transaction, the size of the transaction, the broker's reliability, the quality of the broker's execution services, the broker's financial condition, commission rates on agency transactions, the execution quality, clearing and settlement capabilities of the broker or dealer, the desired timing of the transactions, confidentiality, and the circumstances under which the general brokerage (execution-related) and research services are provided. Research and execution-related services may be provided in the form of written reports, telephonic communications, data feeds, software (including software providing securities analysis functions), analyst earnings revisions, etc., and may contain information concerning securities markets, the economy, individual companies, pricing information and services, performance studies, and other information providing assistance in the performance of SMC's investment decision-making responsibilities.

Trade Allocation: To the extent that SMC purchases interests in Underlying Funds for the Private Funds, such interests are generally allocated pro rata among the Private Funds on the basis of available capital (although disproportionate allocations may result from such factors as differences in cash availability, tax, or regulatory considerations or different investment programs that focus on particular strategies, timing, or sectors).

As a matter of policy, SMC's allocation procedures must be fair and equitable to all clients with no particular group or client(s) being favored or disfavored. SMC's policy prohibits any allocation of trades in a manner in which any proprietary account, affiliated account, or any particular client(s) or group of clients receives more favorable treatment than another. SMC has adopted written procedures for the fair and equitable allocation of trades.

Individual issues associated with different types of investment vehicles are as follows:

Equity, Domestic & International: The purchase and sale of equities are generally done for accounts with similar investment objectives at the same time. Partial or complete fills of orders are allocated evenly, on a percentage basis, based on the clients' original levels of participation in the order at the daily average price with each broker. Additional consideration is also given for the cash position, the incurrence of expensive minimum brokerage fees for minimal allocation actions, and any special client requests for cash balance usages. Partially filled orders necessitate the use of judgment to keep

client accounts balanced (i.e., to even out distribution so as not to disadvantage any one client versus another).

Fixed Income, Domestic & International: In the circumstance in which an order is only partially filled on the date of placement, all accounts designated generally shall be allocated an interest in the transaction pro rata based upon the amounts originally ordered for each account. Securities in a trade might not be allocated pro rata in the case of a partial fill in which such a small amount has been transacted that pro rata allocation among accounts would result, in the trader's judgment, in non-meaningful allocation for particular accounts. In such cases, the trader will use his best efforts to allocate such de minimis amounts to the various accounts on a rotational basis.

American Depositary Receipt – ADR: American Depositary Receipts (ADRs), also known as American depositary shares, are receipts for the shares of a foreign-based corporation's securities held in the vault of a U.S. bank and that entitle the shareholder to all dividends and capital gains of such security. Instead of buying shares of a foreign-based company's security in overseas markets, Americans can buy shares in the United States in the form of an ADR. ADRs are available for hundreds of stocks. ADRs make trading foreign securities in the U.S. easier by eliminating currency exchange, legal obstacles, foreign ownership transfers, and the need to trade on a foreign exchange. While an ADR removes direct foreign currency ownership, the value of the ADR share is still impacted by changes in the U.S. dollar to foreign currency exchange rate. Certain of the Private Funds may trade ADRs, which again will be allocated to accounts in an equitable manner over time.

International Equity Transaction Costs: International equity transaction costs are calculated by basis points instead of the standard U.S. cents per share and, as such, the transaction costs and cents per share cost to trade in the international exchanges/markets could be greater than the competitive transaction costs available in the U.S. exchanges/markets.

Trade Errors: As stated above, SMC is primarily a "fund of funds manager" in that it generally allocates clients' assets to other pooled investment vehicles. SMC provides advisory services to the Private Funds and the Managed Accounts by predominantly allocating capital among Sub-managers and/or Underlying Funds.

In connection with Private Funds and Managed Accounts, SMC's traders may experience errors with respect to trades made on behalf of clients. Errors may occur either in the investment decision-making process or in the trading process. For purposes of this policy, errors in both the investment decision-making process and trading are referred to as "trade errors." SMC endeavors to detect trade errors prior to settlement and correct them in an expeditious manner.

Soft Dollars: SMC does not have, and does not anticipate having, any third-party soft dollar arrangements.

IPO Participation: The Private Funds managed by SMC will not participate indirectly in “New Issues” as defined under the Restrictions on the Purchase and Sale of Initial Equity Public Offerings of Rule 5130 of the Financial Industry Regulatory Authority, Inc. In the future, SMC reserves the right to change its policy and participate in “New Issues” as defined under Rule 5130 and allocate those proceeds related to “New Issues” to eligible investors. Managed Accounts that are eligible for “New Issues” as defined by Rule 5130 can fully participate indirectly in investments by Underlying Funds.

SMC Fixed Income Management’s Brokerage Practices:

For its fixed income management services, SMCFIM selects broker-dealers to effect transactions on the basis of best execution. “Best execution” does not necessarily mean effecting transactions at the lowest possible commission rate, transaction costs or price, but could include a number of other factors mentioned herein.

SMCFIM seeks to effect transactions at a price, commission, and transaction cost (e.g., mark-up or mark-down) that provides the most favorable total cost or proceeds reasonably attainable under the circumstances. With the exception of portfolio consulting clients (i.e., AAM) where SMCFIM does not execute client transactions, SMCFIM has discretion to determine without obtaining prior consent from clients the broker or dealer to execute transactions and the commission rates or commission equivalents (i.e. mark-ups or mark-downs) charged for trading.

