

Form ADV Part 2A: Firm Brochure

Angelo, Gordon & Co., L.P.

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This Brochure provides information about the qualifications and business practices of Angelo, Gordon & Co., L.P. If you have any questions about the contents of this Brochure, please contact Ms. Ruth Gitlin at 212 692 2014 or rgitlin@angelogordon.com. The information in this Brochure has not been approved or verified by the U.S. Securities and Exchange Commission ("SEC") or by any state securities authority.

Angelo, Gordon & Co., L.P. is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The verbal and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser. Additional information about Angelo, Gordon & Co., L.P. is also available on the SEC's website at www.adviserinfo.sec.gov.

Item 2—Material Changes

This document serves as our Brochure and is dated as of January 26, 2016. It amends our Brochure dated March 31, 2015.

The following specific material changes have been made since the date of our previous Brochure:

In December 2015, the Firm's ownership structure was changed so that John Angelo and The Michael Gordon 2011 Revocable Trust became majority owners of the Firm.

In January 2016, John Angelo, the Chief Executive Officer of Angelo, Gordon & Co., L.P., passed away. Following Mr. Angelo's death, Michael Gordon, the Firm's Chief Investment Officer, assumed the position of Chief Executive Officer.

A copy of our Brochure may be requested by contacting Ms. Ruth Gitlin at 212 692 2014 or rgitlin@angelogordon.com.

Additional information about Angelo, Gordon & Co., L.P. is also available via the SEC's web site www.adviserinfo.sec.gov.

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Item 4—Advisory Business

Angelo, Gordon & Co., L.P. (“Angelo, Gordon” or the “Firm”), founded in 1988, is a privately held firm specializing in alternative investments. The Firm’s business comprises five principal lines: (i) distressed debt and leveraged loans, (ii) real estate debt and equity, (iii) residential and commercial mortgage-backed and asset-backed securities, (iv) private equity and special situations, and (v) multi-strategy. We seek to generate absolute returns, in substantially all market environments with less volatility than the overall markets, by identifying market inefficiencies and capitalizing on situations that are not in the mainstream of investment opportunities.

In order to take advantage of the cyclical opportunities presented by the alternative investment strategies pursued by Angelo, Gordon, a key consideration is to match capital with opportunities on a timely basis, with the ultimate goal of generating absolute returns in substantially all market environments. Because investment opportunities are cyclical, it is likely that not every strategy will be available at all times.

Angelo, Gordon offers clients the opportunity to participate in its investment strategies primarily through investment in limited partnerships and other collective investment vehicles (the “Client Funds”) and to a lesser extent separate accounts managed on a fully discretionary basis (together with Client Funds, the “Clients”). Some Client Funds are sponsored and administered by Angelo, Gordon, while others may be sponsored and/or administered by third parties. Interests in the Client Funds are usually exempt from registration under the Securities Act of 1933, as amended, and the Client Funds are exempt under the Investment Company Act of 1940, as amended. Accordingly, interests in such Client Funds are offered exclusively to investors satisfying applicable eligibility and suitability requirements in order to maintain such exemptions.

The Firm’s investment philosophy combines fundamental in-depth research and a conservative valuation approach with a diversification strategy designed to reduce downside risk. The research team is the cornerstone of all investment activities. For most strategies, investments are either hedged to reduce the potential of market risk or consist of event-driven situations where overall market performance is generally expected to have less impact.

The Estate of John Angelo and The Michael Gordon 2011 Revocable Trust are the majority owners of the Firm. Approximately 70 senior employees have a minority interest in the Firm.

Clients can impose restrictions or limitations on how the Firm manages accounts as set forth in the Client’s investment guidelines or confidential offering memoranda. Additional details regarding the services, fees, investor suitability standards, and other terms applicable to Client Funds are described in the offering memorandum of each such

Client Fund. For copies of such offering memoranda, please contact Ms. Ruth Gitlin at rgitlin@angelogordon.com or 212 692 2014.

Fully discretionary regulatory assets under management as of December 31, 2014 were approximately \$38 billion.

