

Good Hill Partners LP

Form ADV Part 2A

Brochure

March 28, 2019

**One Office Greenwich Park
Greenwich, CT 06831
Phone: (203) 610-8806
Fax: (203) 610-8801**

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 or 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 as an investment adviser with the SEC under the Investment Advisers Act of 1940; 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.

Item 2 - Material Changes

This Brochure dated March 28, 2019 serves as an update to the prior Brochure dated March 29, 2018. 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 were no material changes since the last update to Good Hill's Brochure.

Table of Contents

	Page
Item 1 Cover Page	
Item 2 Material Changes	2
Item 3 Table of Contents	3
Item 4 Advisory Business	4
Item 5 Fees and Compensation	4
Item 6 Performance Based Fees.....	6
Item 7 Types of Clients	7
Item 8 Methods of Analysis, Investment Strategies and Risk of Loss.....	7
Item 9 Disciplinary Information.....	25
Item 10 Other Financial Industry Activities and Affiliations	25
Item 11 Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.....	25
Item 12 Brokerage Practices	27
Item 13 Review of Accounts	34
Item 14 Client Referrals and Other Compensation.....	34
Item 15 Custody.....	35
Item 16 Investment Discretion.....	35
Item 17 Voting Client Securities.....	35
Item 18 Financial Information.....	36
Brochure Supplements (Part 2B of the Form ADV)	
Franklin J. Collins IV	37
Brant Brooks.....	39

Item 4 - Advisory Business

Good Hill Partners LP (“Good Hill”), a Delaware limited partnership, founded by Mr. Franklin J. Collins IV in November 2006, provides investment management services on a discretionary basis to private investment vehicles, Good Hill Master Fund L.P. (the “Flagship Fund”) and the Good Hill Municipal Bond Opportunity Master Fund L.P. (the “Municipal Bond Fund”), collectively (the “Fund(s)”). Good Hill also (i) manages one or more separately managed accounts directly, (ii) serves as a sub-advisor to managed account sleeves of investment companies, subject to the Investment Company Act of 1940, and (iii) serves as sub-advisor to investment companies, each of which qualify as an Undertaking for Collective Investments in Transferable Securities (a “UCITS”), that are sponsored by unaffiliated, SEC registered investment advisers (collectively “Managed Account(s)” or collectively with the Funds, “Clients”). Good Hill’s Flagship Fund and the Municipal Bond Fund are currently organized in master-feeder structures. Although trading generally occurs at the master fund level, Good Hill may also trade at the feeder fund level. Good Hill and/or an affiliate may also present co-investment opportunities to prospective or existing investors. Good Hill may also enter into individual consulting contracts with Clients. Mr. Franklin Collins, Mr. Brant Brooks and Mr. William Hauf are the principal owners of Good Hill.

Good Hill tailors its advisory services to the investment objectives 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 in accordance with the investment objectives as specified in the pertinent managed account, sub-advisory and consulting 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 bonds, collateralized loan obligations (“CLO’s”), corporate bonds and loans, and on credit default swaps (“CDS”) and total return swaps (“TRS”). To a lesser extent, Good Hill also offers advice, for hedging purposes and investment, on both exchange-traded and over-the-counter equity securities, commercial paper, United States government securities, and options contracts.

As of January 31, 2019, Good Hill managed \$2,033,213,540 in discretionary assets and \$4,955,833 in non-discretionary assets.

Item 5 - Fees and Compensation

Fees paid by the Funds are calculated based on the total assets under management as well as the net realized and unrealized appreciation in the net asset value of the applicable Fund’s assets under management. Generally, a monthly management fee is paid, in arrears, to Good Hill equal to 1.75%/12 (1.75% annualized) of the opening capital

account balance(s) of each investor in a Fund for each month. The management fee is calculated each month, based on the balance in each capital account as of the first day of the month, but will be debited from each capital account as of the last day of the month. The management fee will be pro-rated for partial periods. The capital account of the general partner of each Fund will not be subject to the management fee. Generally, at the end of each fiscal year of the Funds, 20% of the excess of any net capital appreciation allocated to each capital account of an investor for such year over the management fee debited to such capital account for such year will be reallocated to the Investment Manager as an incentive fee/allocation (the "Incentive Fee/Allocation").