Broker Selection

In selecting broker-dealers to effect clients’ transactions, SMCFIM seeks to obtain best execution under the circumstances, taking into consideration, among other factors, the broker-dealers’:

- ability to effect prompt and reliable executions at favorable prices;
- operational efficiency with which transactions are effected, taking into account the size of order and difficulty of execution;
- financial strength;
- integrity and stability;
- commitment of capital to facilitate transactions;
- quality, comprehensiveness, and frequency of available research and related services considered to be of value; and
- competitiveness of commission rates and dealer spreads in comparison with other broker-dealers.

Clients' transactions may involve specialized services on the part of a broker-dealer, which may justify higher commissions (and mark-ups or mark-downs) than would be the case for more routine services.

Cross-Trades

From time-to-time, SMCFIM may effect a purchase of a security for one or more clients at the same time as a sale of the same security for another client. Such transactions may be effected to rebalance the positions held in clients' portfolios in order to achieve more uniform results across clients, to take into account clients' cash flows, or to comply with investment guidelines and restrictions. Such transactions, at SMCFIM's discretion, will generally be effected between the bid/ask spread, at the closing price for the security, or on some other fair and reasonable basis.

Research and Brokerage Services

SMCFIM does not obtain third-party research services or products with clients' commissions ("Soft Dollars").

As is customary in the industry, broker-dealers may provide their own proprietary research to investment advisers, including SMCFIM. Generally, trading mark-ups and mark-downs paid to these broker-dealers to execute transactions include the cost to receive their proprietary research and other brokerage services.

While SMCFIM uses proprietary research to benefit all clients in its investment decision-making or trade execution process, clients whose transactions are used to pay for proprietary research and brokerage services may not necessarily receive the direct benefit of this research or brokerage services, while clients who do not pay for these services may receive the benefit. SMCFIM believes that proprietary research and brokerage services assist it in its investment decision-making and trade execution processes for the benefit of all clients without regard to whether the client who provides the transactions receives the direct benefit (as that client may receive the benefit when another client's transactions are used to pay for these services). SMCFIM is not required to weigh any of these factors equally. Research services received are in addition to and not in lieu of services required to be performed by SMCFIM, and SMCFIM's management fees are not reduced as a consequence of the receipt of such supplemental research information.

Proprietary research services obtained with clients' transactions may include written information and analyses concerning specific securities, municipal obligors, or sectors; market, financial, and economic studies and forecasts; statistics and pricing or appraisal services; and access to research analysts and company executives, along with hardware, software, data bases, and other technical and telecommunication services, lines, and equipment utilized in the investment management process.

SMCFIM's Brokerage Committee, consisting of the Company's portfolio managers, traders, and Chief Compliance Officer, reviews and approves, among others, broker-dealers through whom transactions are executed and information with respect to the trading activity placed with these brokers.

Aggregation and Allocation

SMCFIM security transactions are generally aggregated when possible and allocated among clients, taking into consideration a number of factors including, but not limited to, the available cash, portfolio structure, tax, or regulatory considerations and different investment programs that focus on particular strategies, timing, or sectors.

SMCFIM, at its discretion, may aggregate orders in the same security for clients transacting in that security and will generally allocate the securities or proceeds arising as a result of the transactions (and the related transaction expenses) pro rata on an average price basis among the clients in the order.

SMCFIM believes that by aggregating orders, transaction costs may be reduced as a result of such aggregation. However, in certain instances, average pricing may result in higher or lower total net execution price than would otherwise be obtainable by effecting client transactions separately. SMCFIM believes that aggregating orders contributes to best execution.

Payment for Client Referrals

From time to time, broker-dealers and their employees may refer potential clients to SMCFIM. It is SMCFIM's policy not to direct transactions and commissions to these broker-dealers as compensation for such referrals. However, SMCFIM, at its discretion, may effect transactions through these broker-dealers, provided they are able to provide best execution.

See Item 14 below for additional information with respect to payment for client referrals.

Directed Brokerage

SMCFIM does not accept clients' instructions to effect some or all of their transactions with certain broker-dealers.

Trade Errors

From time to time, SMCFIM may cause a trade error to occur. For example, trade errors may happen as a result of effecting the incorrect amount of securities (e.g., 10,000 bonds were purchased when the intention was to purchase 1,000 bonds), transactions were effected in the wrong client account, the order was to buy bonds but bonds were sold, and

for other reasons. When trade errors occur, SMC's policy is to correct the error promptly. In the event that SMCFIM caused the error, SMCFIM will make the client whole for the loss unless the equities of the situation may cause an unjust enrichment for the client. If the client caused the error (e.g., the client advised SMCFIM that a certain amount of funds would be wired to the account on a certain day but a substantially smaller amount was wired or the funds were not wired and SMCFIM acted upon the client's statement), the client will bear the error. If a third-party caused the error (e.g., SMCFIM properly gave trade instructions to a broker-dealer but the broker-dealer executed the order incorrectly), SMCFIM will take steps to collect from the third-party the amount necessary to make the client whole; however, there is no guarantee that SMCFIM will be successful in recuperating such funds, in which case the client will bear the loss.

Principal and Agency Cross-Transactions

"Principal transactions" are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory client.

An "agency cross transaction" is defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser, acts as broker for both the advisory client and for another person on the other side of the transaction. Agency cross transactions may arise where an adviser is dually registered as a broker-dealer or has an affiliated broker-dealer.

SMCFIM does not effect transactions as principal and is neither registered as, nor is affiliated with, a broker-dealer.

