

Good Hill Partners LP

Form ADV Part 2A

Brochure

March 24, 2015

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This Brochure provides information about the qualifications and business practices of Good Hill Partners LP ("Good Hill"). If you have any questions about the contents of this Brochure, please contact us at (203) 610-8806 / whauf@goodhillpartners.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or any state securities regulator.

Good Hill is registered with the SEC as a registered investment adviser; however, this registration does not imply a certain level of skill or training. Additional information about Good Hill is also available on the SEC's website at www.adviserinfo.sec.gov.

Material Changes

This Brochure dated March 24, 2015 serves as an update to the prior Brochure dated March 19, 2014. This Item 2 will discuss only specific material changes that have been made to the Brochure and provide clients and potential clients with a summary of such changes. There have been no material changes since the last update to the Brochure.

Currently, the Brochure may be requested by contacting William Hauf (COO) at (203) 610-8806 or whauf@goodhillpartners.com, also without charge.

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Item 4 - Advisory Business

Good Hill, a Delaware limited partnership, founded by Mr. Franklin J. Collins IV and Mr. Brant Brooks in November 2006, provides investment management services on a discretionary basis to four private investment vehicles (the “Funds”) as well as to one or more separately managed accounts (“Managed Accounts”). Good Hill is also a sub-advisor to investment companies subject to the Investment Company Act of 1940 and a public limited liability investment company under registration authorized by the Central Bank of Ireland (“Sub-Advisory Relationships” or “Investment Companies”) that are sponsored by unaffiliated, SEC registered investment advisers. The Funds currently are organized in two master-feeder structures. Although trading generally occurs at the master fund levels, Good Hill may also trade at the intermediate fund and feeder fund levels. Good Hill and/or an affiliate may also make available co-investment opportunities to strategic Fund and/or Managed Account investors, but has no obligation to do so to any particular person or at all. Mr. Collins and Mr. Brooks are the principal owners of Good Hill.

Good Hill tailors its advisory services to the needs of the Funds. In general, the Funds’ underlying investors may not impose restrictions on investing in certain securities or types of securities. Good Hill provides advisory services to both discretionary and non-discretionary Managed Accounts and to investment companies in accordance with the investment objectives specified in the pertinent managed account and sub-advisory agreements.

Good Hill primarily offers advice on fixed income securities, including, but not limited to, asset-backed securities (“ABS”), mortgage-backed securities (“MBS”), residential mortgage-backed securities (“RMBS”), commercial mortgage-backed securities (“CMBS”), municipal bond securities, collateralized loan obligations (“CLO’s”) and on credit default swaps (“CDS”) and total return swaps (“TRS”). To a lesser extent, and for hedging purposes, Good Hill also offers advice on both exchange-traded and over-the-counter equity securities, commercial paper, United States government securities, and options contracts.

Good Hill manages assets both on a discretionary and non-discretionary basis. As of January 31, 2015, Good Hill managed approximately \$1,174,277,793 in discretionary assets and \$48,568,924 in non-discretionary assets.

Item 5 - Fees and Compensation

Fees paid by the Funds are calculated based on the Funds’ total assets under management as well as the net realized and unrealized appreciation in the net asset value of the Funds’ assets under management. Generally, a monthly management fee is paid, in arrears, to Good Hill equal to one-twelfth of 1.75% of the net asset value of the assets under management (“NAV”), 1.50% of NAV over 100MM and an annual incentive fee is paid to Good Hill and/or an affiliate equal to 15-20% of the net realized and unrealized appreciation in the net asset value of the assets under management. The percentage used to calculate the annual incentive fee is based upon the Fund investor’s aggregate net

subscriptions (subscriptions minus redemptions, which are unaffected by performance). Specifically, if a Fund investor's net subscriptions are less than \$50 million, the Fund investor will incur an annual incentive fee of 20%. If a Fund investor's net subscriptions equal or exceed \$50 million but are less than \$100 million, the Fund investor will incur an annual incentive fee of 17.5%. If the Fund investor's net subscriptions equal or exceed \$100 million, the Fund investor will incur an annual incentive fee of 15%. Fees are directly deducted from Fund accounts. Good Hill does not accept compensation or fees for the sale of securities or other investment products. Fund fees are not generally negotiable. However, with the consent of Good Hill, fees for any particular investor may be reduced, waived or calculated differently including, without limitation, partners or employees of Good Hill, their respective immediate family members and trusts, or other vehicles established for the benefit of such persons.

Fees for Managed Accounts are negotiated on a case-by-case basis. Generally for Managed Accounts, a monthly management fee is paid, in arrears, to Good Hill equal to one-twelfth of 0.25% to 1.00% of the net asset value of the assets under management. This management fee is billed to the client on a monthly basis. One of the Managed Accounts is not charged a management fee and only compensates Good Hill upon the disposition of each investment contained in the account. No incentive fees are paid to Good Hill for any other Managed Accounts.

Fees for the Sub-Advisory Relationships are negotiated on a case-by-case basis. Good Hill has entered into sub-advisory agreements with investment adviser sponsors to investment companies. In return for its sub-advisory services, Good Hill is paid a quarterly management fee by the investment adviser based on annual assets under management subject to the terms of the sub-advisory agreement. The sub-advisory agreements between Good Hill and the investment advisers may be terminated at any time.

In addition to Good Hill's and/or the relevant affiliate's fees, unless and to the extent otherwise specified in the relevant Fund's private placement memorandum or the Managed Account's managed account agreement, Fund and Managed Account investors indirectly bear certain fees and expenses charged to the Funds and Managed Accounts. Such fees vary, and may include, but are not limited to, the following: expenses of the offering of the Fund shares or interests; legal and compliance fees and expenses; audit and accounting fees; insurance costs and expenses; administrative, custodial and transaction fees; costs and commissions paid to custodians, broker-dealers and other third parties; and investment and research related expenses, including computer, newswire and quotation services and data processing charges. Fund and Managed Account investors should review all fees charged by Good Hill and its affiliates, custodians and broker-dealers and other third parties to fully understand the total amount of fees to be paid by a Fund or Managed Account. Please also see Item 12 – Brokerage Practices below.

Each Fund and Managed Account also generally bears a *pro rata* portion (based on aggregate net asset value) of the common investment-related operating expenses of Good Hill. Such common operating expenses include research and analytic expenses (such as 1010Data, Intex and Bloomberg subscriptions) as well as other related fees and charges.

Good Hill may also enter into individual consulting contracts and receive consulting fees. These fees vary in amount, and may be paid at any time from the inception of the contract to the completion of the consulting services.

Item 6 - Performance-Based Fees

Generally, an annual incentive fee is paid to Good Hill and/or an affiliate equal to 15-20% of the net realized and unrealized appreciation in the NAV of each of the Funds. Incentive fees are not generally paid to Good Hill in Managed Account scenarios. Fees for Managed Accounts are negotiated on a case-by-case basis. Because incentive fees are not generally charged to Managed Accounts, there exists an implicit conflict of interest as Good Hill advises both incentive-fee-paying and non-incentive-fee paying Funds and Managed Accounts, respectively, at the same time. In this situation, Good Hill has an incentive to favor the Funds for which a performance fee is charged. This conflict of interest is addressed on an investment-by-investment basis. In most instances, the conflict is avoided via pre-existing, well-defined trade allocation procedures and each client's unique investment objectives (See Item 12 – Brokerage Practices for further details). There also exists an implicit conflict of interest in instances in which Funds are charged a different management fee than Managed Accounts. Good Hill may be incentivized to focus more time on and provide enhanced management services to entities that pay a higher management fee, as this may increase the likelihood of increased investment into those accounts. Again, in most instances, this conflict is avoided via pre-existing, well-defined trade allocation policies and procedures and each client's unique investment objectives.

Item 7 - Types of Clients

Good Hill advises pooled investment vehicles (private funds), and is a sub-adviser to investment companies and Managed Accounts who are corporations or other investment advisers. Good Hill negotiates separately with each Managed Account regarding minimum account size.