Notwithstanding the fees summarized above, with respect to the Flagship Fund, investors are eligible for a management fee rate equal to 1.5%/12 (1.5% annualized) in the event that, and so long as, the net asset value of the investor's investment in the Flagship Fund equals or exceeds \$75 million. In addition, investors in the Flagship Fund may be eligible for a reduced Incentive Fee/Allocation rate. Specifically, if a Flagship Fund investor's capital account balance (i) equals or exceeds \$50 million but is less than \$100 million, such investor may incur an annual Incentive Fee/Allocation of 17.5% or (ii) equals or exceeds \$100 million, the investor may incur an annual Incentive Fee/Allocation of 15%. The percentage used to calculate the annual Incentive Fee/Allocation is based upon the Flagship Fund investor's aggregate capital account balance.

Fees are directly deducted from the Funds' 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, exclusive of the Sub-Advisory Relationships, are negotiated on a case-by-case basis. Generally, a monthly management fee is paid by each Managed Account, in arrears, to Good Hill equal to one-twelfth of between 0.15% to 1.00% of the net asset value of the assets under management. This management fee is due from the client on a monthly basis. One Managed Account is not charged a management fee and only compensates Good Hill upon the disposition of each investment contained in the account and one Managed Account is charged a management fee and an incentive fee upon the disposition of each investment 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 and UCITS. In return for its sub-advisory services, Good Hill is paid a monthly or quarterly management fee by the investment adviser based on 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 the Funds or Managed Accounts. Please also see Item 12 – Brokerage Practices below.

Each eligible Fund and Managed Account also generally bears a *pro rata* portion (based on aggregate net asset value) of applicable common investment-related expenses. Such common operating expenses include research and analytic expenses (such as Intex and Bloomberg subscriptions) as well as other related fees and charges. Such expenses are allocated *pro rata* to only those Funds and Managed Accounts that utilize services related to those expenses.

Good Hill may also enter into individual consulting contracts and receive consulting fees. These fees may 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

Incentive fees are described in Item 5-Fees and Compensation for each of the Funds. Incentive fees are paid to Good Hill in certain 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.

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, Clients that pay a higher management fee, as this may increase the likelihood of increased investment into those accounts.

In most instances, these conflicts are avoided via pre-existing, well-defined trade allocation policies and procedures and each Client's unique investment objectives (See Item 12 – Brokerage Practices for further details).

Item 7 - Types of Clients

Good Hill advises pooled investment vehicles (private investment funds), Managed Accounts and is a sub-adviser to both (i) managed account sleeves of investment companies, subject to the Investment Company Act of 1940, and (ii) investment companies which qualify as UCITS, in each case such investment companies are sponsored by unaffiliated, SEC registered investment advisers. Good Hill's consulting arrangements are generally applicable to corporations or other institutional clients. Good Hill negotiates separately with each Managed Account regarding minimum account size.

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

Flagship Fund and Managed Accounts (including Sub-Advisory Relationships), and Municipal Bond Fund (as applicable)

Investment Strategies - Good Hill's investment objective for the Flagship Fund and Managed Accounts is to seek attractive total returns on a risk-adjusted basis. Good Hill seeks to achieve this objective by pursuing a relative value; long-biased investment strategy intended to capture a stable income stream. To achieve this objective, the Flagship Fund and Managed Accounts may make investments in a variety of public and private U.S. and non-U.S. securities and financial instruments, 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"), corporate bonds and loans, 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, MMD rate locks, 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 Flagship Fund may also invest in other pooled investment vehicles. The Flagship Fund's investment program generally does 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 Flagship Fund in that they are primarily fixed-income investments. Leverage may be employed in certain 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 Flagship Fund and Managed Accounts, if any, is expected to be comprised of current income. Additionally, to the extent that securities increase in value relative to the market, the Flagship Fund and Managed Accounts may realize capital appreciation.

Good Hill aims to identify and capture yield spread differentials over time that may enable the Flagship Fund and Managed Accounts 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 may well be considerably more volatile than that of more conventional markets.

Good Hill may utilize leverage to enhance the returns of the Flagship Fund and Managed Accounts as well as for cash management purposes. Accordingly, the assets may be pledged in order to borrow additional funds, in either short-term repurchase agreements, or in longer-term "warehouse" facilities. The assets may also be pledged as security for obligations of third parties. The Flagship Fund and Managed Account 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 Flagship Fund may have outstanding at any time may be large in relation to its capital and may vary depending upon the nature of the investments in the Flagship Fund.

