

Part 2A of Form ADV: *Firm Brochure*

December 17, 2015

Alpine Management Services III, LLC

(“Alpine Investors”)

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This brochure provides information about the qualifications and business practices of Alpine Investors. If you have any questions about the contents of this brochure, please contact Alpine Investors at 415-392-9100 or tgenstil@alpine-investors.com. 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.

Additional information about Alpine Investors also is available on the Securities and Exchange Commission’s website at www.adviserinfo.sec.gov. Alpine Investors can be found on this site by a unique identifying CRD number, 157255.

An investment advisor’s registration with the United States Securities and Exchange Commission does not imply a certain level of skill or training.

Item 2 Material Changes

Alpine Investors, LP liquidated on December 31, 2014, and transferred the assets to Alpine I Liquidating Trust.

Alpine Investors V SBIC, LP was created in order to obtain leverage from the Small Business Administration.

The ADV filing was amended on December 17, 2015 to reflect a new office location.

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Item 4 Advisory Business

Alpine Investors provides investment advisory services to private equity funds and other pooled investment vehicles (collectively, the “Alpine Funds”, and each individually a “Fund” or an “Alpine Fund”) that are exempt from registration under the Investment Company Act of 1940, as amended (the “Investment Company Act”) and whose securities are not registered under the Securities Act of 1933, as amended (the “Securities Act”). The investors in the Alpine Funds include, among others, individuals (other than high net worth individuals), high net worth individuals, pension and profit sharing plans, trusts, charitable organizations, corporations, limited partnerships and limited liability companies.

Alpine Investors is the investment adviser to each of the Alpine Funds with its principal place of business located in California. Alpine Investors was formed as a Delaware limited liability company in 2009. Alpine Investors was formed to continue the private advisory business of a private investment firm originally founded in 2001. It is owned entirely by Graham Weaver.

As the investment adviser for each Alpine Fund, Alpine Investors identifies investment opportunities and participates in the acquisition, management, monitoring and disposition of investments for each Alpine Fund. Alpine Investors primarily provides investment advisory services related to private equity investments in various industries, including leveraged acquisitions and recapitalizations, traditional buyouts and investments in growth opportunities. These private equity investments generally take the form of privately-negotiated investment instruments.

Alpine Investors provides investment advisory services to each Alpine Fund pursuant to a separate investment advisory agreement (each, an “Investment Advisory Agreement”). The terms of the management services to be provided by Alpine Investors to an Alpine Fund, including any specific investment guidelines or restrictions, are set forth in each of the Alpine Fund’s Investment Advisory Agreements and the partnership agreement of each Alpine Fund. Alpine Investors or its related entities also may enter into side letter agreements with certain investors in the Alpine Funds, establishing rights under, or supplementing or altering the terms of, the applicable limited partnership agreements relating to such Alpine Funds with respect to such investors. While Alpine Investors and its related entities have no obligation to offer all such additional rights, terms or conditions to any other investor in such Alpine Funds, Alpine Investors and its related entities generally disclose such arrangements to all limited partners of the relevant Alpine Funds. Once invested in an Alpine Fund, investors cannot impose additional investment guidelines or restrictions on such Alpine Fund.

Two of Alpine Investors’ funds, Alpine Investors IV, L.P. (“Fund IV”) and Alpine Investors V, L.P. (“Fund V”), have subsidiary funds, Alpine Investors IV SBIC, L.P. (“Fund IV SBIC”) and Alpine Investors V SBIC, L.P. (“Fund V SBIC”), that are licensed as small business investment companies by the Small Business Administration (“SBA”). The subsidiary funds make investments funded by equity capital from Fund IV and Fund V and leverage from the SBA. Alpine Investors formed Alpine Management Services IV, LLC to act as the investment adviser of Fund IV SBIC and Fund V SBIC. Alpine General Partner IV SBIC, LLC and Alpine General Partner V SBIC, LLC were formed as the general partners for Fund IV SBIC and Fund V SBIC, respectively. The above referenced management companies and general partners are owned by Mr. Weaver and other principals of Alpine Investors.

As of December 31, 2014, Alpine Investors managed a total of \$700,944,663 of client assets, all of which is managed on a discretionary basis.

Item 5 Fees and Compensation

Alpine Investors charges annual fees for investment advisory services. The fees are asset-based, generally either calculated on a percentage of capital invested, committed capital, or unreturned capital, depending on the stage of the Fund, and range from 1.50% to 2.00% of that capital. The fees are non-negotiable once the limited partnership agreements are executed. In the case of Fund IV and Fund IV SBIC, these fees are charged on the Regulatory Capital (as defined in the regulations of the SBA) and two tiers of leverage thereon. Such fees are payable quarterly or semiannually, generally in advance, and are debited from the Alpine Fund accounts. The fee payment process and rates are approved at the formation of each Alpine Fund and described in the partnership agreements. The Alpine Fund partnership agreements generally restrict an Alpine Fund's ability to terminate its Investment Advisory Agreement with Alpine Investors. The specific restrictions or terms vary depending on the nature of the fund.

For each Alpine Fund, expense reimbursements may be payable to Alpine Investors or its affiliates. The expense reimbursements are disclosed in the relevant offering documents and limited partnership agreements. These expense reimbursements are in addition to the investment advisory fees described above. Each Alpine Fund also generally absorbs all of the expenses relating to such Alpine Fund's activities, operations and meetings including, but not limited to fees, costs and expenses directly related to the discovery, investigation, development, making, management, monitoring and disposition of investments, and potential investments under letters of intent; fees and expenses of custodians, brokerage (as further discussed in Item 12), consultants, outside counsel and accountants; the cost of insurance; any taxes, fees or other governmental charges levied on such Alpine Fund; expenses relating to any audit, investigation, governmental inquiry or public relations undertaking; and the costs of expenses of any litigation relating to the activities or operation of such Alpine Fund, including the amount of any judgments or settlements paid in connection therewith, relating to the business, activities and interests of such Alpine Fund. Included in the expenses reimbursed by Fund IV and Fund V are fees paid to consultants who assist Alpine Investors in evaluating opportunities for Fund IV and Fund V, respectively. These consultants provide such services pursuant to contractual arrangements that also contemplate their becoming management personnel of any portfolio company investment that results from their services. Alpine Investors or the affiliated general partner of each Alpine Fund also receives a performance-based fee calculated based on a share of capital gains or capital appreciation of investments in the portfolio of such Alpine Fund. These arrangements are discussed further in Item 6 of this Brochure.

In addition, Alpine Investors or the affiliated general partners of Alpine Funds may receive customary break-up fees, commitment fees, monitoring and directors' fees and organization, financing, divestment and other similar fees in connection with portfolio investments of the Alpine Funds as compensation for financial advisory and similar services provided to the portfolio companies. These fees are referred to collectively as "Other Fees."