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

Investment Strategies - Good Hill's investment objective for the Funds and Managed Accounts is to seek attractive total returns on a risk-adjusted basis. Good Hill seeks to achieve this objective for the Funds by pursuing a relative value, long-biased investment strategy intended to capture a stable income stream. To achieve this objective, the Funds may make investments in a variety of public and private U.S. and non-U.S. securities and financial instruments (the trading in some of which occurs not only over-the-counter, but also in unregulated markets), including, but not limited to, asset-backed securities ("ABS"), mortgage-backed securities ("MBS"), residential mortgage-backed securities ("RMBS"), commercial mortgage-backed securities ("CMBS"), municipal bonds, collateralized loan obligations ("CLOs"), credit default swaps ("CDS"), total return swaps ("TRS"), commercial paper, whole loans, and other fixed income securities or investments in cash flows. In addition, various derivatives, including options, swaps, swaptions, futures and forward agreements (both listed and over-the-counter) on various financial

instruments, exchange-listed and over-the-counter equity securities, United States government securities and currencies may be used for investment or hedging purposes. The investment strategies relative to these securities and financial instruments include, but are not limited to, entering into long-term purchases (securities held at least one year), short-term purchases (securities sold within one year), trading (securities sold within 30 days of purchase) and short sales. Positions may be leveraged, and may be financed by various sources of funding, including bank lines and repurchase arrangements. To the extent that positions are leveraged, the value of the positions may increase or decrease at a greater rate than if leverage were not used. Thus, while leverage presents opportunities for increasing the total return on investments, it has the effect of potentially increasing losses as well. The Funds may also invest in other pooled investment vehicles. The Funds' investment programs generally do not have any geographic limitation, diversification, concentration or borrowing limits.

The investment objectives and strategies for Managed Accounts vary based on the individual managed account agreements. The investments made in Managed Accounts are similar to those made by the Funds in that they are primarily fixed-income investments. Leverage may be employed in Managed Accounts.

Good Hill's investment process combines research-driven fundamental analysis with experienced portfolio management and disciplined surveillance which seeks to maximize return and minimize risk. For fixed income products, Good Hill's security analysis methods include underlying credit, cash flow, severity, default and prepayment analyses. Good Hill also uses research and data prepared or provided by others including, but not limited to, census data, Bureau of Labor Statistics ("BLS") data and Loan Performance/First American Core Logic data in its analyses of certain potential and current investments. Good Hill may also use certain annual reports, prospectuses, and filings made with the SEC.

Good Hill's investment strategy relies on three primary components: (i) Good Hill's ability to identify appropriate investments, (ii) prudent asset liability management, and (iii) an intensive analytical approach to risk management. Good Hill uses the trading experience of its personnel and numerous analytical tools to identify investments that it believes present an attractive risk/reward profile. A significant portion of the investment return for the Funds is comprised of current income. Additionally, to the extent that securities increase in value relative to the market, the Funds may realize capital appreciation.

Good Hill aims to identify and capture yield spread differentials over time that may enable the Funds to be profitable in both rising and declining fixed income markets. The distressed and illiquid nature of many of the assets contemplated by Good Hill is such that the investment performance of the Funds may well be considerably more volatile than that of more conventional markets.

Good Hill may utilize leverage to enhance the returns of the Funds as well as for cash management purposes. Accordingly, the assets of the Funds may be pledged in order

to borrow additional funds, in either short-term repurchase agreements, or in longer-term “warehouse” facilities. The assets of the Funds may also be pledged as security for obligations of third parties, such as subsidiaries of the Funds formed to hold investments of the Funds. The Funds’ portfolios may also be leveraged through the use of options, commodity futures contracts, short sales, swaps, forwards, and other derivative instruments that are inherently leveraged. The amount of borrowings which the Funds may have outstanding at any time may be large in relation to their capital and may vary depending upon the nature of the investments in the Funds.

Methods of Analysis - Good Hill believes that attractive risk-adjusted total returns may be achieved through exhaustively-analyzed investments in inefficient subsectors of the spectrum of ABS and MBS markets. Good Hill therefore seeks an optimal portfolio construction through the combination of both a top-down perspective on the investment environment, along with a bottom-up process focused on security selection. In pursuing this process, Good Hill may employ various analyses including, but not limited to the following:

Security Selection: Top-Down Process – Good Hill performs a top-down analysis of sectors within the Funds’ investment universe to establish relative values among the different asset classes, and to identify potentially attractive sectors and sub-sectors. Factors that Good Hill may consider include, but are not limited to: historical sector performance and pricing; economic and demographic trends on global, national and local scales; changes in underlying collateral value (if any); rating agency structural requirements and research; legal, tax and regulatory frameworks; proprietary, government, dealer and other third-party research; current market sentiment; aggregate portfolio exposures to credit and liquidity; and possible financial or liquidity events.

Good Hill monitors the flow of information for changes in sector pricing, collateral quality and generic deal structure. Good Hill also analyzes data regarding spread pricing, coupon rates, prepayment speeds, collateral delinquencies and defaults, recoveries and leverage terms for each asset class to generate general indications for ongoing risk-adjusted, post-leveraged returns across the Funds’ potential investment universe.

Security Selection: Bottom-Up Process – Once Good Hill has identified potential investment candidates, it performs a stringent quantitative and qualitative analysis of many facets of the individual securities, as described below.

Collateral Credit Risk Analysis – Good Hill believes that thorough collateral analysis is necessary for detailed credit and prepayment risk assessment, effective hedging, and accurate asset monitoring. Good Hill further believes that the collateral-based nature of ABS is uniquely suited to a quantitative analysis of credit risk that provides a rigorous framework for investment selection. The assets that collateralize ABS are typically large pools of individual loans, leases, annuities or other cash flow streams. Large numbers allow for quantitative, statistical analysis of risk. Loan (or cash flow) characteristics can be isolated and analyzed to determine their impact on the default, recovery and prepayment rates of the pool. Vector analysis is employed to evaluate the impact of these variables on

the performance of the security. This collateral analysis is fundamentally different from the credit analysis performed in the corporate bond and high yield bond markets, where management and other intangibles are major components of the risk incurred by investors.

Generally, some level of loss is expected on a pool of underlying loans. The objective of the analysis is to determine the extent of the losses and over what time period they will be incurred. Analysis of historical loan or collateral performance reveals which loan characteristics are most influential and which are least influential and allows for weighting of these characteristics as determinants of future losses on pools of collateral with comparable characteristics. Additionally, losses do not normally occur all at once, as a default on a corporate bond does. There is an observable trend derived from monthly reports that can signal danger or opportunity. Many collateral types have recovery value that must be estimated and applied to default to arrive at a loss vector. There are also seasonal and seasoning effects that can be derived from historical loan level or pool analysis of collateral.

Security Credit Enhancement Analysis – Following collateral credit risk analysis, Good Hill may perform a simultaneous analysis of the credit enhancement mechanisms and triggers to determine break points of securities yield with respect to collateral losses. Credit enhancement provides an additional margin of safety that allows a higher level of losses to be withstood without decreasing the return of the security.

Scenario Analysis – Good Hill reviews and examines risk parameters, which may include a position's market price sensitivity to interest rates, the shape of the yield curve, volatility, spreads, and prepayments (where applicable). Aggregate exposures to credit and liquidity may also be assessed and rate-of-return analysis may be used assuming different projected interest rate moves and volatility changes. This process generally produces one or perhaps several situations that are expected to result in significant market value declines. Understanding the performance of each security in these worst case situations gives Good Hill a sense of the risk present in the portfolio under various market conditions.

Hedging on the Portfolio and the Security Level – Consistent with the foregoing, Good Hill attempts to minimize interest rate risk in the portfolio with thoughtful portfolio selection and by hedging such risk where appropriate. To this end, Good Hill may take positions in listed and over-the-counter interest rate futures and options, credit derivatives and other similar financial “derivative” products, including swaps, caps and floors on interest rate and currency exchange rates. The purpose of hedging is not to eliminate risk, but to seek to reduce risks that Good Hill chooses not to assume. To this end, Good Hill utilizes available hedge instruments based on their expected hedging efficiency (cost vs. effectiveness).

Risk of Loss – An investor in one of the Funds and/or Managed Accounts should be aware of the possibility of loss of all or part of its investment. All investments involve the risk of loss of capital. Investing in securities involves risk of loss that investors should be prepared to bear. No guarantee or representation is (or could be) made that the Funds' and/or Managed Accounts' investment programs will be successful. The Funds' and/or

Managed Accounts' investment programs may utilize such investment techniques as option transactions, margin transactions, short sales, limited diversification, leverage and forward contracts, which can, in certain circumstances, increase the adverse impact to which the Funds' and/or Managed Accounts' portfolios may be subject.

Investment and Trading Risks:

MBS and ABS (Generally) – The investment characteristics of MBS and ABS differ from traditional debt securities. Among the major differences are that interest and principal payments are made more frequently, usually monthly, and that principal may be prepaid at any time because the underlying mortgage loans or other assets generally may be prepaid at any time.