Item 5—Fees and Compensation

Compensation earned by Angelo, Gordon from Clients generally is comprised of negotiated fees based on a percentage of assets under management (“Management Fee”) and performance-based amounts (“Performance Compensation”). Management Fees are generally charged at annual rates and billed monthly or quarterly after the close of the calendar month or quarter during which Angelo, Gordon performed the services to which the fees relate. However, payment of Management Fees quarterly in advance is required of certain Clients dedicated to longer term strategies such as real estate, distressed investments or private equity investments; these Clients generally do not permit voluntary redemption, withdrawal or termination during the period covered by a quarterly prepayment. If Management Fees are paid in advance, in the event the account is terminated, the Management Fees generally will be prorated to the date of termination and any unearned fees will be refunded. Management Fees and Performance Compensation for Client Funds, is determined by the general partner or board of directors, as applicable, and as set forth in the Client Funds’ final offering documents. Management Fees and Performance Compensation for other Clients (managed accounts) are negotiated.

Performance Compensation generally is equal to a percentage of net realized and unrealized profits for each year, after restoration in some cases of any loss carried forward from prior years and, in the case of certain Clients, after achieving a threshold annual return on invested capital at varying rates. Performance Compensation generally is billed after the close of each calendar year. In the case of Clients dedicated to real estate and certain other long-term strategies, Performance Compensation generally is based only on realized amounts, and in certain cases, Performance Compensation may be payable after all invested capital and the threshold return thereon have been realized and distributed to investors. The nature of Performance Compensation may create an incentive for Angelo, Gordon to make investments that are riskier or more speculative than would be the case in the absence of such compensation.

Where part of the investment mandate, Angelo, Gordon invests cash balances of Clients on a temporary basis in shares of money market funds, which charge a separate management fee payable to the money market fund’s adviser. The adviser’s fees associated with such money market fund investments are in addition to the fees charged by Angelo, Gordon. Such money market advisers may be affiliated with service providers to Angelo, Gordon or Clients.

Client Funds' terms, including fees and compensation, are set forth in the offering documents or other governing documents. Fees and compensation for Clients are generally negotiated. Accordingly, the Firm does not use a fee schedule.

Management Fees and Performance Compensation may vary from the description set forth herein. In any such case, the applicable Management Fees and Performance Compensation will be as disclosed in the Clients' offering memorandum, constitutive documents or investment management agreement. In the case of Client Funds sponsored by others, fees are negotiated with the sponsor. Likewise, the sponsor selects service providers to such Client Funds and negotiates fees paid to such service providers.

Employees and former employees of Angelo, Gordon may maintain (directly or indirectly) investments in Client Funds and generally Management Fees and Performance Compensation are waived in whole or in part. In addition, when an Angelo, Gordon affiliate acts as the general partner of a Client Fund, Management Fees and Performance Compensation may not be charged on the general partner capital commitment.

In addition to Management Fees and Performance Compensation, Clients generally are responsible for the costs and expenses set forth in the Clients' offering memoranda, limited partnership agreements or management agreements, as may be applicable. Such costs and expenses often include, among others; (i) legal, accounting, custodial and administration expenses associated with the organization and operation of Clients; and (ii) the conduct of the investment and trading program. The Client Funds, to the extent permitted by applicable law, have the absolute discretion to agree with any investor to waive or modify the application of any of the terms described within a Client Funds' offering memoranda or limited partnership agreements (including, but not limited to, those relating to fees, key persons, liquidity and transparency) or to create new terms in addition to those described in the offering materials, without obtaining the consent of any other investor (other than an investor whose rights as a shareholder or limited partner, as applicable, would be materially and adversely changed by such waiver, modification or creation of term(s)) and without entitling any other investor to such waiver, modification or new term(s). The determination of a Client Funds' directors or general partner, as applicable, as to whether the contractual rights of any shareholder or limited partner would be materially and adversely changed by such waiver, modification or creation of term(s) shall be binding and conclusive on the Client Funds and all shareholders or limited partners thereof. Angelo, Gordon affiliates or employees may serve as directors or general partners of Client Funds.