Item 13 – Review of Accounts

REVIEWS:

SMC: SMC performs various daily, weekly, monthly, and quarterly reviews of the portfolios of the Private Funds, the Managed Accounts, and the family office client accounts. The review process includes an ongoing consideration of major market and economic developments and their effects on the securities held in the clients' portfolios. In addition, the review process will involve a review and analysis of the performance of the individual positions held in each portfolio, the performance of the entire portfolio of securities held generally, and the risks inherent in the individual positions and portfolio as a whole.

SMCFIM: Vincent Giordano, Chief Investment Officer of SMCFIM, monitors the clients' portfolios to ensure consistency with SMCFIM's investment processes and conformity with

the clients' objectives and guidelines. Positions, potential investments, cash, and other portfolio parameters are reviewed daily. In addition, Mr. Giordano and portfolio managers meet with SMCFIM's research analyst to review positions in detail and to consider investment opportunities.

REPORTS:

SMC: Each of the Private Funds will prepare and mail to each client a financial report audited by such Private Fund's independent auditors as soon as reasonably practicable after the end of each fiscal year. Clients will also receive unaudited performance reports at least quarterly. With respect to each of the Domestic Funds, each client will receive tax information that is necessary for the completion of such client's U.S. tax returns.

Performance results for Managed Accounts and family office accounts are calculated on at least a quarterly basis and reported to the client as soon as reasonably practicable.

SMCFIM: SMCFIM provides clients with monthly and/or quarterly account reports and/or statements that include portfolio holdings, transactions, and performance information.

Investors in UITs sponsored by AAM receive the respective funds' reports from these funds.

Item 14 – Client Referrals and Other Compensation

SMC may from time to time utilize third-party placement agents that receive compensation that may be borne either by SMC or by the investor for referring investors to the Private Fund or other investment vehicles managed by SMC.

In the event that SMC were to pay referral fees to unaffiliated parties, such fees would be paid in accordance with the requirements of Rule 206(4)-3 of the Investment Advisers Act of 1940 and the rules set forth by the applicable state regulator. SMC would execute a written agreement between itself and the solicitor and/or the referring party. Clients referred through such arrangements will receive from the solicitor a copy of SMC's Form ADV Part 2 and a copy of the disclosure document describing the terms and conditions of the solicitation arrangement, including the compensation paid to the solicitor. Generally, the compensation paid to the solicitor from SMC would be based upon the SMC revenue (fees) generated by the client accounts referred by the referring solicitor.

SMC has entered into agreements on behalf its Private Funds of Funds with certain brokers-dealers that act as custodians on behalf of such Private Funds. From time to time, SMC's personnel may speak at conferences and programs for potential investors interested in investing in hedge funds that are sponsored by those prime brokers. These conferences

and programs may be a means by which SMC can be introduced to potential investors in the Private Funds. Currently, neither SMC nor the Private Funds compensate prime brokers for organizing such “capital introduction” events or for any investments ultimately made by prospective investors attending such events (although either may do so in the future). While such events and other services provided by a prime broker may influence SMC in deciding whether to use such prime broker in connection with brokerage, financing, and other activities of the Private Funds, SMC will not commit to allocating a particular amount of brokerage to a broker-dealer in any such situation.

SMCFIM utilizes solicitors for the referral of prospective clients. Typically, the arrangements provide for the remittance by SMCFIM of a certain percentage of annual advisory fees to the solicitor. Each prospective client is provided a copy of a referral disclosure document prior to or at the time of entering into any advisory contract with SMCFIM. SMCFIM will ensure that any such solicitation relationships meet the requirements of Rule 206(4)-3 of the Investment Advisers Act of 1940.

Item 15 – Custody

SMC does not serve as the qualified custodian of any of the assets owned by the Private Funds and does not maintain physical custody of any securities or cash owned by the Private Funds. However, SMC is deemed by the applicable regulatory rules to have constructive custody of the assets of each Private Fund. SMC satisfies the applicable regulatory requirements related to custody by, among other things, ensuring that each Private Fund is subject to an annual audit by an independent, PCAOB-registered and examined accounting firm and that such audited financial statements are provided to the investors in each Private Fund within 120 days (or 180 days in the case of funds of funds) of the applicable Private Fund’s fiscal year end.

Separate account clients of SMC should receive at least quarterly statements from the broker dealer, bank, or other qualified custodian that holds and maintains clients’ investment assets. SMC urges you to carefully review such statements and compare such official custodial records to the account statements that we may provide to you. SMC statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

Item 16 – Investment Discretion

As noted in Item 4, SMC and SMCFIM have full discretionary authority to manage the Private Funds and Managed Accounts (with the sole exception of Aozora-SMC Alternative

Strategies Fund, Ltd., which is managed by SMC on a non-discretionary basis, and a small number of accounts that SMCFIM manages on a non-discretionary basis), 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 commissions or markups and markdowns paid. Where SMC or SMCFIM has retained a Sub-Manager, the Sub-Manager will typically manage any such investments on a discretionary basis. SMC's authority is limited by its own internal policies and procedures and the investment guidelines of each Private Fund and Managed Account.

Item 17 – Voting Client Securities

The SEC has adopted Rule 206(4)-6 under the Advisers Act. Under this rule, a registered investment adviser that exercises voting authority over client securities is required to implement proxy voting policies and describe those policies to its clients. Although some matters voted on by SMC might not be considered conventional “proxy votes” for issuers of listed equity securities, SMC applies the basic requirements of Rule 206(4)-6 to its votes nevertheless.

The investment programs of SMC's clients primarily involve investing assets in underlying hedge funds. SMC has authority to vote on matters relating to, or give approval/consent to amendments proposed by, such underlying hedge funds. However, SMC does not have proxy voting authority with respect to issuers of securities in which the underlying hedge funds invest.