MBS and ABS (Prepayment Risk) – The frequency at which prepayments (including voluntary prepayments by the obligors and liquidations due to defaults) occur on loans underlying MBS and ABS will be affected by a variety of factors including the prevailing level of interest rates as well as economic, demographic, tax, social, legal and other factors. Generally, mortgage obligors tend to prepay their mortgages when prevailing mortgage rates fall below the interest rates on their mortgage loans. Although ABS are generally less likely to experience substantial prepayment than MBS, certain of the factors that affect the rate of prepayments on MBS also affect the rate of prepayments on ABS. However, during any particular period, the predominant factors affecting prepayment rates on MBS and ABS may be different.

In general, “premium” securities (securities whose market values exceed their principal or par amounts) are adversely affected by faster than anticipated prepayments, and “discount” securities (securities whose principal or par amounts exceed their market values) are adversely affected by slower than anticipated prepayments. MBS and ABS may be adversely affected by changes in prepayments in any interest rate environment.

The adverse effects of prepayments may impact the Funds' and/or Managed Accounts' portfolios in two ways. First, particular investments may experience outright losses, as in the case of an interest-only security in an environment of faster actual or anticipated prepayments. Second, particular investments may underperform relative to hedges that Good Hill may have constructed for these investments, resulting in a loss to the Funds' and/or Managed Accounts' overall portfolios.

MBS and ABS (Credit Support Limitations) – The amount, type and nature of insurance policies, subordination, letters of credit and other credit support, if any, with respect to certain MBS and ABS are typically based upon actuarial analysis and therefore are inherently limited in their ability to be used as a basis for the predication of events. There can also be no assurance that credit support determined at the issuance of a transaction will be relevant or will accurately predict the delinquency, foreclosure or loss experience of any particular pool of loans. Consequently, there can be no assurance that credit enhancement, if any, will be sufficient to prevent losses on any securities that benefit therefrom.

RMBS – Holders of RMBS bear various risks, including credit, market, interest rate, structural and legal risks. RMBS represent interests in pools of residential mortgage loans secured by one to four family residential mortgage loans. Such loans may be prepaid at any time. Residential mortgage loans are obligations of the borrowers thereunder only and are not typically insured or guaranteed by any other person or entity, although such loans may be securitized by government agencies and these securities may have implicit or explicit government guarantees. The rate of defaults and losses on residential mortgage loans will be affected by a number of factors, including general economic conditions and those in the area where the related mortgaged property is located, the borrower's equity in the mortgaged property and the financial circumstances of the borrower. If a residential mortgage loan is in default, foreclosure of such residential mortgage loan may be a lengthy and difficult process, and may involve significant expenses. Furthermore, the market for defaulted residential mortgage loans or foreclosed properties may be very limited.

Recently, the residential mortgage market in the United States has experienced a variety of difficulties and changing economic conditions that have adversely affected the performance and market value of RMBS and collateralized debt obligations ("CDOs") backed by RMBS. Delinquencies and losses with respect to residential mortgage loans generally have increased in recent years, and may continue to increase, particularly in the subprime sector. In addition, in recent years, housing prices and appraisal values in many states have dramatically declined. A continued decline or an extended flattening of those values may result in additional increases in delinquencies and losses on RMBS generally.

Another factor that may result in higher delinquency rates is the increase in monthly payments on adjustable rate mortgage loans. Borrowers with adjustable rate mortgage loans are being exposed to increased monthly payments when the related mortgage interest rate adjusts upward from the initial fixed rate or a low introductory rate. Borrowers seeking to avoid these increased monthly payments by refinancing their mortgage loans may no longer be able to find available replacement loans at comparably low interest rates. A decline in housing prices may also leave borrowers with insufficient equity in their homes to permit refinancing. Furthermore, borrowers who intend to sell their homes on or before the expiration of the fixed rate periods on their mortgage loans may find that they cannot sell their properties for an amount equal to or greater than the unpaid principal balance of their loans. These events, alone or in combination, may contribute to higher delinquency rates and, as a result, adversely affect the performance and market value of RMBS and CDOs backed by RMBS.

In addition, numerous residential mortgage loan originators and servicers that originate and service subprime mortgage loans have recently experienced serious financial difficulties and, in some cases, bankruptcy. Those difficulties have resulted in part from declining markets for mortgage loans as well as from claims for repurchases or mortgage loans previously sold under provisions that require repurchase in the event of early payment defaults, or material breaches of representations and warranties made on the mortgage loans, such as fraud claims. Such financial difficulties may have a negative effect on the ability of servicers to pursue collection on mortgage loans that are experiencing

increased delinquencies and defaults and to maximize recoveries on the sale of underlying properties following foreclosure. The inability of the originator to repurchase such mortgage loans in the event of early payment defaults and loan representation breaches may also affect the performance of RMBS and CDOs backed by those mortgage loans. These difficulties may adversely affect the performance and market value of RMBS originated, serviced or subserviced by these companies. As a result, the performance and market value of CDOs backed by RMBS also may be adversely affected.

CMBS – Mortgage loans on commercial properties underlying CMBS often are structured so that a substantial portion of the loan principal is not amortized over the loan term but is payable at maturity and repayment of the loan principal, and thus, often depends upon the future availability of real estate financing from the existing or an alternative lender and/or upon the current value and salability of the real estate. Therefore, the unavailability of real estate financing may lead to default. Most commercial mortgage loans underlying CMBS are effectively nonrecourse obligations of the borrower, meaning that there is no recourse against the borrower's assets other than the collateral. If borrowers are unable or unwilling to refinance or dispose of encumbered property to pay the principal and interest owed on such mortgage loans, the related CMBS are likely to be adversely affected. The ultimate extent of the loss, if any, to related CMBS may only be determined after a negotiated discounted settlement, restructuring or sale of the mortgage note, or the foreclosure (or deed in lieu of foreclosure) of the mortgage encumbering the property and subsequent liquidation of the property. Foreclosure can be costly and delayed by litigation and/or bankruptcy. Factors such as the property's location, the legal status of title to the property, its physical condition and financial performance, environmental risks and governmental disclosure requirements with respect to the condition of the property may make a third party unwilling to purchase the property at a foreclosure sale or to pay a price sufficient to satisfy the obligations with respect to the related CMBS. Revenues from the assets underlying such CMBS may be retained by the borrower and the return on the investment may be used to make payments to others, maintain insurance coverage, pay taxes or pay maintenance costs.

ABS – Through the use of trusts and special purpose corporations, various types of assets, primarily automobile and credit card receivables, are securitized in pass-through and pay-through structures. The Funds and/or Managed Accounts may invest either directly or indirectly in these and other types of ABS that may be developed in the future.

ABS presents certain risks that are not presented by MBS. Primarily, these financial instruments do not have the benefit of the same security interest in the related collateral. Credit card receivables, for example, are generally unsecured and the debtors are entitled to the protection of a number of state and federal consumer loan laws, many of which give such debtors the right to set off certain amounts owed on the credit cards, thereby reducing the balance due. Most issuers of the ABS backed by automobile receivables permit the servicers to retain possession of the underlying obligations. If the servicer were to sell these obligations to another party, there is a risk that the purchaser would acquire an interest superior to that of the holder of the related ABS. In addition, because of the large number of vehicles involved in a typical issuance and technical requirements under state

laws, the trustee for the holders of the ABS may not have a proper security interest in all of the obligations backing such ABS. Therefore, there is a possibility that recoveries on repossessed collateral may not, in some cases, be available to support payment on these securities. The risk of investing in ABS is ultimately dependent upon payment of consumer loans by the debtor.

The collateral supporting ABS is typically of shorter maturity than mortgage loans and is less likely to experience substantial prepayments. As with MBS, ABS are often backed by a pool of assets representing the obligations of a number of different parties and use credit enhancement techniques such as letters of credit, guarantees or preference rights. The value of an ABS is affected by changes in the market's perception of the asset(s) backing the security and creditworthiness of the servicing agent for the loan pool, the originator of the loans or the financial institution providing any credit enhancement, as well as by the expiration or removal of any credit enhancement.

Adjustable Rate MBS and Floating Rate CMOs – Certain mortgage-backed securities are backed by adjustable-rate loans. The market value of the adjustable rate mortgage securities in which the Funds and/or Managed Accounts may invest may be adversely affected if the mortgage loans underlying these securities contain provisions limiting the amount by which their rates may be adjusted upward (periodic rate caps) in response to rising interest rates, or limiting the amount by which payments may be increased to accommodate upward adjustments in interest rates (periodic payment caps). The market value of adjustable-rate securities may also be adversely affected to the extent that mortgages are subject to lifetime rate caps.