The right of Alpine Investors, the affiliated general partner entities or other affiliates to receive Other Fees may create a conflict of interest between Alpine Investors, on one hand, and the Alpine Funds and their investors, on the other hand, because Other Fees may be substantial and the Alpine Funds and their investors do not have a direct interest in Other Fees. Alpine Investors believes, however, that management fee offsets (to the extent applicable) and the equity commitments made by Alpine Investors' principals may serve to mitigate this potential conflict. In addition, Alpine Investors believes this potential conflict may be further mitigated by the fact that the ability of Alpine Investors or its affiliates to collect these kinds of fees may be subject to negotiation with third parties, such as sellers, buyers, and management teams or boards of directors of, or lenders to, portfolio companies.

Similar advisory services may or may not be available from other registered or unregistered investment advisers for similar or lower fees.

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

Alpine Investors or the affiliated general partner of an Alpine Fund generally is eligible to receive performance-based fees from such Alpine Fund pursuant to the terms of the applicable limited partnership agreement for the Alpine Fund. These performance-based fees are calculated based on a share (generally 20%) of the capital appreciation of investments in the portfolio of such Alpine Fund. Some Alpine Investors advisory personnel participate in performance-based fees through the general partners of the Alpine Funds.

Investment vehicles sponsored by Alpine Investors or its affiliates may effect co-investments with one or more Alpine Funds (“Co-Investment Vehicles”) and, in some cases, may allocate a portion of the Co-Investment Vehicles’ investment profits to their general partners, which are affiliated with Alpine Investors, as a carried interest, as set forth in the relevant organizational documents for the Co-Investment Vehicles.

The entitlement of Alpine Investors and its affiliated general partners to performance-based distributions may create an incentive for Alpine Investors to take risks in managing the Alpine Fund that it would not otherwise take in the absence of such arrangements. See “Resolution of Conflicts” in Item 11 for additional information. Performance-based fees will only be charged in accordance with the provisions of Rules 205-3 of the Investment Advisers Act of 1940.

Item 7 Types of Clients

See Item 4 – Advisory Business.

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

Methods of Analysis, Investment Strategies – Private Equity

Alpine Investors believes long-term investment success is primarily driven by a combination of: (1) the availability of attractive investment opportunities; (2) skill in evaluating these opportunities; (3) patience and discipline to adhere to a strict investment criteria; and (4) skill in monitoring and supporting portfolio companies. The Alpine Fund’s target market, combined with Alpine Investors’ sourcing approach, provides a significant number of attractive investment opportunities. Below is a description of the key elements of Alpine Investors’ investment strategy:

- Focus on the micro-cap market where Alpine Investors believes an attractive supply-demand imbalance exists.
- Follow a simple and disciplined investment strategy that generates returns largely independent of leverage, exits, and other market cycles.
- Build a team, resources, and capabilities specifically tailored for successful micro-cap market investing.
- Execute a multipronged sourcing strategy to generate both opportunistic and targeted investment opportunities at reasonable valuations.

- Provide strategic and hands-on operational support to portfolio companies to drive value creation.
- Create alignment between the goals and objectives of the Alpine Fund's investors and the financial incentives of the principals.

Investment Strategies – Material Risks

The investment strategies that Alpine Investors pursues on behalf of the Alpine Funds involve risks to the Funds and, by extension, to the investors in the Fund. There can be no assurance that Alpine Investors will be successful in implementing the investments and investment strategies that it pursues on behalf of the Alpine Funds. If Alpine Investors is unable to implement these strategies successfully, the Alpine Funds and the investors in the Funds will not realize their objectives and may sustain substantial impairment or total loss of their investments.

Dependence on Key Personnel – Alpine Investors' success will be highly dependent on the skill and expertise of Alpine Investors' management team. The financial interest of the Alpine Investors professionals in the Alpine Funds is intended to discourage withdrawing from participation in the Alpine Funds' investment activities. However, there can be no assurance that any individual Alpine professional will continue to be associated with the fund, as none of these persons is under any contractual obligation to remain with Alpine Investors. Furthermore, although these individuals will commit a significant amount of their business efforts to the Alpine Funds, these individuals are not required to devote all of their business time to the Alpine Funds' affairs.

Nature of Investments – Alpine Investors' investment strategies will concentrate on making investments in companies that have significant risks as a result of business, financial, market or legal uncertainties. There can be no assurance that Alpine Investors will correctly evaluate the nature and magnitude of the various factors that could affect the performance of Alpine Fund investments. Prices and market movements of Alpine Fund investments may be volatile, and a variety of other factors that are inherently difficult to predict, such as domestic or international economic and political developments, may significantly affect the results of the Alpine Funds' activities and the value of Alpine Fund investments.

Business and Market Risks – Private equity investments pursued by Alpine Investors involve a high degree of business and financial risk that can result in substantial losses. In particular, these results could arise from changes in the financial condition or prospects of the entity in which the investment is made, changes in economic and market conditions, and changes in laws, regulations, fiscal policies or political conditions in localities where investments are made. An Alpine Fund may be materially affected by conditions in the financial markets and economic conditions, including interest rates, availability and terms of credit, inflation rates, economic uncertainty, changes in laws, including tax, regulatory, or other laws, commodity prices, political circumstances, and natural disasters. Portfolio companies may face intense competition, including competition from companies with greater financial resources, more extensive development, manufacturing, marketing, and service capabilities, and a larger number of qualified managerial and technical personnel.

Uncertainty Regarding Investments – Alpine Investors’ investment analysis methods relies on the assumption that the companies in which Alpine Investors invests, and other publicly available sources of information about these companies, are providing accurate and unbiased data. There is a risk that the investment analysis may be compromised by inaccurate or misleading information. Although Alpine Investors makes every effort to conduct appropriate due diligence prior to making an investment, the due diligence process may be subjective at times, may be undertaken on an expedited basis in order to take advantage of investment opportunities believed to be unique and may require a fund to rely on limited resources available including information provided by the target of the investment and third-party consultants, legal advisers, accountants and investment banks. As a result, the due diligence investigation may not reveal or highlight all relevant facts that may be necessary or helpful in evaluating such investment opportunity. Additionally, at inception an Alpine Fund will not have identified the particular investments to be made. Accordingly, an investor in an Alpine Fund must rely upon the ability of the applicable general partner and Alpine Investors to make portfolio investments consistent with the Fund’s investment objectives and policies.

Early-Stage Investments – Alpine Investors may pursue early stage investments on behalf of the Alpine Funds. These investments involve a higher degree of risk, which can result in a substantial or total loss. Many early-stage portfolio companies will operate at a loss or with substantial variations in operating performance from period to period, and many will need additional capital to support growth and development activities, expansion, or to maintain a competitive position in the market. Early-stage portfolio companies may face heightened competition from companies with greater resources.

Uncertainty of Financial Projections – Alpine Investors generally establishes financial projections for potential investments, which normally are based primarily on management judgments. Projections are only estimates of future results that are based upon assumptions made at the time that the projections are developed. Alpine Investors cannot assure that the projected results will be obtained, and actual results may vary significantly from the projections.

Portfolio Concentration – Alpine Investors does not pursue diversification on behalf of the Alpine Funds. An Alpine Fund’s portfolio may include a small number of large positions. If an Alpine Fund’s investments are concentrated in a few companies or industries, any adverse change in one or more of such companies or industries could have a material adverse effect on the Alpine Fund investments and, therefore, the Alpine Fund. Therefore, while this portfolio concentration may enhance total returns to investors, if any large position has a material loss, then returns to the investors may be lower than if they had invested in a more diversified portfolio.