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. In pursuing this process, Good Hill may employ various analyses including, but not limited to, a top-down analysis of sectors within the Flagship Fund's and Managed Accounts' 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 potential investment universe.

Once Good Hill has identified potential investment candidates, it performs a stringent quantitative and qualitative analysis of many facets of 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 Flagship Fund's 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 Fund 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 is 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 Flagship Fund’s 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, prepayments for particular investments may underperform relative to hedges that Good Hill may have constructed for these investments, resulting in a loss to the Flagship Fund’s 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, and 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.

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, residential mortgage loan originators and servicer's inability 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 Flagship Fund 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 Flagship Fund 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.

Corporate Debt - Bonds, notes and debentures issued by corporations may pay fixed, variable or floating rates of interest, and may include zero-coupon obligations.

Corporate debt instruments may be subject to credit ratings downgrades. The Funds may be paid interest in-kind in connection with any investments in corporate debt (e.g., the principal owed to the Funds in connection with a debt investment may be increased by the amount of interest due on such debt investment). Such investments may experience greater market value volatility than debt obligations that provide for regular payments of interest in cash and, in the event of a default, the Funds may experience substantial losses.

Municipal Bonds - The Flagship Fund may invest in municipal bonds and related securities side by side with the Municipal Bond Fund. 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. For more detailed information in regards to the methods of analysis and risk of loss for municipal bond investments, reference the next section below.

CDO's - The Flagship Fund and/or Managed Accounts may invest in CDOs ("collateral debt obligations"). The value of the CDOs owned by the Flagship Fund and/or Managed Accounts 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 limited secondary market liquidity 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. CDOs are subject to certain transfer restrictions that contribute to illiquidity. Therefore, if the Flagship Fund and/or Managed Accounts decide 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 Good Hill in accordance with the Flagship Fund's governing documents or Managed Account agreements. Such illiquidity may adversely affect the price and timing of liquidations of CDOs by the Flagship Fund and/or Managed Accounts. 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 Flagship Fund 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 Flagship Fund's 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 Flagship Fund 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 Flagship Fund 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 Flagship Fund 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 investments may have the lowest quality ratings or may be unrated. Lower rated and unrated securities in which the Flagship Fund 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 Flagship Fund and/or Managed Accounts will be non-performing and possibly in default. There can be no assurance as to the amount and timing of payments, if any, with respect to the debt instruments. In order to maximize the value of an investment that may be non-performing or at risk of default, Good Hill, either alone or with other members of an investing group, may work with the management team of the company to design an alternate strategic plan and assist them in its execution and may secure the appointment of persons selected by Good Hill or other members of an investing group to the company's management team or board of directors. Good Hill, either alone or as part of a group, may also initiate investor actions (including those that may be opposed by company management). Such investor actions may include, among other things, reorienting management's operational focus, initiating the sale of the company (or one or more of its divisions) to a third party, or an acquisition by the Funds or other members of the investing group. In addition, the Funds may extend a debtor-in-possession (DIP) loan in order to maximize the value of an existing investment. DIP loans are generally senior secured loans to companies that have filed for bankruptcy. Although such loans contain certain contractual protections for lenders, DIP loans are subject to heightened risks due to the financial distress of the borrower. DIP loans are also subject to the risk that the bankruptcy court could render decisions in a manner that is contrary to the intent of the borrower or lender, including the Funds, or commercial standards. In addition, DIP loans may be difficult to value.

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 debt instruments. By their nature, these investments will involve a high degree of risk. Commercial and industrial loans in workout and/or restructuring modes or under the U.S. Bankruptcy Code and the bankruptcy or insolvency laws of other jurisdictions are subject to additional potential liabilities, which may exceed the value of the Funds' original investment. For example, borrowers often resist foreclosure by asserting numerous claims, counterclaims and defenses against the holder of debt, including lender liability claims and defenses, in an effort to delay or prevent foreclosure. Under certain circumstances, lenders who have inappropriately exercised control of the management and policies of a debtor may have their claims subordinated or disallowed or

may be found liable for damages suffered by parties as a result of such actions. In addition, under certain circumstances, payments to the Funds may be reclaimed if any such payment is later determined to have been a fraudulent conveyance or a preferential payment. While the Funds generally focus on performing debt rather than on distressed or nonperforming debt, to the extent the Funds hold a debt instrument that stops performing, they would also be faced with this risk.