Certain CMOs pay interest rates which float in direct or inverse relation to an underlying reference rate. These securities are typically backed by fixed rate mortgage loans. Most floating rate and inverse floating rate CMOs are subject to lifetime rate caps and floors, which may also adversely affect their returns in certain rate environments. In addition, since they are backed by fixed rate mortgage collateral, their returns may also be affected by the prepayment behavior of the underlying fixed rate mortgages. Certain CMO tranches such as inverse IOs may, through structural features, leverage both prepayment risk and the sensitivity of coupon return to rate changes.

Municipal Bonds – The Master Funds may invest in municipal bonds and related securities. The municipal securities market is fragmented, with significant variations in economic conditions, credit quality, and supply demand fundamentals. It may be difficult to hedge the credit risk of specific municipal bonds, because it is typically not possible to take a short position or purchase CDS protection with respect to a given bond. Public information in the municipal market is also less available than in other markets, increasing the difficulty of evaluating and valuing securities.

CDO's - The Master Fund may invest in CDOs ("collateral debt obligations"). The value of the CDOs owned by the Master Fund generally will fluctuate with, among other things, the financial condition of the obligors or issuers of the underlying portfolio of assets of the related CDO, general economic conditions, the condition of certain financial markets,

political events, developments or trends in any particular industry and changes in prevailing interest rates. Consequently, holders of CDOs must rely solely on distributions on the CDO collateral or proceeds thereof for payment in respect thereof. If distributions on the CDO collateral are insufficient to make payments on the CDOs, no other assets will be available for payment of the deficiency and following realization of a CDO's collateral, the obligations of such issuer to pay such deficiency generally will be extinguished.

The market values of CDOs tend to be more sensitive to changes in market or economic conditions than other securities. Declining real estate values or increasing default rates among borrowers, in particular, will increase the risk of loss upon default on CDOs backed by MBS and mortgage loans, and may lead to a downgrading of the securities by rating agencies. The value of the leveraged loans, ABS and MBS underlying a CDO may also be affected by changes in the market's perception of the entity issuing or guaranteeing them, or by changes in government regulations and tax policies.

The lack of an established, liquid secondary market for CDOs may have an adverse effect on the market value of CDOs and will make it difficult to dispose of such CDOs at market or near market prices. Additionally, the markets for CDOs recently have experienced high volatility and reduced liquidity. CDOs are subject to certain transfer restrictions that contribute to illiquidity. Therefore, if the Master Fund decides to dispose of any particular CDO, no assurance can be given that it will be able to dispose of such CDO at the value determined by the Investment Manager in accordance with the Master Fund's governing documents. Such illiquidity may adversely affect the price and timing of liquidations of CDOs by the Master Fund. CDO collateral may consist of high yield debt securities, loans, ABS, and other instruments, which often are rated below investment grade (or of equivalent credit quality). High yield debt securities generally are unsecured (and loans may be unsecured) and may be subordinated to certain other obligations of the issuer thereof. The lower ratings of high yield securities and below investment grade loans reflect a greater possibility that adverse changes in the financial condition of an issuer or in general economic conditions or both may impair the ability of the related issuer or obligor to make payments of principal or interest. Such investments may be speculative.

Issuers of CDOs may acquire interests in loans and other debt obligations by way of sale, assignment or participation. The purchaser of an assignment typically succeeds to all of the rights and obligations of the assigning institution and becomes a lender under the credit agreement with respect to the loan or debt obligation; however, its rights can be more restricted than those of the assigning institution. Purchasers of loans are predominantly commercial banks, hedge funds, mutual funds and investment banks. As secondary market trading volumes increase, new loans are frequently adopting standardized documentation to facilitate loan trading which may improve market liquidity. There can be no assurance, however, that future levels of supply and demand in loan trading will provide an adequate degree of liquidity or that the current level of liquidity will continue. Because of the provision to holders of such loans of confidential information relating to the borrower, the unique and customized nature of the loan agreement, and the private syndication of the loan, loans are not as easily purchased or sold as a publicly traded security, and historically the trading volume in the loan market has been small relative to, for instance, the high yield

debt market. In purchasing loan participations, an issuer of CDOs will usually have a contractual relationship only with the selling institution, and not the borrower. The CDO generally will have no right directly to enforce compliance by the borrower with the terms of the loan agreement, nor any rights of set-off against the borrower, nor have the right to object to certain changes to the loan agreement agreed to by the selling institution. The CDO may not directly benefit from the collateral supporting the related loan and may be subject to any rights of set-off the borrower has against the selling institution. In addition, in the event of the insolvency of the selling institution, under the laws of the United States of America and the states thereof, the CDO may be treated as a general creditor of such selling institution, and may not have any exclusive or senior claim with respect to the selling institution's interest in, or the collateral with respect to, the loan. Consequently, the CDO may be subject to the credit risk of the selling institution as well as of the borrower.

Index Risk – The Funds and/or Managed Accounts may also invest in structured notes, variable rate MBS and ABS, including adjustable-rate mortgage securities, which are backed by mortgages with variable rates, and certain classes of CMO derivatives, the rate of interest payable under which varies with a designated rate or index. The value of these investments is closely tied to the absolute levels of such rate or indices, or the market's perception of anticipated changes in those rates or indices. This dependence introduces additional risk factors related to the movements in specific interest rates or indices which may be difficult or impossible to hedge, and which also interact in a complex fashion with prepayment risks.

To the extent the Funds' and/or Managed Accounts' portfolios are invested in derivatives of various MBS, the prepayment risks, credit risks, interest rate risks and hedging risks associated with such securities may be substantially magnified.

Stripped MBS – The Funds and/or Managed Accounts may also invest in stripped MBS which are created by segregating the cash flows from underlying mortgage loans or mortgage securities to create two or more new financial instruments, each with a specified percentage of the underlying security's principal or interest payments. Mortgage securities may be partially stripped so that each investor class receives some interest and some principal. When securities are completely stripped, however, all of the interest is distributed to holders of one type of security, known as an interest-only security ("IO"), and the entire principal is distributed to holders of another type of security known as a principal-only security ("PO"). Strips can be created in a pass-through structure as tranches of a CMO. The yields to maturity on IOs and POs are very sensitive to the rate of principal payments (including prepayments) on the related underlying mortgage assets. If the underlying mortgage assets experience greater than anticipated prepayments of principal, the Funds and/or Managed Accounts may not fully recoup their initial investments in IOs. Conversely, if the underlying mortgage assets experience less than anticipated prepayments of principal, the yield on POs could be materially and adversely affected.

Subordinated Securities – Investments in subordinated MBS and ABS involve greater credit risk of default than the senior classes of the issue or series. Many of the

default-related risks of whole loan mortgages will be magnified in subordinated securities. Default risks may be further pronounced in the case of MBS secured by, or evidencing an interest in, a relatively small or less diverse pool of underlying mortgage loans. Certain subordinated securities (“first loss securities”) absorb all losses from default before any other class of securities is at risk. First loss securities generally are exposed to greater risk of loss if such securities have been issued with little or no credit enhancement or equity. Such securities therefore possess some of the attributes typically associated with equity investments.

Lower Credit Quality Securities – The Funds and/or Managed Accounts may invest in securities deemed by rating agencies to have substantial vulnerability to default in payment of interest and/or principal. Other Funds’ and/or Managed Accounts’ investments may have the lowest quality ratings or may be unrated. Lower rated and unrated securities in which the Funds and/or Managed Accounts may invest have large uncertainties or major risk exposures to adverse conditions and are considered to be predominantly speculative. Generally, such securities offer a higher return potential than higher rated securities, but involve greater volatility of price and greater risk of loss of income and principal.

Analysis of the creditworthiness of borrowers on or issuers of lower-rated and unrated assets is more complex than that of borrowers or issuers of higher credit quality and often involves the use of complex models that depend on the accuracy of their underlying assumptions. With respect to certain RMBS and CMBS, it is difficult to obtain current reliable information regarding default rates, delinquency rates, prepayment rates, servicing records and updated cash flows.

The market values of certain lower-rated or unrated assets also tend to be more sensitive to changes in market or economic conditions than those of other assets. Declining real estate values or increasing default rates among borrowers, in particular, will increase the risk of loss for these assets. In addition, the secondary markets in which these assets are traded tend to be less liquid than the market for higher-rated assets and at times may be illiquid. Less liquidity or lack of liquidity in these secondary markets may cause large fluctuations in the value of these assets and may have an adverse effect on their value. Adverse publicity and investor perceptions, whether or not based on any analysis, may also decrease the value and liquidity of these assets, especially in a thinly traded market.