Provision of Managerial Assistance – Although the goal of Alpine Investors is to ensure that Alpine Fund portfolio companies have successful management teams, there can be no assurance that any portfolio company’s management team will be able to operate in such a manner. The Alpine Funds may obtain rights to participate substantially in and to influence substantially the conduct of the management of their portfolio companies. The Alpine Funds may designate directors to serve on the boards of directors of portfolio companies. The designation of directors and other measures contemplated could expose the assets of the Alpine Funds to claims by a portfolio company or its security holders and its creditors. See Controlling Interests below for additional information about risks associated with the exercise of control over a company.

Material Non-Public Information – Alpine Investors, and its investment professionals, by reason of their responsibilities in connection with other activities, may acquire confidential or material non-public information or be otherwise restricted from initiating transactions in certain securities, in which case an Alpine Fund may not be able to initiate a transaction that it otherwise might have initiated and may not be able to sell an investment that it otherwise might have sold.

Risk of Leverage – Alpine Investors may recommend investments in portfolio companies that employ leverage, a significant portion of which may be subject to floating interest rates. The leveraged capital structure of such investments increases the exposure of the portfolio companies to adverse economic factors such as rising interest rates, downturns in the economy or deteriorations in the condition of the portfolio companies or their industries. Leverage may also involve restrictive covenants, terms and conditions the violation of which would be viewed by creditors as an event of default and which could require the prepayment of debt using excess cash flow, or cures in the form of additional follow-in investments.

Availability of Financing – Alpine Investors may recommend that the Alpine Fund invest in portfolio companies that depend on debt financing. If debt financing becomes unavailable, or is excessively restrictive or costly, whether due to adverse changes in economic or financial market conditions or a decrease appetite for risk by lenders, the proposed operations of the portfolio companies and thus the Alpine Funds could be adversely affected.

Difficulty of Locating Suitable Investments – There can be no assurance that there will be a sufficient number of suitable investment opportunities to enable Alpine Investors to invest all of the Alpine Funds' committed capital in opportunities that satisfy the Funds' investment objectives or that such investment opportunities will lead to completed investments by the Funds. The act of identifying, completing and realizing an attractive investment opportunity is highly competitive and involves a high degree of uncertainty. The Alpine Funds compete for the acquisition of investments with many other investors, some of which possess competitive advantages over the Funds in bidding for investments, including greater financial, technical, marketing and other resources, different risk tolerances and assessments, varying return thresholds, lower cost of capital and access to funding sources unavailable to Alpine Investors. Such competitors may include other private equity or buyout funds, industrial and financial buyers, as well as wealthy individuals and other institutional investors. The availability of investment opportunities generally will be subject to market conditions as well as, in some cases, to the prevailing regulatory or political climate. Therefore, identification of attractive investment opportunities is difficult and involves a high degree of uncertainty.

Illiquidity of Investments – Many of the investments pursued on behalf of the Alpine Funds will be highly illiquid. There can be no assurance that an Alpine Fund will be able to realize such investments at attractive prices or otherwise be able to affect a successful realization or exit strategy. Accordingly, it is unlikely there will be significant near term cash flow available to the Alpine Funds or their investors.

Additional Follow-On Investments – Some Alpine Fund portfolio companies, especially those in a start-up phase, may require additional financing to satisfy their working capital requirements or acquisition strategies. An Alpine Fund also may make additional debt or equity investments or exercise warrants, options or convertible securities that were acquired in the initial investment in a portfolio company in order to preserve the fund's proportionate ownership when a subsequent financing is planned, or to protect the fund's investment when a portfolio company's performance does not meet expectations. There can be no assurance that an Alpine Fund will wish to make follow-on investments, that the Alpine Fund will have sufficient funds to do so or that such additional investment would not exceed the Alpine Fund's diversification limit. Any decision by Alpine Investors not to pursue follow-on investments or the inability of the Alpine Funds to make such investments may have a substantial negative impact on a portfolio company in need of such an investment, may diminish the Alpine Fund's ability to influence the portfolio company's future development or may significantly dilute the Alpine Fund's ownership in such portfolio company.

Liabilities Upon Disposition – As part of the disposition process of an investment in a portfolio company, an Alpine Fund may be required to make representations about the business and financial affairs of the portfolio company typical of those made in connection with the sale of any business and may be responsible for the content and disclosure documents under applicable securities laws. An Alpine Fund also may be required to indemnify the purchasers of such investment or underwriters to the extent that any such representation or disclosure documents turn out to be inaccurate. These arrangements may result in contingent liabilities of a fund. While the Alpine Funds have liability coverage, the nature and extent of the liabilities may or may not fit within the terms and limits available.

Third Party Involvement – Alpine Investors may recommend that an Alpine Fund co-invest with third parties through joint ventures or other entities, and those investments may involve risks in connection with such third-party involvement. A third-party co-venturer may have financial, legal or regulatory difficulties, negatively affecting such investment, may have economic or business interests or goals that are inconsistent with those of the fund or may be in a position to take action contrary to the fund's investment objectives. In addition, the Alpine Fund may, in certain circumstances, be liable for actions of its third party co-venturers or partners.

Controlling Interests – An Alpine Fund may be considered to control, participate in the management of or influence the conduct of portfolio companies due to its equity ownership, representation on the board of directors or contractual rights. The exercise of control over a company may impose additional risks of liability for environmental damage, product defects, pension and other fringe benefits, failure to supervise management, violation of laws and governmental regulations (including but not limited to securities laws) and other types of liability, for which the limited liability generally afforded to investors may be ignored. If these liabilities were to arise, an Alpine Fund could suffer losses in their investments and be required to indemnify out of the Fund's assets persons associated with the Alpine Fund for losses and damages that they incur. While the applicable general partners intend to manage the Alpine Funds in a way that will minimize exposure to these risks, the possibility of successful claims cannot be known or eliminated.

Non-Controlling Investments – An Alpine Fund may hold less than 50% of the outstanding voting interests of a portfolio company or may hold investments in debt instruments or other securities that do not entitle the fund to voting rights. This may limit the ability of the fund to protect its investment in such portfolio company.