Liquidity and Valuation of Investments – The Flagship Fund 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 Flagship Fund 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 Flagship Fund 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 Flagship 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 Flagship 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 Flagship Fund 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 Flagship Fund 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 pre-payable 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 Flagship Fund 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 Flagship Fund 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 Flagship Fund 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 Flagship Fund and/or Managed Accounts may “write” credit default protection in which they receive spread income. The Flagship Fund 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 Flagship Fund 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 Flagship Fund 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 Flagship 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 Flagship Fund 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 Flagship Fund and/or Managed Accounts in those countries.

Concentration of Investments – Because the Flagship Fund 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 Flagship Fund 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 Flagship Fund 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 Flagship Fund and/or Managed Accounts may invest can be highly volatile. Price movements of forward and other derivative contracts in which the Flagship 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 Flagship Fund 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 Flagship Fund 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 Flagship Fund 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 Flagship Fund and/or Managed Accounts have concentrated their transactions with a single or small group of counterparties. The Flagship Fund and/or Managed Accounts are not restricted from dealing with any particular counterparty or from concentrating any or all of its transactions with any single counterparty. Moreover, Good Hill’s 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 counterparties and the absence of a regulated market to facilitate settlement may increase the potential for losses by the Flagship Fund 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 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. 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.

In addition, beginning in the fourth quarter of 2008, world financial markets experienced extraordinary market conditions, including, among other things, extreme losses and volatility in securities markets and the failure of credit markets to function. In reaction to these events, regulators in the U.S. and several other countries undertook unprecedented regulatory actions. It is uncertain whether the regulatory actions taken by regulators or any other regulatory actions will be able to prevent further losses and

volatility in securities markets, or stimulate the credit markets. The Funds and/or Managed Accounts may be materially and adversely affected by the foregoing events, or by similar or other events in the future. In the long term, there may be significant new regulations that could limit the Funds' and/or Managed Accounts' activities and investment opportunities or change the functioning of capital markets, and there is the possibility that a worldwide economic downturn could occur in the future. Consequently, the Funds and/or Managed Accounts may not be capable of, or successful at, preserving the value of their assets, generating positive investment returns or effectively managing their risks.

For additional general risk factors that could pertain to the Flagship Fund and the Municipal Bond Fund, please refer to the confidential offering memorandum for the Flagship Fund and the Municipal Bond Fund, respectively.

Good Hill Municipal Bond Opportunity Master Fund L.P.

Investment Strategies - Good Hill's investment objective for the Municipal Bond Fund is to focus primarily on opportunistic credit investing in the U.S. municipal bond markets. The investment strategy will focus on two core strategies: (1) active trading of municipal securities to seek to take advantage of various inefficiencies in the marketplace and (2) investing in relative value, distressed and special situation opportunities focused on capital appreciation and, in some cases, current income from municipal securities. The Municipal Bond Fund may invest in both taxable and tax-exempt municipal securities. The Municipal Bond Fund may also invest in non-municipal securities, including high-grade corporate bonds, as well as any other fixed-income securities that it determines are related to the municipal bond markets. The Municipal Bond Fund may use various interest rate and credit hedges for investment purposes and to manage the risk of its portfolio.

Methods of Analysis - The investment strategy relies on its ability to identify appropriate investments, an intensive analytical approach to investments and prudent surveillance and asset/liability management. The Municipal Bond Fund's investment program does not have any geographic limitation, diversification or concentration.

Hedging on the Portfolio and the Security Level - Consistent with the foregoing, Good Hill attempts to minimize interest rate risk in the portfolio by hedging such risk for selected securities where appropriate. To this end, the Municipal Bond Fund may take positions in Treasuries and certain short positions, and make use of interest rate swaps and interest rate caps.