SMC also provides investment advisory services to Managed Accounts and family office accounts. With respect to its Managed Account clients, SMC assumes responsibility for the voting of proxies and other corporate actions. However, such Managed Account clients are predominantly invested (outside of the client mandate to invest in underlying Portfolio Managers) in fixed income securities, and accordingly SMC generally is not solicited to vote proxies for such fixed income securities on behalf of these clients. Where Managed Accounts contain equity securities held at the clients' direction and where SMC is required to vote (or provide instruction on how to vote) on such equities, SMC utilizes policies and procedures that are reasonably designed to ensure that proxies for the Managed Accounts are voted in the best interests of its clients.

When SMC receives voting ballots on behalf of its Managed Accounts' portfolio holdings, each vote will be cast, if at all, on a case-by-case basis, in accordance with SMC's Proxy Policies and Procedures, taking into consideration SMC's obligations to its clients and all other relevant facts and circumstances.

With respect to SMC's private equity funds where SMC is in a position to vote proxies, SMC has overall responsibility for making all proxy voting decisions in accordance with SMC's Proxy Policies and Procedures.

Please note that although the proxy voting process is well established in the United States, voting the proxies of foreign companies may involve a number of logistical challenges that could have a detrimental effect on SMC's ability to vote such proxies. The logistical challenges include language barriers, untimely or inadequate notice of shareholder meetings, restrictions on a foreigner's ability to exercise votes, and requirements to vote in person. In addition, the security may be in a share blocking market. "Share blocking" markets are markets in which proxy voters have their securities blocked from trading during the period of the annual meeting. The blocking period typically lasts anywhere from a few days to 2 weeks. During such period, any portfolio holdings in these markets cannot be sold without a formal recall. The recall process can take time, and in some cases cannot be accomplished at all. Such proxies are voted on a best-efforts basis given the above logistical and share-blocking challenges.

Where a proxy proposal raises a material conflict of interest between SMC's interests and an interest of any client, SMC will resolve such conflict by (1) if the proposal is addressed by SMC's specific proxy policies, SMC will vote in accordance with such policies or (2) if SMC believes it is in the best interests of the client to depart from its policies: (a) SMC will vote such proxy as it determines is in the best interest of the relevant client (even though it may be against the interest of SMC) and memorialize the rationale for such vote, or (b) SMC will vote in a way that may also benefit, or be perceived to benefit, SMC's own interest and memorialize the rationale for such vote, provided that SMC: (i) delegate the voting decision for such proxy proposal to an independent third party; (ii) delegate the voting decision to an independent committee of representatives of the relevant client, as applicable; or (iii) inform the client of the conflict of interest and obtain majority consent to vote the proxy as recommended by SMC.

With respect to SMCFIM's fixed income investment management services, there are few instances where proxies are required to be voted. In these instances, SMCFIM may have the authority to vote on matters relating to, or give approval/consent to amendments proposed by a proxy vote.

SMCFIM's policy is to vote proxies in the best interest of its clients with a view toward maximizing value for clients. However, due to the nature of the fixed income investments that SMCFIM invests clients' assets in, proxy voting occurs very infrequently and typically only as a result of a proposed bond restructuring that SMCFIM is requested to approve by the issuer. As such, SMCFIM endeavors to vote proxies in the manner that it determines in good faith will be the most likely to cause the investments to increase the most or decline

the least in value. Additional information about the SMCFIM Proxy Policy and related practices and how a client's proxies were voted is available upon written request to SMCFIM.

If you would like to receive detailed Proxy Policies and Procedures or if you have any questions concerning our policy, please contact the Compliance Department at (212) 292-8300 or write to the address referenced in Item 1.

Class Action Lawsuits

From time to time, SMC may receive notices regarding class action lawsuits involving securities that are or were held by the Private Funds and client accounts. As a matter of policy, SMC refrains from serving as the lead plaintiff in class action matters and also refrains from submitting proofs of claim where SMC believes that either the recovery amounts are likely to be negligible or SMC cannot be assured of confidential treatment of the data submitted in connection with the proof of claim. As a result, SMC does not participate in class action lawsuits in most cases.

Clients should note that SMCFIM will neither advise nor act on behalf of the client in legal proceedings involving companies whose securities are held or previously were held in the clients account(s), including, but not limited to, the filing of proofs of claim in class action settlements. If directed by the client, SMCFIM will transmit copies of class action notices to the client or a third party. Upon such direction, SMCFIM will make commercially reasonable efforts to forward such notices in a timely manner.

Item 18 – Financial Information

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about SMC's financial condition. SMC 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.

Privacy Notice

Your privacy is very important to us. This Privacy Notice sets forth the policies of Spring Mountain Capital, LP (the “Partnership”) with respect to non-public personal information about our Private Fund investors and Managed Account clients, and prospective and former investors and Managed Account clients. These policies may be changed at any time, provided a notice of such change is given to you.

You provide us with personal information, such as your address, social security number, assets, and/or income information (i) in the Subscription Agreement and related documents; (ii) in correspondence and conversations with the Partnership’s representatives; (iii) through transactions with the Partnership and its Private Funds; and (iv) potentially through investment management agreements, in the case of Managed Accounts.

We do not disclose any of this personal information about our investors and Managed Account clients, and prospective and former investors and Managed Account clients, to anyone other than to our affiliates and the management company of the Partnership, and except as permitted by law, such as to our accountants, attorneys, auditors, brokers, regulators, and certain service providers, in each case only as necessary to facilitate the acceptance and management of your investment or account and our relationship with you. We will also release information about you if you direct us to do so, if compelled to do so by law, or in connection with any government or self-regulatory organization request or investigation. For example, it may be necessary, under anti-money laundering and similar laws, to disclose information about our investors and Managed Account clients in order to accept subscriptions from them.