Conflicts of Interest – Alpine Investors and its respective affiliates, employees and agents may be subject to certain conflicts of interest involving themselves on one hand and the Alpine Funds on the other hand. Such conflicts include:

- *Different Investments in Portfolio Companies* – An Alpine Fund may take different positions in portfolio companies in which another Alpine Fund or other investment vehicle, permitted to be organized under the relevant governing documents, has invested. In such event, an Alpine Fund and such other Alpine Fund or investment vehicle may have conflicting interests because they are investing in different classes of securities of the same portfolio company.
- *Relationships with Portfolio Companies and Investors* – Alpine Investors has long-term relationships with a significant number of portfolio companies and their respective senior executives. Alpine Investors also has relationships with numerous lenders and investors, including institutional investors and their senior management. The existence and development of these relationships may influence whether or not a particular investment is undertaken on behalf of an Alpine Fund, and if so, the form and level of such investment. Alpine Investors may take the existence and development of such relationships into consideration in its management of an Alpine Fund and its investments.
- *Co-Investments* – Alpine Investors may provide co-investment opportunities to investors in the Alpine Funds and other persons. Alpine Investors may receive a management fee, carried interest or both with respect to such co-investments. The potential for such remuneration may incentivize Alpine Investors to allocate a greater percentage of investment opportunities to co-investors than it otherwise would have.
- *Cross-Transactions* – Except to the extent limited by applicable law, including without limitation the SBIC Act, Alpine Investors may effect cross-transactions in which it causes a transaction to be effected between one Alpine Fund and another Alpine Fund or other investment vehicle permitted to be organized under the applicable partnership agreements. While an Alpine Fund intends to comply with applicable law as well as applicable governing documents restricting such transactions, there can be no assurance that a conflict will not arise with respect to the interests of one Alpine Fund on the one hand and another Alpine Fund or other counterparty to such a cross-transaction on the other hand.
- *Conflicts Among Investors* – Investors in the Alpine Funds are not clients of Alpine Investors or the general partners of the Alpine Funds. In selecting investments appropriate for an Alpine Fund, the applicable general partner and Alpine Investors will consider the investment objectives of the Alpine Fund as a whole, not the investment objectives of any investor individually. Investors in the Alpine Funds may have conflicting investment rationales and tax positions. These and other risks will be disclosed to potential investors in the Alpine Funds in offering memoranda and formation documents.
- *Management Fees; Carried Interest* – Alpine Investors and the general partner of each Alpine Fund will receive management fees and carried interest as described under Item 5 and Item 6 above. The management fees and carried interest payable by the Alpine Funds have not been established on the basis of an arm's-length negotiation among the Alpine Funds, their general partners and Alpine Investors. Moreover, the existence of the carried interest may create an incentive for the management of Alpine Investors to approve and cause the Alpine Funds to make more speculative investments than they would otherwise make in the absence of such performance-based compensation.

- *Other Fees; Management Fee Offset* - As described in Item 5 (“Fees and Compensation”), Alpine Investors, its affiliated general partners and other affiliates may receive from actual or prospective portfolio companies and affiliates thereof, break-up fees, commitment fees, monitoring and directors’ fees, and organization, financing, divestment and other similar fees in connection with portfolio company investments and potential investments. Certain of these fees may not be established on a completely arm’s length basis or may adversely affect a portfolio company. Moreover, because Alpine Fund investors will receive a benefit from such fees only to the extent provided for in the applicable fund agreements, most of which provide for a management fee offset only after a significant portion of these fees are retained by the general partners or their affiliates, the ability to collect and retain these fees may create an incentive for Alpine Investors and or its affiliate to approve and cause an Alpine Fund to make more speculative investments than might otherwise be made in the absence of such compensation.
- *Operation of Fund Assets* – Companies in which an Alpine Fund may have an ownership interest may be in direct competition with companies in which Alpine Investors and its other affiliates have an ownership interest, and the Alpine Investors or its affiliates may be subject to conflicts of interest with respect to the operation of companies owned by the Fund.
- *Tax Matters Partner* – Finally, each Alpine Fund must have a designated “tax matters partner” with authority to act for the Fund in certain dealings with the IRS. The general partner of each of the Alpine Funds will be designated as the tax matters partner for each of the Alpine Funds. To the extent that the characterization for federal income tax purposes of a particular “partnership item” may be more or less favorable to the tax situation of the applicable general partner or any of its affiliates as opposed to that of the investors, a conflict of interest will exist.

Allocation of Expenses – Alpine Investors and its employees and affiliates may from time to time incur expenses on behalf of itself, the applicable general partner, the Alpine Funds and one or more existing or subsequent entities established by Alpine Investors. Although Alpine Investors and its employees and affiliates will attempt to allocate such expenses on a basis that they consider equitable, such allocations depend on the professional judgment of Alpine Investors and its employees rather than a determinative formula. There can be no assurance that investors in the Alpine Funds will agree with these allocation determinations.

Distributions – There can be no assurance that the operations of the Alpine Funds will be profitable, that the Alpine Funds will be able to avoid losses or that cash from their investments will be available for distribution to the investors in the Alpine Funds. The Alpine Funds will have no source of funds from which to make distributions to investors other than income and gain received on its investments and the return of capital. In addition, it is possible that portfolio companies may generate taxable income and that there will not be funds available from which to make distributions to the investors.

Credit Risk – Credit risk refers to the likelihood that a company will default in the payment of principal or interest on a security of the company. Financial strength and solvency of a company are the primary factors influencing credit risk. In addition, lack of or inadequacy of collateral or credit enhancements for a fixed income security may affect its credit risk. Credit risk of a security may change over time, and securities that are rated by ratings agencies are often reviewed and may be subject to downgrade.

The Alpine Funds may invest in securities rated below investment grade and unrated securities that, if rated, would likely be rated below investment grade. Debt securities that are rated below investment grade are considered to be speculative and are also commonly known as “junk bonds.” These securities are regarded as bonds predominately speculative with respect to the company’s continuing ability to meet principal and interest payments. Because investment in lower quality securities involves greater investment risk, achievement of an Alpine Fund’s investment objectives will be more dependent on Alpine Investors’ analysis than would be the case if the Alpine Fund were investing in higher quality debt securities. In addition, lower quality securities may be more susceptible to real or perceived adverse economic and individual corporate developments than would investment grade debt securities. Moreover, the secondary trading market for lower quality securities may be less liquid than the market for investment grade securities. This potential lack of liquidity may make it more difficult for Alpine Investors to accurately value certain portfolio securities.

Senior Secured Debt, Unitranche Debt and Second Lien Secured Debt – When an Alpine Fund invests in a company’s senior secured term debt, unitranche debt and second lien secured debt, it will generally take a security interest in the available assets of the company, including equity interests in any subsidiaries of the company. There is a risk that the collateral securing the Alpine Fund’s investments may decrease in value over time or lose its entire value, may be difficult to sell in a timely manner, may be difficult to appraise and may fluctuate in value based upon the success of the business and market conditions, including as a result of the inability of the portfolio company to raise additional capital. Also, in some circumstances, the Alpine Fund’s security interest could be subordinated to claims of other creditors. In addition, any deterioration in a portfolio company’s financial condition and prospects, including any inability on its part to raise additional capital, may result in the deterioration in the value of the related collateral. Consequently, the fact that debt is secured does not guarantee that the Alpine Fund will receive principal and interest payments according to the investment terms or at all, or that the Alpine Fund will be able to collect on the investment should the Alpine Fund be forced to enforce its remedies.