Non-Performing Nature of Debt – It is anticipated that certain debt instruments purchased for the Funds and/or Managed Accounts will be non-performing and possibly in default. Furthermore, the obligor or relevant guarantor may also be in bankruptcy or liquidation. There can be no assurance as to the amount and timing of payments, if any, with respect to the loans.

Liquidity and Valuation of Investments – The Funds and/or Managed Accounts may invest in securities that are subject to legal and other restrictions on transfer or for which no liquid market exists. The market prices, if any, for such securities tend to be volatile and the Funds and/or Managed Accounts may not be able to sell them 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 sale.

The principal markets in which the Funds and/or Managed Accounts expect to invest, are generally less liquid than are other securities (e.g., stocks or bonds). As a result, calculating the fair market value of the Funds' and/or Managed Accounts' holdings may be difficult, and in any event, subjective. Good Hill will seek to take into account relevant factors such as market quotes, actual trades and interest rate changes, and may utilize the assistance of pricing services or valuation sources in calculating such fair market values. Such "liquidity risk" could adversely affect the value of the Funds' and/or Managed Accounts' investments and may be difficult or impossible to hedge against.

There is no guarantee that the value determined by Good Hill will represent the value that will be realized by the Funds and/or Managed Accounts on the eventual disposition of an investment or that would, in fact, be realized upon an immediate disposition of the investment. As a result, investors redeeming from the Funds or removing capital from their Managed Accounts prior to realization of such an investment may not participate in gains or losses there from.

"Widening" Risk – For reasons not necessarily attributable to any of the risks enumerated above (for example, supply/demand imbalances or other market forces), the prices of the securities in which the Funds and/or Managed Accounts invest may decline substantially. In particular, purchasing assets at what may appear to be "undervalued" levels is no guarantee that these assets will not be trading at even more "undervalued" levels at a time of valuation or at the time of sale. It may not be possible to predict, or to hedge against, such "spread widening" risk.

Systemic Risk – Credit risk may arise through a default by one of several large institutions that are dependent on one another to meet their liquidity or operational needs, so that a default by one institution causes a series of defaults by the other institutions. This is sometimes referred to as a "systemic risk" and may adversely affect financial intermediaries, such as clearing agencies, clearing houses, banks, securities firms and exchanges, with which the Funds and/or Managed Accounts interact on a daily basis.

Interest Rate Risk – The value of the fixed rate securities in which the Funds and/or Managed Accounts may invest generally will have an inverse relationship with interest rates. Accordingly, if interest rates rise the value of such securities may decline. In addition, to the extent that the receivables or loans underlying specific securities are prepayable without penalty or premium, the value of such securities may be negatively affected by increasing prepayments, which generally occur when interest rates decline.

Fraud – Of paramount concern in investing in securities backed by loans and other debt instruments is the possibility of material misrepresentation or omission on the part of the borrower or the lender. Inaccuracy or incompleteness of information concerning borrowers may adversely affect the valuation of the collateral underlying the loans or may adversely affect the ability of the Funds and/or Managed Accounts to perfect or effectuate a lien on the collateral securing the loan. Inaccurate or incomplete disclosure of the terms of the loan by the lender may adversely affect the ability of a borrower to assess accurately its ability to repay the loan and make accurate representations to lenders with respect thereto. The Funds and/or Managed Accounts will rely upon the accuracy and completeness of representations made by borrowers and lenders to the extent reasonable, but cannot guarantee such accuracy or completeness.

Credit Default Swaps – The Funds and/or Managed Accounts may invest in CDS. A CDS contract is a contract between two parties that transfers the risk of loss if a borrower fails to pay principal or interest on time or files for bankruptcy. CDS can be used to hedge a portion of the default risk on a single corporate debt or a portfolio of loans. In addition, CDS can be used to implement Good Hill's view that a particular credit, or group of credits, will experience credit improvement. In the case of expected credit improvement, the Funds and/or Managed Accounts may "write" credit default protection in which they receive spread income. The Funds and/or Managed Accounts may also "purchase" credit default protection even in the case in which it does not own the referenced instrument if, in the judgment of Good Hill, there is a likelihood of credit deterioration. Swap transactions dependent upon credit events are priced incorporating many variables including the pricing and volatility of the common stock, and potential loss upon default, among other factors. As such, there are many factors upon which market participants may have divergent views.

Non-U.S. Financial Instruments – Investments in financial instruments of non-U.S. issuers (including non-U.S. governments) and financial instruments denominated, or whose prices are quoted, in non-U.S. currencies pose, to the extent not hedged, currency exchange risks (including repatriation restrictions, devaluation and non-exchangeability) as well as a range of other potential risks which could include expropriation, confiscatory taxation, political or social instability, illiquidity, price volatility and market manipulation. In addition, less information may be available regarding securities of non-U.S. issuers and non-U.S. issuers may not be subject to accounting, auditing and financial reporting standards and requirements comparable to or as uniform as those of U.S. issuers. There is generally less government supervision and regulation of exchanges, brokers and issuers than there is in the United States. The Funds and/or Managed Accounts might have greater difficulty taking appropriate legal action in non-U.S. courts. Non-U.S. markets also have different clearance and settlement procedures which in some markets have at times failed to keep pace with the volume of transactions, thereby creating substantial delays and settlement failures that could adversely affect the performance of the Funds and/or Managed Accounts. In addition, the value of non-U.S. financial instruments is often dependent on the ability of the holder to recover portions of the cash flow. The withholding and redemption practices of non-U.S. governments may change from time to

time without notice, and the ability of the Funds and/or Managed Accounts to guarantee recovery of the cash flow is necessarily uncertain.

The fact that evidences of ownership of such financial instruments may be held outside the United States may subject the Funds and/or Managed Accounts to additional risks, which include possible adverse political and economic developments, and the attendant risk of seizure or nationalization of foreign deposits, and possible adoption of governmental restrictions which might adversely affect payments on non-U.S. financial instruments or might restrict payments to investors located outside the country of the issuers, whether from currency blockage or otherwise. In addition, dividend and interest payments from, and capital gains in respect of, certain non-U.S. financial instruments may be subject to non-U.S. withholding or other taxes that may or may not be reclaimable.

With respect to any country, there is the possibility of nationalization, political changes, government regulation, social instability or diplomatic developments (including war) which could adversely affect the economies of such countries or the value of the investments of the Funds and/or Managed Accounts in those countries.

Concentration of Investments – Because the Funds and/or Managed Accounts are generally not restricted from concentrating their investments in the financial instruments of a single issuer (or borrower) or guarantor, and may invest all or most of its assets in a single market sector, the negative impact to the Funds and/or Managed Accounts of adverse movements in the value of the financial instruments of a single issuer (or borrower), guarantor or market sector could be considerably greater than if the Funds and/or Managed Accounts were not permitted to concentrate their investments to such an extent.

Highly Volatile Markets – The prices of financial instruments in which the Funds and/or Managed Accounts may invest can be highly volatile. Price movements of forward and other derivative contracts in which the Funds and/or Managed Accounts may be invested are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies.

Counterparty Risk – Some of the markets in which the Funds and/or Managed Accounts may affect transactions are “over-the-counter” or “interdealer” markets. The participants in such markets are typically not subject to credit evaluation and regulatory oversight as are members of “exchange-based” markets. This exposes the Funds and/or Managed Accounts to the risk that a counterparty will not settle a transaction in accordance with its terms and conditions because of a dispute over the terms of the contract (whether or not bona fide) or because of a credit or liquidity problem, thus potentially causing the Funds and/or Managed Accounts to suffer losses. Such “counterparty risk” is accentuated for contracts with longer maturities where events may intervene to prevent settlement, or where the Funds and/or Managed Accounts have concentrated their transactions with a single or small group of counterparties. The Funds and/or Managed Accounts are not restricted from dealing with any particular counterparty

or from concentrating any or all of its transactions with one counterparty. Moreover, the Funds' and/or Managed Accounts' internal credit functions which evaluate the creditworthiness of its counterparties may prove insufficient. The lack of a complete and "foolproof" evaluation of the financial capabilities of the Funds' and/or Managed Accounts' counterparties and the absence of a regulated market to facilitate settlement may increase the potential for losses by the Funds and/or Managed Accounts.