Other Hedging Strategies - Other hedging strategies are used in the investment process to seek to reduce risks that Good Hill chooses not to assume. The purpose of hedging is not to eliminate risk, but to reduce particular risks other than those that the investment strategy is designed to profit from. To this end, Good Hill utilizes available hedge instruments based on their expected hedging efficiency (cost vs. effectiveness).

Investment and Trading Risks:

An investor should be aware that it may lose all or part of its investment in the Municipal Bond Fund. All investments involve the risk of loss of capital. No guarantee or representation is (or could be) made that the Municipal Bond Fund's investment program will be successful. The Municipal Bond Fund's investments may be materially affected by conditions in municipal securities markets, real estate markets, the financial markets and overall economic conditions in markets where the Municipal Bond Fund may invest its assets. The Municipal Bond Fund's investment program involves, without limitation, risks associated with municipal bonds, short sales, limited diversification, interest rates, volatility and other risks inherent in the Municipal Bond Fund's activities.

General Municipal Market Risk - The Municipal Bond Fund invests 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 often not possible to take a short position or purchase CDS protection with respect to a given municipal bond. Public information in the municipal market is also less available than in other markets, increasing the difficulty of evaluating and valuing securities. Furthermore, because the municipal market is predominantly a retail buyer-driven market, municipal bond prices are very sensitive to retail fund flows from mutual funds and other retail accounts. Events affecting Puerto Rico, Detroit, Chicago, or other municipalities and related bond issuers that are distressed or otherwise financially challenged, such as a default or a restructuring by a large municipality, may cause a sell-off in the municipal market as related news headlines will negatively impact municipal bond pricing.

General Municipal Bonds Risks - Municipal bonds are subject to interest rate, credit and market risk. The ability of an issuer to make payments could be affected by litigation, legislation or other political events or the bankruptcy of the issuer. Lower-rated municipal bonds are subject to greater credit and market risk than higher quality municipal bonds. The market prices of residual interest bonds may be highly sensitive to changes in market rates and may decrease significantly when market rates increase.

Other Municipal Securities Risks - Municipal securities risks include the ability of the issuer to repay the obligation, the relative lack of information about certain issuers of municipal securities, and the possibility of future legislative changes which could affect the market for and value of municipal securities. These risks include:

General Obligation Bonds Risks - The full faith, credit and taxing power of the municipality that issues a general obligation bond secures payment of interest and repayment of principal. Timely payments depend on the issuer's credit quality, ability to raise tax revenues and ability to maintain an adequate tax base.

Revenue Bonds Risks - Payments of interest and principal on revenue bonds are made only from the revenues generated by a particular facility, class of facilities or the proceeds of a special tax or other revenue source. These payments depend on the money

earned by the particular facility or class of facilities, or the amount of revenues derived from another source.

Private Activity Bonds Risks - Municipalities and other public authorities issue private activity bonds to finance development of industrial facilities for use by a private enterprise. The private enterprise pays the principal and interest on the bond and the issuer does not pledge its full faith, credit and taxing power for repayment. If the private enterprise defaults on its payments, the Municipal Bond Fund may not receive any income or get its money back from the investment.

Moral Obligation Bonds Risks - Moral obligation bonds are generally issued by special purpose public authorities of a state or municipality. If the issuer is unable to meet its obligations, repayment of these bonds becomes a moral commitment, but not a legal obligation, of the state or municipality.

Structured Settlement Securities Risks - Structured settlement securities depend on settlement payments from non-municipal entities, including public and private companies and therefore bear risks associated with such settlement payments. In particular, Structured Tobacco Settlement Securities depend on payments from the tobacco manufacturers that participated in the MSA and bear certain unique risks relating to the tobacco industry and the MSA, including the risk of decreases in tobacco consumption, credit risks of the relevant manufacturers and risks relating to an ongoing dispute regarding escrow payments of non-participating manufacturers.

Municipal Notes Risks - Municipal notes are shorter term municipal debt obligations. They may provide interim financing in anticipation of, and are secured by, tax collection, bond sales or revenue receipts. If there is a shortfall in the anticipated proceeds, the notes may not be fully repaid and the Municipal Bond Fund may lose money.

Municipal Lease Obligations Risks - In a municipal lease obligation, the issuer agrees to make payments when due on the lease obligation. The issuer will generally appropriate municipal funds for that purpose, but is not obligated to do so. Although the issuer does not pledge its unlimited taxing power for payment of the lease obligation, the lease obligation is secured by the leased property. However, if the issuer does not fulfill its payment obligation it may be difficult to sell the property and the proceeds of a sale may not cover the Municipal Bond Fund's loss.