Risks Associated with Private Debt Securities – The private debt investments intended to be made by an Alpine Fund are below-investment grade securities. Thus many of the risk characteristics of private debt securities purchased by an Alpine Fund will be similar to those described above. Portfolio company issuers of private debt securities purchased by an Alpine Fund may face intense competition (including competition from companies with greater resources and capabilities), changing business and economic conditions or other developments that may adversely affect their performance. The success of portfolio companies will be dependent on their management, and there can be no assurance that their performance will meet an Alpine Fund’s expectations. As an Alpine Fund may hold noncontrolling interests in portfolio companies, it may have to rely solely on contractual covenants (which may not be available) to protect its positions in such portfolio companies. In addition, if the private debt securities are subordinated to senior indebtedness, the ability of an Alpine Fund to influence a company’s affairs, especially during periods of financial distress or following insolvency, is likely to be substantially less than that of senior creditors. There can be no assurance that a portfolio company will generate sufficient cash necessary to service its debt obligations, and, in any such case, an Alpine Fund may suffer a partial or total loss of invested capital.

An Alpine Fund’s investments in a company may be subject to early withdrawal features, refinancing options, pre-payment options or similar provisions that, in each case, could result in the company repaying the principal on an obligation held by an Alpine Fund earlier than expected. This may happen when there is a decline in interest rates. Early repayments of an Alpine Fund’s investments may have a material adverse effect on an Alpine Fund’s investment objectives and the rate of return on invested capital. In addition, depending on fluctuations of the equity markets, warrants and other equity securities

purchased alongside the private debt securities may become worthless. Debt securities are also subject to other creditor risks, including (a) the possible invalidation of an investment transaction as a “fraudulent conveyance” under relevant creditors’ rights laws, (b) so-called “lender liability” claims by the issuer of the obligations and (c) environmental liabilities that may arise with respect to collateral securing the obligations. In addition, in connection with investments in loans there exists the possibility of material misrepresentations or omissions on the part of the borrower. Such inaccuracy or incompleteness may adversely affect the valuation of the collateral underlying the loans or may adversely affect the ability of an Alpine Fund to perfect or effectuate a lien on any collateral securing the loan. An Alpine Fund cannot guarantee the accuracy and completeness of representations made by borrowers.

Lender Liability Considerations and Equitable Subordination – In recent years, a number of judicial decisions in the United States have upheld the right of borrowers to sue lending institutions on the basis of various evolving legal theories (collectively termed “lender liability”). Generally, lender liability is founded upon the premise that an institutional lender has violated a duty (whether implied or contractual) of good faith and fair dealing owed to the obligor or has assumed a degree of control over the obligor that creates a fiduciary duty owed to the obligor or its other creditors or shareholders. Because of the nature of the loans, the Alpine Funds could be subject to allegations of lender liability made against it as part of a group of lenders and may be liable for pro rata liabilities of the agent or lead lender. In addition, under common law principles that in some cases form the basis for lender liability claims, if a lending institution (i) intentionally takes an action that results in the undercapitalization of an obligor to the detriment of other creditors of such obligor, (ii) engages in other inequitable conduct to the detriment of such other creditors, (iii) engages in fraud with respect to, or makes misrepresentations to, such other creditors or (iv) uses its influence as a stockholder to dominate or control an obligor to the detriment of other creditors of such obligor, a court may elect to subordinate the claim of the offending lending institution to the claims of the disadvantaged creditor or creditors, a remedy called “equitable subordination.” Because of the nature of certain of the loans, the Alpine Funds could be subject to claims from creditors of an obligor that loans issued by such obligor should be equitably subordinated. For investments in which the Alpine Fund is part of a syndicated lending group, the Alpine Fund will not be the agent or lead lender. It is, accordingly, possible that lender liability or equitable subordination claims affecting the loans could arise from the actions of the agent or lead lender or other lenders in the lending group without direct involvement of the Alpine Funds.

Subordinated Debt – The Alpine Funds may invest in subordinated debt investments. The Alpine Fund’s subordinated debt investments will generally be subordinated to senior debt and will generally be unsecured. This may result in a heightened level of risk and volatility, which could lead to the loss of the entire investment. These investments may involve additional risks that could adversely affect investment returns. To the extent interest payments associated with such debt are deferred, such debt may be subject to greater fluctuations in valuations, and could subject the Alpine Funds to non-cash income. Since the Alpine Funds will not receive any principal repayments prior to the maturity of some of the subordinated debt investments, such investments will have greater risk than amortizing loans.

Insolvency Considerations – Various laws enacted for the protection of creditors may apply to the Alpine Fund’s investments. The information in this and the following paragraph is applicable with respect to U.S. obligors. If a court in a lawsuit brought by an unpaid creditor or representative of creditors of an obligor (such as a trustee in bankruptcy) under a loan were to find that the obligor did not receive fair consideration or reasonably equivalent value for incurring the indebtedness constituting the loan and, after giving effect to such indebtedness, the obligor (i) was insolvent, (ii) was engaged in a business for which the remaining assets of such obligor constituted unreasonably small capital or (iii) intended to incur, or believed that it would incur, debts beyond its ability to pay such debts as they mature, such court

could determine to invalidate, in whole or in part, such indebtedness as a fraudulent conveyance, to subordinate such indebtedness to existing or future creditors of the obligor or to recover amounts previously paid by the obligor in satisfaction of such indebtedness. There can be no assurance as to what standard a court would apply in order to determine whether the obligor was “insolvent” after giving effect to the incurrence of the indebtedness constituting the loan or that, regardless of the method of valuation, a court would not determine that the obligor was “insolvent” upon giving effect to such incurrence. In addition, in the event of the insolvency of an obligor of a loan, payments made on such loan could be subject to avoidance as a “preference” if made within a certain period of time (which may be as long as one year) before insolvency. In general, if payments on an obligation are avoidable, whether as fraudulent conveyances or preferences, such payments can be recaptured from the initial recipient (such as the Alpine Funds).

Participation on Creditors’ Committees and Boards of Directors – Alpine Investors, on behalf of the Alpine Funds, may participate on committees formed by creditors to negotiate with the management of financially troubled companies that may or may not be in bankruptcy. Alpine Investors may also seek to negotiate directly with debtors with respect to restructuring issues. In the situation where a representative of Alpine Investors chooses to join a creditors’ committee, the representative would likely be only one of many participants, each of whom would be interested in obtaining an outcome that is in its individual best interest. There can be no assurance that the representative would be successful in obtaining results most favorable to it in such proceedings, although the representative may incur significant legal fees and other expenses in attempting to do so. As a result of participation by the representative on such committees, the representative may be deemed to have duties to other creditors represented by the committees, which might thereby expose the Alpine Funds to liability to such other creditors who disagree with the representative’s actions.

Defaults by Investors – The consequences of defaulting on a capital call may be material and adverse to the defaulting investor. If an investor fails to contribute any portion of its Commitment upon a call by the applicable general partner, such investor may be subject to a number of remedies available to the applicable general partner, including an immediate 50% reduction of its capital account, loss of the right to receive distributions and to vote, and the incurrence of liability for all costs, expenses and damages resulting from its failure to contribute such capital. The defaulting investor could lose its entire investment in an Alpine Fund and remain liable for amounts due in respect of its Commitment (including payments of Management Fees), as well as for interest on such amounts at the maximum rate permitted by law.

Not Registered as a Broker Dealer – The general partners of the Alpine Funds and Alpine Investors are not registered as broker-dealers under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or members with the Financial Industry Regulatory Authority (the “FINRA”), and are consequently not subject to the record-keeping, specific business practice provisions, and other investor protection provisions of the Exchange Act and the rules of the FINRA.