Each investor acknowledges that under Delaware law other investors in the Partnership may be entitled to review the books and records of the Partnership and are entitled to see a list of investors and their capital commitments or capital contributions. Each investor explicitly consents to disclosure of the fact of his or her investment in the Partnership, his or her mailing address, and his or her capital commitment or capital contribution to other investors in the Partnership.

We may also disclose information you provide to us to companies that perform marketing services on our behalf, such as our placement agent. If such a disclosure is made, we will require such third parties to treat your private information with confidentiality.

We seek to carefully safeguard your private information and, to that end, restrict access to non-public personal information about you to those employees and other persons who need to know the information to enable us to provide services to you. We maintain

physical, electronic, and procedural safeguards to protect your non-public personal information from unauthorized use.

Lastly, as required by federal law, we will provide you with the most current version of our Privacy Policy annually.

For questions concerning our policy, please contact the Compliance Department at (212) 292-8300, or write to Spring Mountain Capital, LP, Attention: Compliance Department, 65 East 55th Street, 33rd Floor, New York, NY 10022.

John “Launny” Steffens
Spring Mountain Capital, LP

65 East 55th Street, 33rd Floor

New York, NY 10022

(212) 292-8300

March 31, 2015

This Brochure Supplement provides information about John L. Steffens that supplements the Spring Mountain Capital, LP Brochure. You should have received a copy of that Brochure. Please contact Aaron D. De Angelis, Chief Compliance Officer, if you did not receive Spring Mountain Capital, LP’s Brochure or if you have any questions about the contents of this supplement.

Item 2 - Educational Background and Business Experience

John L. Steffens

Born: 1941

Education:

Dartmouth College, B.A. in Economics

Employment:

Spring Mountain Capital, LP
Founder, Chairman, and Senior Managing Director
2001 - Present

Item 3 - Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. No information is applicable to this Item for Mr. John L. Steffens.

Item 4 - Other Business Activities

Mr. John L. Steffens is not actively engaged in any other business activities outside of Spring Mountain Capital, LP.

Item 5 - Additional Compensation

There are no arrangements where a non-client provides an economic benefit to Mr. John L. Steffens for providing advisory services.

Item 6 - Supervision

Mr. John L. Steffens is supervised by Gregory P. Ho. Client accounts managed by Mr. Steffens are subject to regular review and verification that asset balances are being managed in accordance with a client's investment guidelines.

Mr. Ho may be reached at 65 East 55th Street, 33rd Floor, New York, NY 10022. His direct telephone number is (212) 292-8310.

Gregory P. Ho
Spring Mountain Capital, LP

65 East 55th Street, 33rd Floor

New York, NY 10022

(212) 292-8300

March 31, 2015

This Brochure Supplement provides information about Gregory P. Ho that supplements the Spring Mountain Capital, LP Brochure. You should have received a copy of that Brochure. Please contact Aaron D. De Angelis, Chief Compliance Officer, if you did not receive Spring Mountain Capital, LP's Brochure or if you have any questions about the contents of this supplement.

Item 2 - Educational Background and Business Experience

Gregory P. Ho
Born: 1952

Education:

Yale University, B.S. in Administrative Science
Columbia University Law School, J.D.

Employment:

Spring Mountain Capital, LP
President and Chief Operating Officer
2001 - Present

Item 3 - Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. No information is applicable to this Item for Mr. Gregory P. Ho.

Item 4 - Other Business Activities

Mr. Gregory P. Ho is not actively engaged in any other business activities outside of Spring Mountain Capital, LP.

Item 5 - Additional Compensation

There are no arrangements where a non-client provides an economic benefit to Mr. Gregory P. Ho for providing advisory services.

Item 6 - Supervision

Mr. Gregory P. Ho is supervised by John “Launny” Steffens. Client accounts managed by Mr. Ho are subject to regular review and verification that asset balances are being managed in accordance with a client’s investment guidelines.

Mr. Steffens may be reached at 65 East 55th Street, 33rd Floor, New York, NY 10022. His direct telephone number is (212) 292-8308.

Raymond Wong
Spring Mountain Capital, LP

65 East 55th Street, 33rd Floor

New York, NY 10022

(212) 292-8300

March 31, 2015

This Brochure Supplement provides information about Raymond Wong that supplements the Spring Mountain Capital, LP Brochure. You should have received a copy of that Brochure. Please contact Aaron D. De Angelis, Chief Compliance Officer, if you did not receive Spring Mountain Capital, LP's Brochure or if you have any questions about the contents of this supplement.

Item 2 - Educational Background and Business Experience

Raymond Wong

Born: 1953

Education:

Yale University, B.A. in Political Science

Harvard Business School, M.B.A.

Employment:

Spring Mountain Capital, LP

Managing Director

2007- Present

Item 3 - Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. No information is applicable to this Item for Mr. Raymond Wong.

Item 4 - Other Business Activities

Mr. Raymond Wong is not actively engaged in any other business activities outside of Spring Mountain Capital, LP.

Item 5 - Additional Compensation

There are no arrangements where a non-client provides an economic benefit to Mr. Raymond Wong for providing advisory services.

Item 6 - Supervision

Mr. Raymond Wong is supervised by either John “Launny” Steffens or Gregory Ho. Client accounts managed by Mr. Wong are subject to regular review and verification that asset balances are being managed in accordance with a client’s investment guidelines.