General Economic and Market Conditions – The success of the Funds' and/or Managed Accounts' activities will be affected by general economic and market conditions, such as interest rates, availability of credit, inflation rates, economic uncertainty, changes in laws (including laws relating to taxation of the Funds' and/or Managed Accounts' investments), trade barriers, currency exchange controls, and national and international political circumstances (including wars, terrorist acts or security operations). These factors may affect the level and volatility of securities' prices and the liquidity of the Funds' and/or Managed Accounts' investments. Volatility or illiquidity could impair the Funds' and/or Managed Accounts' profitability or result in losses. The Funds and/or Managed Accounts may maintain substantial trading positions that can be adversely affected by the level of volatility in the financial markets; the larger the positions, the greater the potential for loss.

Unpredictable or unstable market conditions may result in reduced opportunities to find suitable investments to deploy capital or make it more difficult to exit and realize value from the Funds' and/or Managed Accounts' existing investments. An example of this sort of instability occurred in July and August of 2007 when markets experienced significant losses arising largely because global spreads widened materially, equity index levels declined, and many funds liquidated assets. It is important to understand that the Funds and/or Managed Accounts can incur material losses even if they react quickly to difficult market conditions and there can be no assurance that the Funds and/or Managed Accounts will not suffer material adverse effects from broad and rapid changes in market conditions.

Item 9 - Disciplinary Information

There are currently no legal issues or disciplinary events to report that would be material to a client's or prospective client's evaluation of Good Hill's advisory business or the integrity of its management. To the best of our knowledge, there have never been any securities-industry related criminal or civil actions, administrative proceedings, or self-regulatory organization proceedings involving Good Hill or any of its personnel.

Item 10 - Other Financial Industry Activities and Affiliations

Good Hill currently does not engage in other financial industry activities or maintain other financial industry affiliations. Good Hill does not have any broker-dealer, futures commission merchant, commodity pool operator or commodity trading advisor registrations (or pending registrations). Good Hill does not recommend other advisors to its clients or investors.

Good Hill Capital GP LLC serves as the general partner of Good Hill. Good Hill Capital LLC serves as the general partner of Good Hill Master Fund LP, which is the master fund for Good Hill Overseas Fund Ltd and Good Hill Partners Fund LP. Good Hill Capital II LLC serves as the general partner of Good Hill Master Fund II LP, which is the master fund for Good Hill Overseas Fund II Ltd and Good Hill Partners Fund II LP. Each of these entities is an affiliate of Good Hill. Any individuals acting on behalf of these affiliates are subject to the supervision and control of Good Hill in connection with any investment advisory activities. Good Hill Capital GP LLC, Good Hill Capital LLC and Good Hill Capital II LLC are relying on Good Hill's registration in accordance with the American Bar Association No Action Letter, publicly available January 18, 2012. In this respect, as long as Good Hill is registered under the Investment Advisers Act of 1940, as amended, Good Hill Capital GP LLC, Good Hill Capital LLC and Good Hill Capital II LLC will conduct its investment advisory activities in accordance with the Investment Advisers Act of 1940 and the policies and procedures of Good Hill, and Good Hill Capital GP LLC, Good Hill Capital LLC's and Good Hill Capital II LLC's employees and activities will be subject to Good Hill's supervision and control for regulatory purposes. Therefore, Good Hill Capital GP LLC, Good Hill Capital LLC and Good Hill Capital II LLC are considered to be registered as investment advisers on the Form ADV filed by Good Hill.

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

Good Hill has adopted a code of ethics that sets forth standards of ethical and business conduct expected of the personnel of Good Hill and its affiliates and addresses conflicts that may arise from personal trading by Good Hill personnel. Good Hill's code of ethics, among other things, requires compliance with the federal securities laws, reflects Good Hill's fiduciary responsibilities and those of its advisory personnel, prohibits certain personal securities transactions, requires Good Hill personnel to periodically report their personal securities transactions and holdings and to pre-clear non-exempt personal securities transactions, and addresses policies regarding the prevention of the misuse of material nonpublic information. The code of ethics will be provided to any client or investor or potential client or investor upon request.

Good Hill may recommend to clients the purchase or sale of securities in which Good Hill employees and related persons may have a financial interest or position. Employees and related persons may also serve as directors of companies whose related securities Good Hill may purchase or sell on clients' behalf. Additionally, although not a general practice, Good Hill employees may maintain outside business relationships with investors of the Funds. For example, Good Hill's personnel have invested in a company where the company has an investment in one of Good Hill's Funds. Such relationships may present a conflict of interest between Good Hill's economic interest (including using the investment as an incentive for a current or prospective investor to invest in current or future Funds) and what is in the best interests of the Funds.

In such cases, Good Hill's code of ethics imposes certain restrictions on employees and related persons who are deemed as "Access Persons" regarding purchases and sales of

the securities of the companies which Good Hill has recommended to its clients and the pre-approval of any limited offerings or other private securities transactions by the Chief Compliance Officer. Good Hill's Chief Compliance Officer periodically monitors Access Persons' personal and related accounts against the firm's code of ethics policies and restricted list for any violations of the code of ethics.

Good Hill employees and related persons do not buy securities from or sell securities to clients as a principal.

Item 12 - Brokerage Practices

Best Execution

Good Hill's selection of broker-dealers to effect securities transactions for clients must be guided by the principal objective of seeking to obtain best execution for clients. "Best execution" does not necessarily mean obtaining the lowest possible price for any particular transaction; however, Good Hill will attempt to execute investment transactions at the best net price, considering all relevant circumstances and primary and secondary factors. The primary factors considered are price, the extent to which broker dealers make markets in the security involved, liquidity of the market for that security, the size, type and difficulty of the transaction, past history of the broker dealers' executions with Good Hill and the quality and usefulness of investment ideas presented to Good Hill. Secondary factors considered are the broker-dealers' expertise in the specific securities or sectors in which Good Hill seeks to trade, availability of accurate information regarding the market for the security, the broker-dealers' reputations for diligence, fairness and integrity, confidentiality considerations, the broker-dealers' promptness of execution, the broker-dealers' financial stability, and, the broker-dealers' ability to accommodate any special execution or order handling requirements that may surround the particular transaction.

Good Hill runs certain model statistics on its proprietary system on a pre-trade basis to evaluate certain market data prior to the execution of a trade and conducts its own valuation analysis for securities it seeks to purchase based on cash-flow models to establish a fair value of the security prior to purchase. Good Hill's Pricing Committee reviews security valuations of its existing portfolios that are provided by broker dealers on a monthly basis.

While Good Hill generally seeks reasonably competitive trade execution cost, Good Hill does not necessarily pay the lowest spread available provided that the difference in the spread is reasonably justified by the quality of the execution services provided. Good Hill is not required to allocate either a stated dollar or stated percentage of its transactions to any broker-dealer for any minimum time period and reviews such relationships from time to time.

Due to the nature of Good Hill's fixed income investment strategies, Good Hill does not typically have any soft dollar arrangements (i.e., arrangements under which Good Hill agrees to pay more than the lowest available commission for products or services provided by a broker-dealer). In the event that Good Hill may cause a client to pay a broker-dealer

that provides brokerage or research services (either directly or through third-party relationships) a transaction cost in excess of that which another broker-dealer would have charged, Good Hill will evaluate any potential soft dollar arrangements in order to determine in good faith whether or not such commission or transaction cost is reasonable in relation to the value of brokerage, research or other services provided. Good Hill currently has no soft dollar arrangements.

Good Hill may use full-service broker-dealers that provide research or other products or services to most or all of their customers, without being requested to do so, and Good Hill may on occasion receive and use research provided by these full service broker-dealers. This research may include, but is not limited to, information and analyses pertaining to consumer credit, mortgage defaults and related severities, mortgage prepayments, and other related mortgage and loan statistics. This information may be presented to Good Hill in a number of formats including, but not limited to, formal research reports, bulk data downloads, emails, and various presentations. In this situation, Good Hill receives a benefit because it does not have to produce or pay for the research. Good Hill may have an incentive to select broker-dealers based on its interest in receiving the research or other products or services, even though no soft dollar arrangements are in place, rather than on Good Hill's clients' interest in receiving the most favorable execution. However, since the research provided is not material in nature and quantity and is provided by most broker-dealers with which Good Hill deals, Good Hill's receipt of such research does not have a material effect on Good Hill's selection of broker-dealers. Good Hill does not separately compensate such broker-dealers for the provision of such services and does not believe that it "pays up" for such services. The research received is used for the benefit of all Good Hill clients. Good Hill does not direct investor transactions to a particular broker-dealer in return for any soft dollar benefits.