Extensive Government Regulation – The impact of government regulation of certain industries (e.g., gaming) in which a fund may invest creates uncertainty and risks for the funds. Obtaining regulatory approvals and modifying portfolio company direction as a result of a change in the regulatory environment can be a lengthy and expensive process with uncertain outcome. Additionally, the ability to gain necessary regulatory approvals and the timeliness in which this can be achieved could materially and adversely affect portfolio company success.

Increased Regulatory Scrutiny – The financial services industry, and the activities of private investment funds and their managers, have been subject to increasing regulatory oversight. Such scrutiny may increase Alpine Investors’ exposure to potential liabilities as well as legal, compliance, and administrative costs. Increased regulatory oversight may impose administrative costs involved with the implementation of new policies and procedures, the filing of additional information, and time, attention, and resources from Alpine Investors’ management which may divert attention from the management of portfolio companies. According to the regulations, it is expected that from time to time, Alpine Investors’ officers will have contact with governmental authorities and be requested to respond to inquiries or examinations.

The Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Dodd-Frank Act”) aims to reform various aspects of the U.S. financial markets. This has affected private fund managers, the funds they manage, and the financial industry as a whole. Some of these changes are anticipated to add expenses to the legal, operations and compliance responsibilities of Alpine and increase the amount of time Alpine spends on non-investment related activities. The Dodd-Frank Act will also affect a range of market participants with whom the Alpine Funds interact.

Compliance with U.S. Anti-money Laundering Requirements – In response to increased regulatory concerns with respect to the sources of funds used in investments and other activities, the applicable general partner of the Alpine Funds may request investors to provide additional documentation verifying, among other things, such investors’ identity and source of funds used to purchase their interests in the Alpine Funds. The applicable general partner may decline to accept a subscription if this information is not provided or on the basis of such information that is provided. Requests for documentation and additional information may be made at any time during which an investor holds an interest in an Alpine Fund. The applicable general partner may be required to provide this information, or report the failure to comply with such requests, to appropriate governmental authorities, in certain circumstances without notifying the investors that the information has been provided. The applicable general partner will take such steps as it determines are necessary to comply with applicable law, regulations, orders, directives, or special measures.

Investing in an Alpine Fund Can Have Complicated Tax Consequences – Investors in an Alpine Fund will be subject to the risks and uncertainties associated with the tax treatment of partnerships and other entities, which can be complicated. An investment in an Alpine Fund may not be suitable for direct investments by foreign investors, who must invest in the Fund via a domestic investment vehicle, and may not be suitable for tax-exempt investors. There can be no assurance that an Alpine Fund will have sufficient cash flow to permit it to make annual distributions in the amount necessary to pay all tax liabilities resulting from an investor’s ownership of partnership interests in an Alpine Fund. Persons considering an investment in an Alpine Fund are strongly encouraged to consult their own tax advisors regarding the tax consequences (including any U.S. federal, state and local, and foreign tax consequences) of their prospective investment and the consequences of such an investment to them.

Changes in Applicable Tax Laws and Tax Risks – There may be changes in tax laws or interpretations of such tax laws adverse to an Alpine Fund or its investors. There can be no assurance that the structure of an Alpine Fund or of any investment will be tax efficient to any particular investor, or that the Internal Revenue Service will not challenge any tax provision taken by an Alpine Fund. Prospective investors are urged to consult their own tax advisors with reference to their specific tax situations, including any applicable U.S. state or local or non-U.S. taxes and, in the case of U.S. tax exempt investors, with reference to any special issues that investment in the Fund may raise for such investors. There can be no assurance that an Alpine Fund will have sufficient cash flow to permit it to make annual distributions in

the amount necessary to pay all tax liabilities resulting from limited partners' ownership of partnership interests in the Alpine Fund.

Risks Related to the Licensure and Operation of an SBIC

Interest Rate Changes – The investment performance of any fund, including Fund IV SBIC and Fund V SBIC, that is licensed as a small business investment company by the SBA (each such fund an “SBIC Fund”), will depend in part on the interest rate at which an SBIC Fund can loan money to portfolio companies and the interest rate at which an SBIC Fund can borrow money under the SBIC program (described further below). If there is a period of declining interest rates prior to the end of an SBIC Fund's commitment period, the interest rate at which an SBIC Fund is able to loan money may be decreased, which could adversely affect returns to investors. If there is a period of increasing interest rates during the term of an SBIC Fund, the interest rate at which an SBIC Fund will be able to borrow money under the SBIC program may be increased, which also could adversely affect returns to the investors.

No Assurance that Access to SBA-Guaranteed Debentures Will Occur – There can be no assurance that the SBIC Fund will obtain access to Debenture Leverage (as defined in the SBIC Act), or of the timing to achieve such access or, if access is achieved, the interest rates and fees that would be imposed. Access to Debenture Leverage is subject to satisfaction of SBA performance requirements and compliance with applicable regulations under the SBIC Act. Furthermore, although the applicable SBIC Fund will generally be able to draw leverage on a 2:1 basis against its capital commitments, the SBIC Act limits outstanding Debenture Leverage to \$150 million per SBIC and \$225 million per group of affiliated SBICs. Because Fund IV SBIC has the potential to incur a total of \$150 million in Debenture Leverage, the amount of Debenture Leverage available to Fund V SBIC will be limited to the extent that Fund IV SBIC has more than \$75 million of Debenture Leverage outstanding.

Possible Limitations on Available Debenture Leverage – There can be no assurance that the Debenture SBIC program will be maintained at current levels. The SBA has committed to reserve Leverage (as defined in 13 CFR 107.50) in the form of debenture securities in an amount equal to \$146,000,000 to be issued by Fund IV SBIC and \$75,000,000 to be issued by Fund V SBIC. Each issuance of Leverage is conditioned upon the SBIC Fund's creditworthiness and full compliance with the SBIC regulations (each as determined by the SBA). The SBA may limit the amounts that may be drawn each year under a commitment letter between an SBIC Fund and the SBIC.

Use of Debenture Leverage – The SBIC Funds will make investments in U.S. small businesses within the meaning of SBA regulations and expects to utilize Debenture Leverage. SBIC Funds will borrow money under the SBIC program in the form of Debenture Leverage for investment and other purposes. The use of Debenture Leverage by the SBIC Funds will increase both the potential for gain on, and the potential for loss of, an investor's investment in an SBIC Fund. An SBIC Fund currently intends to target approximately 2:1 leverage when making its investments. An SBIC Fund will be required to make semi-annual interest payments on drawn Debenture Leverage, which in general have a priority over payments to investors in the Alpine Funds. The ability of an investor to realize a gain on an investment with an SBIC Fund is, to a significant degree, a function of the ability of the SBIC Funds to meet current interest payments on drawn Debenture Leverage and to pay the remaining principal at the end of the 10-year life of each debenture instrument. In addition, Debenture Leverage will magnify the volatility of the SBIC Fund's investment portfolio and involves substantial risks. The use of Debenture Leverage will increase investment returns if the leveraged portfolio investment earns a greater return than the SBIC Fund pays for the use of borrowed funds. The use of Debenture Leverage will also amplify any losses