Mr. Steffens and Mr. Ho may be reached at 65 East 55th Street, 33rd Floor, New York, NY 10022. Mr. Steffens’ direct telephone number is (212) 292-8308. Mr. Ho’s direct telephone number is (212) 292-8310.

Jason L. Orchard
Spring Mountain Capital, LP

65 East 55th Street, 33rd Floor

New York, NY 10022

(212) 292-8300

March 31, 2015

This Brochure Supplement provides information about Jason L. Orchard that supplements the Spring Mountain Capital, LP Brochure. You should have received a copy of that Brochure. Please contact Aaron D. De Angelis, Chief Compliance Officer, if you did not receive Spring Mountain Capital, LP's Brochure or if you have any questions about the contents of this supplement.

Item 2 - Educational Background and Business Experience

Jason L. Orchard, CFA

Born: 1976

Education:

Villanova University, B.S. in Finance

Employment:

Spring Mountain Capital, LP
Managing Director
2004 - Present

Additional Information Regarding the CFA Designation

CFA - Chartered Financial Analyst

Issued by: CFA Institute

Prerequisites/Experience Required:

Candidate must meet one of the following requirements:

- Undergraduate degree and 4 years of professional experience involving investment

- decision-making, or
- 4 years qualified work experience (full time, but not necessarily investment related)

Educational Requirements: Self-study program (250 hours of study for each of the 3 levels)

Examination Type: 3 course exams

Continuing Education/Experience Requirements: None

Item 3 - Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. No information is applicable to this Item for Mr. Jason L. Orchard.

Item 4 - Other Business Activities

Mr. Jason L. Orchard is not actively engaged in any other business activities outside of Spring Mountain Capital, LP.

Item 5 - Additional Compensation

There are no arrangements where a non-client provides an economic benefit to Mr. Jason L. Orchard for providing advisory services.

Item 6 - Supervision

Mr. Jason L. Orchard is supervised by either John “Launny” Steffens or Gregory Ho. Client accounts managed by Mr. Orchard are subject to regular review and verification that asset balances are being managed in accordance with a client’s investment guidelines.

Mr. Steffens and Mr. Ho may be reached at 65 East 55th Street, 33rd Floor, New York, NY 10022. Mr. Steffens’ direct telephone number is (212) 292-8308. Mr. Ho’s direct telephone number is (212) 292-8310.

Jamie Weston
Spring Mountain Capital, LP

65 East 55th Street, 33rd Floor

New York, NY 10022

(212) 292-8300

March 31, 2015

This Brochure Supplement provides information about Jamie Weston that supplements the Spring Mountain Capital, LP Brochure. You should have received a copy of that Brochure. Please contact Aaron D. De Angelis, Chief Compliance Officer, if you did not receive Spring Mountain Capital, LP's Brochure or if you have any questions about the contents of this supplement.

Item 2 - Educational Background and Business Experience

Jamie Weston

Born: 1965

Education:

Drew University, B.A. in Economics

Fordham University, M.B.A.

Employment:

Spring Mountain Capital, LP

Managing Director

2011- Present

The Wicks Group of Companies, LLC

Partner

June 1995 - October 2010

Item 3 - Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised

person providing investment advice. No information is applicable to this Item for Mr. Jamie Weston.

Item 4 - Other Business Activities

Mr. Jamie Weston is not actively engaged in any other business activities outside of Spring Mountain Capital, LP.

Item 5 - Additional Compensation

There are no arrangements where a non-client provides an economic benefit to Mr. Jamie Weston for providing advisory services.

Item 6 - Supervision

Mr. Jamie Weston is supervised by either John “Launny” Steffens or Gregory Ho. Client accounts managed by Mr. Weston are subject to regular review and verification that asset balances are being managed in accordance with a client’s investment guidelines.

Mr. Steffens and Mr. Ho may be reached at 65 East 55th Street, 33rd Floor, New York, NY 10022. Mr. Steffens’ direct telephone number is (212) 292-8308. Mr. Ho’s direct telephone number is (212) 292-8310.

Haim Mozes
(Independent Consultant)
Spring Mountain Capital, LP
65 East 55th Street, 33rd Floor
New York, NY 10022
(212) 292-8300
March 31, 2015

This Brochure Supplement provides information about Haim Mozes that supplements the Spring Mountain Capital, LP Brochure. You should have received a copy of that Brochure. Please contact Aaron D. De Angelis, Chief Compliance Officer, if you did not receive Spring Mountain Capital, LP's Brochure or if you have any questions about the contents of this supplement.

Item 2 - Educational Background and Business Experience

Haim Mozes

Born: 1962

Education:

Touro College, B.A. in Economics
New York University Stern School of Business, M.S. in Statistics/Operations Research and
Ph.D. in Accounting

Employment:

Spring Mountain Capital, LP
Consultant
2001 - Present

Fordham University
Associate Professor of Accounting
1989 - Present

Item 3 - Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. No information is applicable to this Item for Mr. Haim Mozes.

Item 4 - Other Business Activities

As indicated in Item 2 above, Mr. Haim Mozes is an Associate Professor of Accounting at Fordham University, GBA.

Item 5 - Additional Compensation

There are no arrangements where a non-client provides an economic benefit to Mr. Haim Mozes for providing advisory services.

Item 6 - Supervision

Mr. Haim Mozes is supervised by either John “Launny” Steffens or Gregory Ho. Client accounts managed by Mr. Mozes are subject to regular review and verification that asset balances are being managed in accordance with a client’s investment guidelines.