Angelo, Gordon's fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the Client. Clients incur certain charges and expenses that are detailed in the respective offering documents, including, but not limited to, charges imposed by custodians, brokers, lenders and other third parties such as fees charged by auditors, attorneys, administrators or custodians, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Such charges, fees

and commissions are in addition to Angelo, Gordon's fees, and Angelo, Gordon does not receive any portion of these commissions, fees, and costs.

The factors that Angelo, Gordon considers when selecting brokers or dealers for Client transactions are further described in *Item 12—Brokerage Practices* herein.

In certain instances the General Partners to some of Angelo, Gordon's Clients have appointed service companies that are affiliates of the Firm (the "Servicers"), to act as service providers to specific portfolios of assets owned by those Clients. The Servicers charge fees ("*Service Fees*") to these Clients on an arm's length basis. In such cases, Angelo, Gordon indirectly receives such fees, via their affiliates, in addition to Management Fees and Performance Compensation. Service Fees will be charged to Client funds only when disclosed to such funds.

Other than as disclosed, neither Angelo, Gordon nor its employees accept compensation for the sale of securities or other investment products to Clients.

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

The Firm manages assets for Client Funds and separate accounts. Such accounts may have terms regarding fees, transparency and liquidity different from those of Client Funds. Angelo, Gordon structures any performance or incentive fee arrangement subject to applicable law. In measuring Clients' assets for the calculation of performance-based fees, Angelo, Gordon includes realized and/or unrealized capital gains and losses where permitted pursuant to the Clients' governing documentation.

Performance-based fee arrangements may create an incentive to favor higher fee paying accounts over other accounts in the allocation of investment opportunities. In order to address the potential conflict of interest associated with side by side management, Angelo, Gordon has adopted a policy and implemented procedures designed to prevent this conflict from influencing the allocation of investment opportunities among Clients. The Firm's allocation policy and procedures are further described in *Item 12—Brokerage Practices* herein.

Item 7—Types of Clients

Angelo, Gordon offers investors the opportunity to participate in its investment strategies through investment in limited partnerships and other collective investment vehicles and separate accounts for institutional investors managed on a fully discretionary basis by Angelo, Gordon. Some Client Funds are sponsored and administered by Angelo, Gordon, while others are sponsored and administered by third parties.

Requirements for opening or maintaining accounts with the Firm can differ based on the applicable strategy and other factors in the discretion of Angelo, Gordon. Accordingly, the Firm reserves the right to adjust account size minimum with respect to any one Client as deemed appropriate in light of the overall facts and circumstances.

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

The Firm's investment philosophy combines fundamental in-depth research and a conservative valuation approach with a diversification strategy designed to reduce downside risk. The research team is the cornerstone of all investment activities.

Investing in securities involves risk of loss that Clients should be prepared to bear. All Clients risk the loss of capital. There can be no assurance that an investment program will be successful or that investments purchased by the Client will increase in value or be profitable.

Prospective Clients should give careful consideration to the following risk factors in evaluating the merits and suitability of the Firm's investment strategies and as they may relate specifically to holding interests in Client Funds, in general, and as the context requires. The following does not purport to be a comprehensive summary of all of the risks associated with the investment strategies of Angelo, Gordon. Rather, the following are only certain risks to which prospects, investors in Client Funds and Clients are subject and Clients and investors should consult their own legal, tax and financial advisers.

Risks Associated with Client Funds as Pooled Investment Vehicles

Lack of Client Fund Operating History; Past Performance. Some Client Funds are newly formed entities with no prior operating history. Although the Firm has had prior experience in portfolio management, the past performance of any investments or investment funds managed by Angelo, Gordon is no guarantee of future results. Accordingly, the pursuit of such investment strategies by Clients involves uncertainty. No assurance can be given that suitable investment opportunities in which to deploy all of the Clients' capital will be available or if available, will be on favorable terms.