experienced by an Alpine SBIC Fund if the cost of investments, including the cost of the leverage, ultimately exceeds the realizable value of the investments. The extent to which an SBIC Fund uses Debenture Leverage may have important consequences to investors, including, but not limited to, the following: (i) greater fluctuations in the net assets of an SBIC Fund, (ii) use of cash flow for debt service, rather than for additional investments, distributions, or other purposes, (iii) to the extent that partnership revenues are required to meet principal payments, the investors in the Alpine Funds may be allocated income (and therefore tax liability) in excess of cash available by distribution, (iv) to the extent that an SBIC Fund's revenues are insufficient to service its debt obligations, investors in an Alpine Fund may be required to contribute capital to service such debt obligations and (v) in certain circumstances, an SBIC Fund may be required to prematurely harvest investments to service its debt obligations. There can also be no assurance that an SBIC Fund will have sufficient cash flow to meet its debt service obligations. As a result, an SBIC Fund's exposure to losses may be increased due to the illiquidity of its investments generally. Covenants and financial tests governing Debenture Leverage may limit the ability of an SBIC Fund to make new investments or distribute its cash to its investors. Such covenants or financial tests will be based in part on the market value of the leveraged assets, which may fluctuate and, therefore, at any time, an SBIC Fund may not be able to satisfy requirements of covenants or financial tests.

SBA Enforcement Powers – The SBIC Act has significant ability to supervise and regulate many critical aspects of the affairs of an SBIC Fund. The SBA imposes greater restrictions on the portfolio of an SBIC than would generally be the case for an unregulated private investment fund. Certain activities and decisions require SBA approval, and there are uncertain timeframes for such approvals. In addition, the SBA has the power to penalize an SBIC in a number of ways.

Possible Changes to Regulatory Scheme – Congress may amend or supplement the SBIC Act, and the SBA may amend or supplement the SBIC regulations, in a manner that imposes additional regulatory burdens upon or otherwise adversely affects the SBIC Subsidiary.

Item 9 Disciplinary Information

Alpine Investors and its management personnel have no reportable disciplinary events to disclose.

Item 10 Other Financial Industry Activities and Affiliations

Alpine Management Services IV, LLC, which is a related person of Alpine Investors, is the investment adviser to the SBIC Funds. The SBIC Funds are licensed Small Business Investment Companies (SBICs), license numbers 09/09-0461 and 09/09-0475. Under the provisions of Section 301(c) of the Small Business Investment Act of 1958, as amended, the effective dates of operation were December 18, 2009 and September 26, 2014. All financing and investing activities of the Licensee and all distributions are governed by the SBA regulations. All of the limited partnership interests of the SBIC Subsidiaries are owned by Fund IV and Fund V, respectively.

Compensation is approved by and disclosed at the formation of an Alpine Fund, pursuant to the partnership agreement. See Items 5 and 6 for additional compensation disclosures.

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

Alpine Investors has adopted a Code of Ethics that sets forth high ethical standards of business conduct required of its employees, including compliance with applicable federal securities laws.

Alpine Investors and its personnel owe a duty of loyalty, fairness and good faith towards its clients, and have an obligation to adhere not only to the specific provisions of the Code of Ethics but to the general principles that guide the Code.

The Code of Ethics includes policies and procedures for the review by the Chief Compliance Officer of quarterly securities transactions reports as well as initial and annual securities holdings reports that must be submitted by the firm's access persons. Among other things, the Code of Ethics also requires, consistent with SEC regulations, the prior approval of any acquisition of securities in a limited offering (e.g., private placement) or an initial public offering. The code also provides for oversight, enforcement and recordkeeping provisions. The Code of Ethics further includes the firm's policy prohibiting the use of material non-public information. A copy of the Code of Ethics is available to our advisory clients and prospective clients, as well as investors in the Alpine Funds, upon request.

Conflicted Transactions

Alpine Investors may, in its discretion, contract with any related person of Alpine Investors, including but not limited to a portfolio company of an Alpine Fund, to perform services for Alpine Investors in connection with its provision of services to an Alpine Fund. It also may recommend to an Alpine Fund or portfolio company that it contract for services with a related person or an entity with which Alpine Investors or a member of its personnel otherwise derives financial or other benefit. For example, certain of the Alpine Funds and their portfolio companies have engaged a third party company controlled by Mr. Weaver to provide training and other services to the Alpine Funds and the portfolio companies. When engaging a related person to provide such services or making such a recommendation, Alpine Investors may have an incentive to recommend the related person or services even if another person may be more qualified to provide the applicable services, can provide such services at a lesser cost or both. The engagement of such related persons may be subject to approval by an Alpine Fund's limited partners or an advisory committee comprised of limited partners as provided in the applicable partnership agreement.

Alpine Investors and certain of its professionals will often perform management, advisory, financial advisory and other services for, and will receive fees from, actual or prospective portfolio companies or other investment vehicles, which fees will be in addition to any asset-based fees or carried interest paid by the Alpine Funds. Subject to the terms of the relevant limited partnership agreements for the Alpine Funds, Alpine Investors is permitted to retain all or a portion of such fees and the Alpine Funds will benefit from these fees only to the extent set forth in such limited partnership agreements.

Certain Alpine Investors professionals, in connection with the monitoring of portfolio company investments, also may serve on the board of directors of certain portfolio companies. In these circumstances, it is possible for such professionals to receive director's fees, options or other compensation in connection with such services. Where required by the terms of the relevant limited partnership agreements for the Alpine Funds, such compensation will reduce the management fees paid by those funds.

Occasionally, an Alpine Fund may make a follow-on investment in a portfolio company in which another Alpine Fund has previously invested. Such investments will be made in accordance with the provisions of the applicable fund documents, including the conflict of interest provisions contained therein. In certain cases, transactions involving an actual or potential conflict of interest will be subject to approval by an Alpine Fund's limited partners or an advisory committee comprised of limited partners.

In certain circumstances where the amount of capital needed for a transaction exceeds the amount that an Alpine Fund can prudently commit, Alpine Investors may offer co-investment rights to certain limited partners in the Alpine Fund and to other investors who are believed to have the capacity or willingness to consider an additional investment. In such circumstances, Alpine Investors would first determine the amount that the Alpine Fund would be able to commit and will offer only the excess to potential co-investors. Alpine Investors is not obligated to offer co-investment opportunities to all investors. Alpine Investors personnel may also be offered such co-investment opportunities. Any co-investment transactions involving an actual or potential conflict of interest will be subject to approval by an Alpine Fund's limited partners or an advisory committee comprised of limited partners as provided in the applicable partnership agreement.

Other Conflicted Transactions

Investments made by the SBIC Subsidiary, are subject to the regulations of Title 13 of the Small Business Investment Act, Chapter 1, Part 107, Small Business Investment Companies. The increased governmental oversight and regulations may restrict or cause deals to be modified differently than they otherwise may have been in order to meet compliance. Such scrutiny may increase Alpine Investors' exposure to potential liabilities as well as legal, compliance, and administrative costs. This regulatory oversight may impose administrative costs involved with the implementation of new policies and procedures, the filing of additional information, and time, attention, and resources from Alpine Investors' management which may divert attention from the management of portfolio companies. According to the regulations, it is expected that no less than annually, Alpine Investors' officers will have contact with governmental authorities and/or be requested to respond to inquiries or examinations.