Concentration Risk - The Municipal Bond Fund may take concentrated positions in municipal securities issued by or on behalf of any particular state or municipality. As a result, the Municipal Bond Fund may be more exposed to risks affecting issuers of such state or municipality than is a municipal securities fund that invests in a more diversified manner. Because the Municipal Bond Fund is not restricted from concentrating its 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 on the Municipal Bond Fund 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 Municipal Bond Fund were not permitted to concentrate its investments to such an extent.

For additional general risk factors that could pertain to the Municipal Bond Fund, please refer to the confidential offering memorandum for the Municipal Bond Fund.

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 and Good Hill Partners Fund LP. Good Hill Capital IV LLC serves as the general partner for the Good Hill Municipal Bond Opportunity Master Fund LP, the Good Hill Municipal Bond Opportunity Intermediate Fund LP and the Good Hill Municipal Bond Opportunity Fund 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 LLC and Good Hill Capital IV 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 LLC and Good Hill Capital IV LLC will conduct their investment advisory activities in accordance with the Investment Advisers Act of 1940 and the policies and procedures of Good Hill, and all employees and activities will be subject to Good Hill's supervision and control for regulatory purposes. Therefore, Good Hill Capital LLC and Good Hill Capital IV 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. Although not a general practice, Good Hill employees may maintain outside business relationships, trade with counterparties and/or hire service providers who are also investors in the Funds or Managed Accounts or Good Hill's personnel may invest in a company where the company has an investment in one of Good Hill's Funds or Managed Accounts. Good Hill employees may invest in a company that may invest in securities or other investments that may be eligible for investment in one of the Funds. Good Hill's principals may also invest via a personal limited liability company in real estate properties and/or other assets that could be eligible for investment by one or more of the Funds; although, due to the nature, liquidity and mark-to-market issues presented by such investments, Good Hill has not considered any such investment for the eligible Funds.

Such relationships may present a conflict of interest between Good Hill and its affiliates including employees' economic interest (including using the investment as an incentive for a current or prospective investor to invest in current or future Funds or Managed Accounts) and what is in the best interests of the Funds and Managed Accounts. Good Hill employees and related persons do not buy securities from or sell securities to Clients as a principal.

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 employees are also required to seek pre-clearance of outside business activities from the Chief Compliance Officer and report potential conflicts of interests in general and via the use of a conflicts of interest questionnaire. Good Hill's Chief Compliance Officer periodically monitors Access Persons' personal and related accounts against Good Hill's code of ethics policies and restricted list for any violations of the code of ethics. A copy of the Code of Ethics is available upon request.

Good Hill may have trading and/or other commercial relationships including sub-advisory relationships with companies whose affiliate(s) are investors in the Funds. Such relationships may present a conflict of interest between Good Hill and its other Clients as Good Hill may be incentivized to focus more time on, and provide enhanced management

services to, investors whose affiliates engage Good Hill as a sub-advisor. Good Hill's Chief Compliance Officer monitors all such potential conflicts of interest.

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 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's best execution reviews are also primarily focused on secondary trades in the marketplace for all Clients and its municipal bond trading strategy for the Funds. Such reviews consist of monitoring the liquidity and availability of securities in the marketplace based on size and pricing comparisons between broker-dealers where available. In light of the special characteristics of the fixed-income markets for structured credit securities, Good Hill's approach to best execution is not necessarily evaluated on a transaction-by-transaction basis, but also on an overall basis over an extended period of time.

Each fixed-income transaction involves numerous individual decisions that can, at times, make it difficult, if not impracticable, to find multiple broker-dealer price quotes before a quote is no longer active. In addition, a security may be traded by a single broker-dealer or only a single broker dealer may be able to execute a particular size trade, in which case no comparable price quotes exist. Good Hill may need to, when operating in volatile markets with limited transparency, accept the initial prices offered by a broker-dealer without the ability to visualize or seek out further prices when Good Hill determines the security to be a favorable investment opportunity for its Clients.

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 provided by broker dealers and pricing services for positions held in its existing portfolios 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.