Broker-dealers (including prime brokers) may assist the Funds in raising additional capital from investors and Good Hill in securing additional Managed Account investors and representatives of Good Hill may speak at conferences and programs sponsored by prime brokers for investors interested in investing in hedge funds or managed account structures. Through such "capital introduction" events, prospective investors in the Funds and/or Managed Accounts would have the opportunity to meet with Good Hill. Representatives of Good Hill do not regularly participate in these conferences and programs and to date, investments made into the Funds and Managed Accounts as a result of this very limited participation have been immaterial.

Neither Good Hill, nor any affiliate of Good Hill, nor the Funds, nor the Managed Accounts will compensate any broker-dealer for organizing such events or for any investments ultimately made by prospective investors attending such events. Good Hill may have an incentive to select a broker-dealer based on its interest in receiving client and investor referrals, rather than on Good Hill's clients' interest in receiving most favorable execution. However, while such services provided by a broker-dealer may influence Good Hill in deciding whether to use such broker-dealer in connection with brokerage, financing and other activities of the Funds and/or Managed Accounts, Good Hill and its affiliates will not commit to allocate a particular amount of brokerage to a broker-dealer in any such

situation nor will Good Hill select that broker-dealer to effect a transaction for a Fund or Managed Account if the most favorable execution is not being received. Good Hill does not select broker-dealers based on the receipt or potential receipt of any client or investor referrals from those broker-dealers.

Good Hill's employees may provide or receive gifts or entertainment from representatives of broker dealers that Good Hill conducts business with. As a result, Good Hill may have an incentive to select a broker-dealer based on its interest in receiving gifts or entertainment rather than on Good Hill's clients' interest in receiving most favorable execution. Employees are only permitted to give or receive business-related meals, entertainment, gifts, or favors when the value involved is not significant and clearly will not create any appearance of a conflict of interest or an obligation to the donor. Good Hill's policy requires notification and/or pre-approval of gifts and entertainment above a certain dollar threshold.

Good Hill is not involved in any type of directed brokerage practices relative to its clients.

As part of the monitoring process, the Chief Compliance Officer conducts periodic reviews of Good Hill's trades for best execution purposes. Such frequency, methods and depth of reviews may change based on the risk assessments conducted by the Chief Compliance Officer.

Allocation of Investment Opportunities, Principal and Cross Transactions

Good Hill has a fiduciary obligation to use its best efforts to ensure that no client is treated unfairly in relation to any other client in the allocation of securities and trading opportunities or the order of the execution of transactions. These trade allocation policies and procedures incorporate (i) the applicable restrictions of the federal securities laws, and (ii) general principles of fiduciary duty relating to the bunching of transactions and the allocation of purchases and sales of securities among clients. As a fiduciary, Good Hill cannot arbitrarily distinguish among its clients, and cannot disproportionately allocate promising positions to underperforming clients to boost performance or vice versa. However, Good Hill may in good faith determine that certain investments should be allocated only to specific clients.

In instances in which positions are completely liquidated, sell orders may be aggregated for clients. The sale price of the specific investment sold will be applied to the position amount held for each client included in the sell order. Investable Funds, as defined below, will be adjusted to reflect sales.

In instances in which positions are partially liquidated, sell orders may be aggregated for clients. The sale price of the specific investment sold will be applied to the position amount held for each client included in the sell order. Should the traded amount be less than the quantity offered for sale, the investment sold will be allocated pro rata to clients based on the ratio of original face amount of the investments offered for sale to the

original face amount of investments that are liquidated. The sales price of the investment will be the same for all clients that sell investments.

On a daily basis, Good Hill will determine the amount of Investable Funds - which includes short-term investments, anticipated interest and principal proceeds, anticipated subscriptions and redemptions and any other amounts Good Hill believes to be relevant – for each client. At the sole discretion of Good Hill, accounts that have Investable Fund balances less than \$100,000 may be considered to have a zero balance for purposes of allocation of filled purchase orders.

Investable Funds will be combined, subject to the minimum balance of Investable Funds, for purchase orders for all clients for which the purchased security is deemed appropriate. Filled purchase orders will be allocated to each client based on the ratio of the net asset value of each client to the total net asset value for all clients for which such purchased security is deemed to be appropriate, subject to the amount of Investable Funds for each client and any concentration limits. However, Good Hill may increase or decrease the amounts of securities allocated to each client, if necessary, to avoid having an illiquid or small number of shares held for any client and with consideration of known near-term future subscriptions and redemptions in the Funds and may deviate from this allocation methodology based on specific circumstances as described in the above. Each filled order will be allocated to a client at the price paid for the investment. Good Hill will keep records of all allocations.

A re-allocation of a security after the final execution of the original order (allocation) is permissible without Chief Compliance Officer approval at no later than one hour after the markets open on T+1 (next trade date). Any re-allocations subsequent to this time period must be pre-approved by the Chief Compliance Officer. Re-allocations must be methodical to ensure that all eligible clients are considered for the re-allocation and that each client participating in the allocation receives a fair and equitable allocation and not favor or disadvantage any client.

Good Hill in its sole discretion may allocate purchased assets in a rotational allocation among client portfolios. Any changes to the allocation methodologies as described in Good Hill's trade allocation policy must be pre-approved by the Chief Compliance Officer. As part of the monitoring process, the Chief Compliance Officer conducts periodic reviews and testing of Good Hill's trade allocations

In light of the complicated legal considerations and material anti-fraud liabilities surrounding principal and cross trades, Good Hill portfolio managers may not, without the prior authorization of Good Hill's Chief Compliance Officer, cause any client to: (1) purchase portfolio securities from or sell portfolio securities to Good Hill, any affiliate of Good Hill or any other client; or (2) purchase securities issued by another client.

"Principal" trades are trades in which a client buys securities for its own account from, or sells securities for its own account to Good Hill acting for its own account.

Principal trades may only be undertaken if client consent is obtained for each specific transaction prior to execution.

Cross-trades between clients will only be effected by Good Hill with Chief Compliance Officer approval, if client consent has been obtained, the trade is done at a fair price; and the trade is done for the benefit of both clients.

“Agency Cross-trades” are trades ordered by Good Hill in which Good Hill acts as agent for both the purchaser and seller of the securities, and either the purchaser or seller, or both, are clients; and Good Hill or an affiliate receives compensation for so acting as agent above and beyond the investment management fees that Good Hill stands to receive in the ordinary course of managing the assets of such clients(s). Good Hill will not engage in Agency Cross trades with its clients.

Trade Errors

Good Hill’s traders may on occasion experience errors with respect to trades made on behalf of clients. Trade errors can result in a variety of situations. If it is determined that the trade error was caused by Good Hill in its capacity as investment adviser to a client, the trade error will be brought to the attention of the Chief Compliance Officer and the principal officers. Once a trade error is detected, Good Hill will correct it in an expeditious manner. The identification of trade errors and the proper method for resolving them in any particular circumstance can vary. Good Hill’s policy is that absent a violation of the legal standard of care, all the benefits and burdens of a trade error will be borne by the relevant client or investor. Good Hill has included in all Fund private placement memorandums a detailed description of Good Hill’s trade error policy. Good Hill also will not directly or indirectly use soft dollars to correct trade errors if applicable. The Chief Compliance Officer will review all errors with the objective of developing controls designed to minimize the likelihood of recurrences.

Item 13 - Review of Accounts

The portfolio managers review any information submitted by each new prospective client, including asset and sector limitations for investment, prior to initial trading for appropriateness of all assets placed in the account. The portfolio managers monitor the accounts and their constituent positions on a daily basis. Specifically, the portfolio managers monitor the accounts for asset performance and analyze market risk factors on a daily basis. All accounts have two primary reviewers, Mr. Franklin Collins (Good Hill’s managing partner and portfolio manager) and Mr. Brant Brooks (Good Hill partner and portfolio manager). Both portfolio managers review asset performance, risk, sector concentrations, and overall account composition.

All Fund investors receive monthly reporting for their individual investments and for the Fund overall. This reporting reflects the net asset value of their individual investment, their individual returns for the month and year-to-date, the asset/sector allocation for the Fund and the Fund’s overall size and returns. Some investors also require

specific position reporting which includes specific performance and risk metrics. This information is provided through email and is also presented on Good Hill's website via secure investor login.