Principal and Cross Transactions

Generally, Alpine Investors does not act as the principal in transactions with the Alpine Funds or cause the Alpine Funds to engage in transactions among themselves; however, such transactions may be effected in rare instances. In the event that Alpine Investors determines to effect transactions with or between Alpine Funds, Alpine Investors will seek to ensure that such transactions and any related disclosures are made consistent with applicable laws and agreements and Alpine Investors' policies and procedures. In particular, Alpine Investors will seek to ensure that the transaction is:

- in Alpine Investors' judgment, in the best interests of each Alpine Fund participating in the transaction;
- in compliance with any investment guidelines or restrictions applicable in the circumstances; and
- entered into only after obtaining any advisory committee or investor approvals of the transaction's terms and conditions as are required by the applicable fund formation documents.

In effecting these transactions, Alpine Investors will seek to ensure that the purchase or sale is effected at a price that is comparable to the price that could be obtained through an arm's length transaction with a third party and that is otherwise fair to both parties. If the security involved is illiquid, Alpine Investors will review relevant public and available private pricing sources to assist in making its determination of fairness. However, due to the illiquid nature of most of Alpine Investors' investments, the fairness of the transaction to each Alpine Fund involved in the transaction cannot be assured.

Resolution of Conflicts

From time to time, Alpine Investors may be faced with actual or potential conflicts of interest affecting one or more Alpine Funds. Alpine Investors will seek to resolve conflicts, after considering the best interests of each of the Alpine Funds affected, and will take into consideration such factors as it deems relevant in resolving any conflicts. The following factors may reduce, but will not eliminate, conflicts of interest affecting one or more of the Alpine Funds:

- An Alpine Fund will not make any investment unless Alpine Investors and the applicable general partner of the Alpine Fund believe that such investment is an appropriate investment considered solely from the viewpoint of such Alpine Fund;
- Procedures, restrictions or other provisions contained in the relevant offering for the Alpine Funds are intended to assist in the resolution of conflicts; and
- The advisory committee for an Alpine Fund, whose members are not affiliated with the general partner of such fund, play a key role in resolving conflicts of interest by approving or disapproving decisions that involve certain conflicts of interest referred to it by such fund's general partner in accordance with the relevant offering documents for that Alpine Fund.

Item 12 Brokerage Practices

Investment or Brokerage Discretion

Alpine Investors typically purchases investments directly from private owners and does not typically engage brokers to effect transactions. However, Alpine Investors has sole discretion over the purchase and sale of investments and the broker or dealer, if any, to be used to effect transactions. When applicable, Alpine Investors will seek the best execution available except to the extent it may be permitted to pay higher brokerage commissions in exchange for brokerage and research services.

Alpine Investors has no formal arrangements with specific brokers or dealers to receive research or other services beyond transaction execution in exchange for brokerage commissions from client transactions (so called "soft dollar" arrangements).

Alpine Investors will periodically evaluate the overall reasonableness of the brokerage commissions and negotiated terms paid to or made with broker-dealers with respect to client transactions by, among other things, seeking to compare such commissions and terms with the commission rates and negotiated terms being charged by and entered into with other comparable broker-dealers.

Item 13 Review of Accounts

Reviews

Alpine Investors' Managing Member, Mr. Weaver, and other Alpine Investors professionals monitor the portfolio companies of the Alpine Funds and generally maintain ongoing oversight of such portfolio companies. The investment portfolios of the Alpine Funds are primarily private, illiquid and long-term in nature. Review may become more frequent should material changes in variables of the market, political or economic environment occur.

Reporting

Alpine Investors and its professionals prepare quarterly letters which review and analyze existing investment positions. These letters are provided to the limited partners of the Alpine Funds to update them on such portfolio positions and related matters.

Investors in the Alpine Funds are also furnished with quarterly financials, which include summaries of investment holdings, and annual reports containing financial statements examined by the Alpine Funds' independent auditors within 120 days after the end of each calendar year.

Item 14 Client Referrals and Other Compensation

Alpine Investors and its related persons may occasionally receive discounts on products and services provided by portfolio companies held by the Alpine Funds. Alpine Investors engages solicitors from time to time to pay related or non-related persons for referring potential clients to the firm.

Alpine Investors also receives compensation in the form of break-up fees, commitment fees, monitoring and directors' fees, and organization, financing, divestment and other similar fees ("Other Fees"), as defined earlier in Item 5, from portfolio companies that are in addition to the management fees from the Alpine Funds. Some Alpine Funds offset management fees in varying degrees by such fees received from portfolio companies. Other Fees in some Alpine Funds generally offset management fees after Alpine Investors has received Other Fees equal to one-third of management fees received on a cumulative basis (thus providing Alpine Investors the potential to increase its effective management fee rate from 1.50% to 2.00%), plus, in certain circumstances, an additional \$1.2 million on average per year of Other Fees.

Item 15 Custody

The general partners of the Alpine Funds are deemed to have custody of client assets. These assets are held in safekeeping with a qualified custodian, except to the extent that an exception to this requirement is available. The Alpine Funds deliver to their investors audited financial statements audited by a PCAOB-member registered accounting firm within 120 days of the end of each calendar year in which they have custody of client assets, and accordingly comply with applicable provisions and exemptions contained in the SEC Custody Rule 206(4)-2(b)(4). This rule exempts Alpine Investors from engaging a registered accounting firm to perform a surprise control audit generally required by the Custody Rule and from the requirement that the custodian deliver periodic statements to Alpine Fund investors.

Item 16 Investment Discretion

Alpine Investors has discretion over the Alpine Funds. Pursuant to the Limited Partnership Agreement of each Alpine Fund, and subject to the direction and control of the general partner of such Alpine Fund, Alpine Investors performs the day-to-day investment operations of each Alpine Fund in accordance with the terms and conditions of the Limited Partnership Agreement of such Alpine Fund. These arrangements are disclosed and approved upon the formation of an Alpine Fund.

Item 17 Voting Client Securities

Under Rule 206(4)-6 of the Advisers Act, registered investment advisers that exercise voting authority with respect to client securities are required to have proxy voting policies and procedures. As the Alpine Funds transact primarily in privately issued securities, Alpine Investors rarely is required to vote proxies. Under certain limited circumstances, however, Alpine Investors may be required to vote proxies solicited by portfolio companies or public companies. Under these circumstances, Alpine Investors will vote proxies in the best interest of the Alpine Funds, typically with the goal of maximizing value for the Alpine Funds and the investors in the Alpine Funds. Alpine Investors will vote these proxies and take such actions pursuant to voting guidelines which are available to investors in the Alpine Funds upon request.

Item 18 Financial Information

As an advisory firm that maintains discretionary authority for the Alpine Funds, Alpine Investors is required to disclose any financial condition that is reasonably likely to impair the ability to meet contractual obligations. Alpine Investors is under no such impairment.