Mr. Steffens and Mr. Ho may be reached at 65 East 55th Street, 33rd Floor, New York, NY 10022. Mr. Steffens’ direct telephone number is (212) 292-8308. Mr. Ho’s direct telephone number is (212) 292-8310.

Vincent Giordano
Spring Mountain Capital, LP
103 Carnegie Center
Suite 305
Princeton, New Jersey 08540
(609) 228-8251
March 31, 2015

This Brochure Supplement provides information about Vincent Giordano that supplements Spring Mountain Capital, LP's ("SMC") Brochure. You should have received a copy of that Brochure. Please contact Aaron De Angelis, Chief Compliance Officer, at (212) 292-8300, if you did not receive Spring Mountain Capital, LP's Brochure or if you have any questions about the contents of this Brochure Supplement.

Item 2 - Educational Background and Business Experience

Vincent Giordano

Born: 1944

Education:

Fordham University, B.S. in Finance

Employment:

Spring Mountain Capital, LP
Chief Investment Officer of the SMC Fixed Income Management Division
2014 - Present

SMC Fixed Income Management, LP
President and Chief Investment Officer
2006 - 2013

Item 3 - Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. No information is applicable to this Item for Mr. Vincent Giordano.

Item 4 - Other Business Activities

Mr. Vincent Giordano is not actively engaged in any other business activities outside of SMC.

Item 5 - Additional Compensation

There are no arrangements where a non-client provides an economic benefit to Mr. Giordano for providing advisory services.

Item 6 - Supervision

As Chief Investment Officer of SMC Fixed Income Management, Mr. Giordano is responsible for monitoring the advice that supervised persons of SMC Fixed Income Management provide to clients. Mr. Giordano is supervised by either John “Launny” Steffens or Gregory Ho. Client accounts managed by Mr. Giordano are subject to regular review and verification that asset balances are being managed in accordance with a client’s investment guidelines.

Mr. Steffens and Mr. Ho may be reached at 65 East 55th Street, 33rd Floor, New York, NY 10022. Mr. Steffens’ direct telephone number is (212) 292-8308. Mr. Ho’s direct telephone number is (212) 292-8310.

Michael Smith
Spring Mountain Capital, LP
103 Carnegie Center
Suite 305
Princeton, New Jersey 08540
(609) 228-8251
March 31, 2015

This Brochure Supplement provides information about Michael Smith that supplements Spring Mountain Capital, LP's ("SMC's") Brochure. You should have received a copy of that Brochure. Please contact Aaron De Angelis, Chief Compliance Officer, at (212) 292-8300, if you did not receive Spring Mountain Capital, LP's Brochure or if you have any questions about the contents of this Brochure Supplement.

Item 2 - Educational Background and Business Experience

Michael Smith

Born: 1966

Education:

Temple University, B.S. in Accounting

Employment:

Spring Mountain Capital, LP
Senior Portfolio Manager of the SMC Fixed Income Management Division
2014 - Present

SMC Fixed Income Management, LP
Senior Portfolio Manager
2007 - 2013

U.S. Trust Company
Vice President and Senior Municipal Trader
2005 - 2007

Item 3 - Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. No information is applicable to this Item for Mr. Michael Smith.

Item 4 - Other Business Activities

Mr. Michael Smith is not actively engaged in any other business activities outside of SMC.

Item 5 - Additional Compensation

There are no arrangements where a non-client provides an economic benefit to Mr. Michael Smith for providing advisory services.

Item 6 - Supervision

As a Senior Portfolio Manager of SMC Fixed Income Management, Mr. Smith is under the supervision of Vincent Giordano, who is responsible for monitoring the advice that supervised persons of SMC Fixed Income Management provide to clients. Mr. Giordano may be reached at 103 Carnegie Center, Suite 305, Princeton, NJ 08540. His direct telephone number is (609) 228-8251.

In addition, Mr. Smith is supervised by either John “Launny” Steffens or Gregory Ho. Client accounts managed by Mr. Smith are subject to regular review and verification that asset balances are being managed in accordance with a client’s investment guidelines.

Mr. Steffens and Mr. Ho may be reached at 65 East 55th Street, 33rd Floor, New York, NY 10022. Mr. Steffens’ direct telephone number is (212) 292-8308. Mr. Ho’s direct telephone number is (212) 292-8310.

Michael Fraternale
Spring Mountain Capital, LP
103 Carnegie Center
Suite 305
Princeton, New Jersey 08540
(609) 228-8251
March 31, 2015

This Brochure Supplement provides information about Michael Fraternale that supplements Spring Mountain Capital, LP's ("SMC's") Brochure. You should have received a copy of that Brochure. Please contact Aaron De Angelis, Chief Compliance Officer, at (212) 292-8300, if you did not receive Spring Mountain Capital, LP's Brochure or if you have any questions about the contents of this Brochure Supplement.

Item 2 - Educational Background and Business Experience

Michael Fraternale

Born: 1970

Education:

East Brunswick High School

Employment:

Spring Mountain Capital, LP
Assistant Portfolio Manager & Operations of the SMC Fixed Income Management Division
2014 - Present

SMC Fixed Income Management, LP
Assistant Portfolio Manager & Operations
2008 - 2013

Merrill Lynch Investment Managers
Manager, Short-Term Cash
1992 - 2008

Item 3 - Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. No information is applicable to this Item for Mr. Michael Fraternale.

Item 4 - Other Business Activities

Mr. Michael Fraternale is not actively engaged in any other business activities outside of SMC.

Item 5 - Additional Compensation

There are no arrangements where a non-client provides an economic benefit to Mr. Michael Fraternale for providing advisory services.