Exclusive of the sub-advisory relationships, broker-dealers (including prime brokers) may assist the Funds in raising additional capital from investors and assist in securing additional Managed Account investors. 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 sample 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

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.

Good Hill will consider for each Client all investment opportunities brought to its attention that satisfies such Client's overall investment objectives. Whether a particular opportunity meets the overall investment objectives of a particular Client will be determined by Good Hill under the prevailing circumstances which may include the following factors:

- liquidity;
- relative capitalization;
- cash availability, investable funds and target cash position;
- size/amount of the available opportunity;
- tax considerations;
- legal considerations;
- regulatory considerations, including 40 Act regulations;
- strategy considerations;
- borrowing-based considerations;
- minimum investment criteria;
- investment time horizon;
- portfolio return objectives;
- portfolio risk profile;
- portfolio concentration considerations;
- diversification and exposure considerations;
- historical and anticipated subscriptions and redemptions; and
- commitment, contribution, and redemption patterns.

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.

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 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.

Good Hill's purchases of municipal bonds for eligible Clients will generally be allocated on a pro-rata basis to those clients participating in the municipal bond investment strategies subject to the "Municipal Bond Dedicated AUM" for each Client. The "Municipal Bond Dedicated AUM" is comprised of a predetermined percentage of each Fund's assets under management that is dedicated as investable funds for the municipal bond investment strategy as compared to the overall AUM of the Fund. Whether a particular opportunity meets the overall investment objectives of a particular Client will be determined by Good Hill under the prevailing circumstances which may include the following factors:

- liquidity;
- relative capitalization;
- cash availability, investable funds and target cash position;
- size/amount of the available opportunity;
- tax considerations;
- legal considerations;
- regulatory considerations, including 40 Act regulations;
- strategy considerations;
- borrowing-based considerations;
- minimum investment criteria;
- investment time horizon;
- portfolio return objectives;
- portfolio risk profile;
- portfolio concentration considerations;
- diversification and exposure considerations;
- historical and anticipated subscriptions and redemptions; and
- commitment, contribution, and redemption patterns.

Good Hill may also deviate from a pro-rata allocation due to the size/amount of the municipal bonds that are available in the marketplace. In such cases, Good Hill will ensure

that no Client is treated unfairly in relation to any other client and will systematically allocate purchases of municipal bonds subject to a “minimum threshold amount” for each client that is calculated as a percentage of the net asset value for the eligible Clients who are eligible for the allocation. Any change to the minimum threshold amount requires a pre-approval of the Chief Compliance Officer. Good Hill keeps records of all trade allocations including those trade allocations subject to the minimum threshold amounts.

A re-allocation of a security after the final execution of the original order (allocation) and where there is no economic impact to any client, 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. The trade order may be re-allocated on a basis different from that specified on the pre-trade order records and the reason for the change must be documented. 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 sample testing of Good Hill’s trade allocations.

Good Hill maintains non-discretionary client SMA relationships where the client is duly authorized in accordance with the managed account agreement to approve all investment opportunities brought to them by Good Hill. For these trades, Good Hill may aggregate the trade with other discretionary client trades for the same security but is not obligated to do so subject to the timing of the approval of the trade from the non-discretionary client. Good Hill must also ensure that the timing of the approval of a non-discretionary trade for the same security traded for discretionary clients does not impose additional investment risks, lost investment opportunities or impede on Good Hill’s best execution or other fiduciary obligations for those discretionary clients.

Good Hill may, on occasion, present a co-investment opportunity on a discretionary or non-discretionary basis to a prospective or existing investor. A co-investment opportunity is an opportunity to invest in a security or portfolio company alongside an existing Fund and/or Managed Account and presents certain conflicts of interests. Prior to entering into a co-investment opportunity with a prospective or existing investor, Good Hill must seek the approval of the Chief Compliance Officer and the General Counsel. Good Hill must offer the co-investment opportunity to all prospective or existing clients who are eligible for the co-investment in light of the special characteristics of the securities and factors as noted in the trade allocation policy. Co-investment allocations amongst all clients must adhere to the allocation policies and procedures as described in this section.

Principal and Cross Transactions

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 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.

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.