Managed Accounts will receive reports as agreed upon in the pertinent managed account agreements. These reports are normally provided on a monthly and/or quarterly basis. Much of the information provided to Managed Accounts is similar to that which is provided to investors in the Funds.

Item 14 - Client Referrals and Other Compensation

Good Hill does not directly or indirectly compensate any person or entity for client or investor referrals. Neither Good Hill nor any affiliate of Good Hill has any arrangements, oral or in writing, where it is paid cash by or receives some economic benefit (including commissions, equipment or non-research services) from a non-client or non-investor in connection with providing advisory services.

Item 15 - Custody

All client assets are held in custody of unaffiliated qualified custodians. However, Good Hill is deemed to have custody of the investor funds and securities contained in the Funds, since an affiliate serves as general partner of the Funds. With one exception, Fund investors do not receive quarterly account statements from the custodian; rather, the Funds are subject to an annual audit and the audited financial statements are distributed to each Fund investor. A qualified custodian provides quarterly account statements to certain Fund investors and former Fund investors with respect to assets in a special purpose vehicle.

Good Hill does not maintain custody of funds and securities contained in Managed Accounts.

Item 16 - Investment Discretion

Good Hill has discretionary investment authority as it relates to the Funds and Managed Accounts (subject to possible restrictions in the Fund documents and managed account agreements) with the exception of one Managed Account which requires pre-approval for all trading activity. Such full discretionary authority is assumed at the time an investor subscribes to any of the Funds via a subscription agreement and deposits funds into the subscription account or executes a managed account agreement and deposits funds into a Managed Account. Specifically, Good Hill has the authority to determine the securities to be bought and sold, the amount of the securities to be bought and sold, the broker or dealer(s) to be used, and the commissions to be paid.

Item 17 - Voting Client Securities

Typically, Good Hill does not manage securities that require voting proxies on behalf of clients. Therefore, Good Hill's Proxy Voting Policy applies to situations where Good Hill could pursue other investment strategies or obtain public equity securities as a result of a "restructuring" and have the authority to vote proxies and respond to all corporate actions for securities held in Good Hill's client accounts. In the event that Good Hill provides investment advisory services where the securities held require a proxy vote or holds equity securities positions that require a proxy vote, Good Hill shall exercise its proxy voting rights and monitor such corporate actions in accordance with its proxy voting policies. In general, Good Hill shall vote proxies in what it determines to be the best interest of its clients.

When a proxy voting situation arises, Good Hill will determine if Good Hill has a conflict of interest which would affect the proxies being voted. If a conflict is found to exist, Good Hill will not vote the proxies and will refer the matter to its clients and recommend that they vote the proxies themselves. However, given the lack of affiliations, it is expected that majority of all proxies will be voted by Good Hill.

Assuming no conflict of interest exists, if a client who has authorized Good Hill to vote proxies on its behalf nevertheless instructs Good Hill to vote its proxy in a fashion different from Good Hill's recommendation with respect to such vote, Good Hill will vote the proxy in accordance with the client's written instructions.

Item 18 - Financial Information

Good Hill is not aware of any financial condition affecting the firm that is reasonably likely to impair Good Hill's ability to meet contractual commitments to clients. Good Hill has never filed for bankruptcy.

**Part 2B of the Form ADV (the “Brochure Supplement”)
March 24, 2015**

**Good Hill Partners LP
Franklin J. Collins IV**
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This Brochure Supplement provides information about Mr. Franklin J. Collins IV that supplements the Good Hill Partners LP Brochure. You should have received a copy of the Brochure. Please contact William Hauf at (203) 610-8806 or whauf@goodhillpartners.com if you did not receive Good Hill Partners LP's Brochure or if you have any questions about the contents of this Brochure Supplement.

Good Hill and the investment advice that it provides to the Funds and Managed Accounts are ultimately controlled by Mr. Franklin J. Collins IV (DOB 03/29/62) and Mr. Brant Brooks (DOB 07/25/66). Mr. Collins and Mr. Brooks have primary responsibility for the management of the Funds' and Managed Accounts' portfolios.

Educational Background and Business Experience - As Good Hill's managing partner, Mr. Collins performs the duties of Chief Investment Officer and is ultimately responsible for all investment and risk management decisions. Mr. Collins is an experienced trader, portfolio manager and architect of fixed income structured securities and financial products. Mr. Collins' finance experience began at Delaware Investment Advisors in 1990, where he was a fixed income trader and assistant portfolio manager. In 1992, Mr. Collins joined the fixed income research desk at Credit Suisse First Boston. In 1993, Mr. Collins became head of ABS trading at CSFB. Mr. Collins joined Bear Stearns in 1995 as Head of Asset-Backed Securities Trading and Syndication. Mr. Collins resigned from his position as Senior Managing Director at Bear Stearns to form his own company, Coar Capital, and subsequently launched a hedge fund in partnership with Bear Stearns Asset Management in 2000. Mr. Collins acted as portfolio manager for Bear Stearns Asset-Backed Securities onshore and offshore funds for five years and retired from that capacity in February 2005. Mr. Collins received an education from the University of Pennsylvania.

Disciplinary Information - There is no disciplinary information to disclose related to Mr. Collins.

Other Business Activities - Mr. Collins is not actively engaged in any other investment related businesses or occupations. Mr. Collins does not maintain any personal or professional relationship with any type of other investment related business. Mr. Collins is not actively involved in any other business or occupation that provides substantial income or involves the commitment of a substantial amount of time.

Additional Compensation - Mr. Collins is not involved in any type of arrangement with respect to third parties that provides any economic benefits for providing advisory services.

Supervision – Mr. Collins is co-portfolio manager for the Funds and Managed Accounts with Mr. Brant Brooks. The work that Mr. Collins performs is reviewed by Mr. Brooks and support staff via daily meetings and general collaborative efforts. Mr. Brooks can be contacted at (203) 610-8811. Mr. Brooks maintains an office at Good Hill, located at 1599 Post Road East, Westport, CT 06880.

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March 24, 2015**

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This Brochure Supplement provides information about Mr. Brant Brooks that supplements the Good Hill Partners LP Brochure. You should have received a copy of the Brochure. Please contact William Hauf at (203) 610-8806 or whauf@goodhillpartners.com if you did not receive Good Hill Partners LP's Brochure or if you have any questions about the contents of this Brochure Supplement.

Good Hill and the investment advice that it provides to the Funds and Managed Accounts are ultimately controlled by Mr. Franklin J. Collins IV (DOB 03/29/62) and Mr. Brant Brooks (DOB 07/25/66). Mr. Collins and Mr. Brooks have primary responsibility for the management of the Funds' and Managed Accounts' portfolios.

Educational Background and Business Experience - Mr. Brooks has a broad background in mortgage and asset securitization and principal finance transactions. Mr. Brooks was most recently a Senior Managing Director and head of the Asset-Backed Securities banking group at Bear Stearns. He joined the Bear Stearns ABS group in 1996 to focus on multiple asset classes including auto loans and leases, dealer floorplan, credit card receivables, student loans, and trade receivables. Mr. Brooks was responsible for Bear Stearns' principal finance efforts purchasing over \$18 billion of whole loans and establishing the WALT (Whole Auto Loan Trust) public program. Prior to joining Bear Stearns, Mr. Brooks practiced law for three years in the Structured Finance Group at Thacher Proffitt & Wood representing investment banks and issuers in securitization transactions. His first position in securitization involved working in the securitization group at Deloitte & Touche modeling and structuring securitization transactions. Mr. Brooks received his B.A. in Economics from Emory University in 1988 and his J.D. and M.B.A with honors from Boston University in 1992. He is licensed to practice law in the States of New York and Connecticut.

Disciplinary Information - There is no disciplinary information to disclose related to Mr. Brooks.

Other Business Activities - Mr. Brooks is not actively engaged in any other investment related businesses or occupations. Mr. Brooks does not maintain any personal or professional relationship with any type of other investment related business. Mr. Brooks is not actively involved in any other business or occupation that provides substantial income or involves the commitment of a substantial amount of time.

Additional Compensation - Mr. Brooks is not involved in any type of arrangement with respect to third parties that provides any economic benefits for providing advisory services.

Supervision - Mr. Brooks is co-portfolio manager for the Funds and Managed Accounts with Mr. Franklin Collins. The work that Mr. Brooks performs is reviewed by Mr. Collins and support staff via daily meetings and general collaborative efforts. Mr. Collins can be contacted at (203) 610-8809. Mr. Collins maintains an office at Good Hill, located at 1599 Post Road East, Westport, CT 06880.