Item 6 - Supervision

As Assistant Portfolio Manager of SMC Fixed Income Management, Mr. Fraternale is under the supervision of Vincent Giordano, who is responsible for monitoring the advice that supervised persons of SMC Fixed Income Management provide to clients. Mr. Giordano may be reached at 103 Carnegie Center, Suite 305, Princeton, NJ 08540. His direct telephone number is (609) 228-8251.

In addition, Mr. Fraternale is supervised by either John “Launny” Steffens or Gregory Ho. Client accounts managed by Mr. Fraternale are subject to regular review and verification that asset balances are being managed in accordance with a client’s investment guidelines.

Mr. Steffens and Mr. Ho may be reached at 65 East 55th Street, 33rd Floor, New York, NY 10022. Mr. Steffens’ direct telephone number is (212) 292-8308. Mr. Ho’s direct telephone number is (212) 292-8310.

A. Paul Disdier
Spring Mountain Capital, LP
103 Carnegie Center
Suite 305
Princeton, New Jersey 08540
(609) 228-8251
March 31, 2015

This Brochure Supplement provides information about Paul Disdier that supplements Spring Mountain Capital, LP's ("SMC's") Brochure. You should have received a copy of that Brochure. Please contact Aaron De Angelis, Chief Compliance Officer, at (212) 292-8300, if you did not receive Spring Mountain Capital, LP's Brochure or if you have any questions about the contents of this Brochure Supplement.

Item 2 - Educational Background and Business Experience

Paul Disdier

Born: 1955

Education:

Villanova University, B.S. in Finance
Drexel University, M.B.A.

Employment:

Spring Mountain Capital, LP
Senior Portfolio Manager and Strategist of the SMC Fixed Income Management Division
2014 - Present

BNY Mellon
Senior Global Market Strategist
Center for Global Investments and Market Intelligence

2011 - 2013

BNY Mellon
Director, Investment Strategies
Investment Strategy Office
2008 - 2011

Dreyfus Corporation (BNY Mellon)
Director, Municipal Securities
2001 - 2008

Item 3 - Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. No information is applicable to this Item for Mr. Paul Disdier.

Item 4 - Other Business Activities

Mr. Paul Disdier is not actively engaged in any other business activities outside of SMC.

Item 5 - Additional Compensation

There are no arrangements where a non-client provides an economic benefit to Mr. Paul Disdier for providing advisory services.

Item 6 - Supervision

As a Senior Portfolio Manager and Strategist at SMC Fixed Income Management, Mr. Disdier is under the supervision of Vincent Giordano, who is responsible for monitoring the advice that supervised persons of SMC Fixed Income Management provide to clients. Mr. Giordano may be reached at 103 Carnegie Center, Suite 305, Princeton, NJ 08540. His direct telephone number is (609) 228-8251.

In addition, Mr. Disdier is supervised by either John “Launny” Steffens or Gregory Ho. Client accounts managed by Mr. Disdier are subject to regular review and verification that asset balances are being managed in accordance with a client’s investment guidelines.

Mr. Steffens and Mr. Ho may be reached at 65 East 55th Street, 33rd Floor, New York, NY 10022. Mr. Steffens’ direct telephone number is (212) 292-8308. Mr. Ho’s direct telephone number is (212) 292-8310.

Robert Meyer

Spring Mountain Capital, LP

103 Carnegie Center

Suite 305

Princeton, New Jersey 08540

(609) 228-8251

March 31, 2015

This Brochure Supplement provides information about Robert Meyer that supplements Spring Mountain Capital, LP's ("SMC's") Brochure. You should have received a copy of that Brochure. Please contact Aaron De Angelis, Chief Compliance Officer, at (212) 292-8300, if you did not receive Spring Mountain Capital, LP's Brochure or if you have any questions about the contents of this Brochure Supplement.

Item 2 - Educational Background and Business Experience

Robert Meyer

Born: 1946

Education:

American International College, B.A. in Economics

New York University Stern School of Business, M.B.A. in Finance

Employment:

Spring Mountain Capital, LP

Director of Research of the SMC Fixed Income Management Division

2014 - Present

SMC Fixed Income Management, LP

Director of Research

2012 - 2013

National Planning Corp

Registered Representative & Investment Adviser Representative

2012 - 2012

Morgan Stanley Smith Barney
Financial Advisor Trainee
2008 - 2012

Meyer Consulting Group Inc.
President
2001 - 2008

Item 3 - Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. No information is applicable to this Item for Mr. Robert Meyer.

Item 4 - Other Business Activities

Mr. Robert Meyer is not actively engaged in any other business activities outside of SMC.

Item 5 - Additional Compensation

There are no arrangements where a non-client provides an economic benefit to Mr. Robert Meyer for providing advisory services.

Item 6 - Supervision

As Director of Research of SMC Fixed Income Management, Mr. Meyer is under the supervision of Vincent Giordano, who is responsible for monitoring the advice that supervised persons of SMC Fixed Income Management provide to clients. Mr. Giordano may be reached at 103 Carnegie Center, Suite 305, Princeton, NJ 08540. His direct telephone number is (609) 228-8251.

In addition, Mr. Meyer is supervised by either John “Launny” Steffens or Gregory Ho. Client accounts managed by Mr. Meyer are subject to regular review and verification that asset balances are being managed in accordance with a client’s investment guidelines.

Mr. Steffens and Mr. Ho may be reached at 65 East 55th Street, 33rd Floor, New York, NY 10022. Mr. Steffens’ direct telephone number is (212) 292-8308. Mr. Ho’s direct telephone number is (212) 292-8310.