"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 and depends on the facts and circumstances. Errors or discrepancies that are identified on trade date that can be cancelled and/or reallocated and do not result in any economic impact to Client accounts and errors that do not result in transactions in Client accounts will not be viewed as "trade errors" and therefore are not subject to Good Hill's trade error correction procedures.

For the Funds, Good Hill sets forth its trade error policy with specificity in the Funds' offering memoranda. Client gains caused by trade errors will be credited to the affected client. Losses suffered by a client as a result of a trade error caused by Good Hill's willful misconduct, bad faith, gross negligence or reckless disregard will be reversed with Good Hill being responsible to make the affected Client whole. Gains from trade errors may not offset losses from trade errors, unless the underlying transactions constitute a single transaction.

For all trade errors where Good Hill is a sub-adviser to an investment company in a sub-advisory relationship with a sponsor firm, with respect to such investment company or

involving Managed Accounts, the trade error will be addressed subject to the compliance policies imposed by the sponsor firm to the investment company and the term of the related account management agreement where applicable.

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 Client accounts and their constituent positions on a daily basis. Specifically, the portfolio managers monitor the Client accounts for asset performance and analyze market risk factors on a daily basis. All Client 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.

Exclusive of the sub-advisory relationships, 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.

For Managed accounts involving sub-advisory relationships, Good Hill periodically provides position and other risk based reports to the sponsors of the investment companies where Good Hill is a sub-adviser and as requested by each of the sponsors.

Item 14 - Client Referrals and Other Compensation

Good Hill's fundraising and solicitation efforts for new Clients and investors are primarily sourced and negotiated via industry-based relationships. Good Hill or its affiliates may enter written arrangements with placement agents or solicitors. To the extent Good Hill engages a placement agent, such terms and conditions will be disclosed to each Client consistent with applicable law. To the extent Good Hill engages a third-party cash solicitor; all such referral activities will be conducted in accordance with Rule 206(4)-3 under the Advisers Act, where applicable.

Item 15 - Custody

All Client assets are held in custody of unaffiliated qualified custodians. Presently Good Hill is deemed to have custody of Fund assets because an affiliate of Good Hill acts as the general partner for one or more of the Funds and has control over cash and securities in the Funds' accounts. 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.

Good Hill is not deemed to have custody of its Managed Accounts as such accounts are held by a qualified custodian and Good Hill receives payment for fees from the Managed Account Client. Good Hill is not deemed to have custody of the sub-advisory relationship Managed accounts as a sub-adviser to investment companies.

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 governing documents and managed account agreements) with the exception of two Managed Accounts which require pre-approval for investments. 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 and the broker or dealer(s) to be used.

Good Hill has in the past and may engage in consulting agreements on a non-discretionary basis.

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 28, 2019

Good Hill Partners LP
Franklin J. Collins IV
One Greenwich Office Park
Greenwich, CT 06831
Ph: (203) 610-8811
Fx: (203) 610-8801
www.goodhillpartners.com

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 Clients 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 Client 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 attended 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 may invest in a personal limited liability company in real estate properties that could be eligible for an investment in one or more of the Good Hill Funds; although, due to the nature, liquidity and mark-to-market

issues presented by such investments, Good Hill has not considered any investment in real property for the eligible Funds. Nevertheless, all investments in private securities transactions including limited liability companies is reviewed and approved by the Chief Compliance Officer for conflicts of interest purposes. 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 Clients 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) 610-8809. Mr. Brooks maintains an office at Good Hill, located at One Greenwich Office Park, Greenwich, CT 06831.

Part 2B of the Form ADV (the “Brochure Supplement”)

March 28, 2019

Good Hill Partners LP

Brant Brooks

One Greenwich Office Park

Greenwich, CT 06831

Ph: (203) 610-8809

Fx: (203) 610-8801

www.goodhillpartners.com

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 may invest in a personal limited liability company in real estate properties that could be eligible for an investment in one or

more of the Good Hill Funds; although, due to the nature, liquidity and mark-to-market issues presented by such investments, Good Hill has not considered any investment in real property for the eligible Funds. Nevertheless, all investments in private securities transactions including limited liability companies is reviewed and approved by the Chief Compliance Officer for conflicts of interest purposes. 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 Clients 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) 610-8811. Mr. Collins maintains an office at Good Hill, located at One Greenwich Office Park, Greenwich, CT 06831.