Diverse Investor Group. The investors in a Client Fund may have conflicting investment, tax and other interests with respect to their investments in the Client Fund. Consequently, conflicts of interest may arise among such investors with respect to, among other things, the structure and nature of the Client Fund's investments and the timing of dispositions of the Client Fund's investments. In making decisions as investment manager of the Client Fund, including selecting and structuring investments and disposing of investments, the Investment Manager will consider the investment and tax objectives of the Client Fund as a whole.

Illiquidity of Interests. Interests in the Client Funds are highly illiquid and are not transferable without the consent of the general partner, typically an entity under common control with Angelo, Gordon. There will be no secondary market for the interests in Client Funds, and consequently, holders of such interests may not be able to sell such interests except by means of the withdrawal privilege, subject to the limitations set forth in the Client Funds' documentation. Such limitations may include advance notice, lock up periods or suspensions of the withdrawal privilege, if the general partner determines that circumstances warrant a suspension.

Concentrated Positions. To the extent Angelo, Gordon concentrates Clients' investments, portfolios may become more susceptible to fluctuations in value or loss resulting from adverse economic or business conditions.

Distributions. Client portfolios will not ordinarily pay distributions to investors or Clients unless the governing documentation specifies otherwise. In such cases, all earnings of the Client portfolios are expected to be retained for reinvestment or to pay fees and expenses. Therefore, some investment programs offered by Angelo, Gordon may not be suitable for Clients seeking current income.

Special Transparency and Liquidity Rights. Client Funds may grant preferential transparency and liquidity rights to certain investors. A combination of special transparency and liquidity rights for some investors may have an adverse impact on the remaining investors' Interests. Likewise, separate accounts with a similar strategy to Client Funds typically have better liquidity and transparency than investors in Client Funds.

Exculpation and Indemnification. Client documentation limits the circumstances under which Angelo, Gordon can be held liable to Clients. As a result, Clients have a more limited right of action in certain cases than they would in the absence of such a contractual limitation. Clients generally indemnify Angelo, Gordon for liabilities incurred in connection with its advisory services, which may be material.

Tax Audit Risks. The tax treatment of Client Funds and investment portfolios is complex. There is no assurance that the tax positions taken by the Firm will be accurate.

Risks Associated with Investing and Investments

Business Risk. The companies in which some Clients invest may involve a high degree of business and financial risk. Generally, investments are expected to include securities of companies with leveraged capital structures. Such investments will be subject to increased exposure to adverse economic factors such as an increase in interest rates, devaluation of currencies, a downturn in the economy or deterioration in the economic conditions of such company or its industry. These companies may require significant additional capital to support their operations, or may otherwise have a weak financial condition. Similarly, such companies may be unable to generate sufficient cash flow to

meet principal and interest payments on their indebtedness. Accordingly, the value of investments in such entities could be significantly reduced or even eliminated due to ongoing credit deterioration. Accordingly, Clients are subject to the risk of loss of all or substantially all of their investment.

Leverage of Portfolio Companies. When consistent with Client guidelines, Angelo, Gordon may use leverage for any purpose in managing Client portfolios, including increasing investment capacity, covering operating expenses or making withdrawals or distribution payments. Leverage includes, but is not limited to, buying securities on margin. In addition to direct borrowings from banks or prime brokers, the Firm may employ strategies that include the use of leverage, such as the use of reverse repurchase agreements, swaps, options, futures contracts and other derivative securities, or other forms of leverage or credit. When permitted, the Firm may also engage in short sales. Short sellers routinely “borrow” securities to effect short sales, using margin accounts.

Borrowing money to purchase a financial instrument may provide Clients with the opportunity for greater capital appreciation but at the same time will increase the portfolio’s potential risk of loss with respect to that instrument. Although the use of leverage can increase potential returns to a Client, the use of leverage increases potential losses to a Client if it fails to earn as much on such incremental investments as it pays for such borrowed funds. Therefore, unanticipated increases in applicable margin requirements could adversely affect the liquidity of investments and therefore also adversely affect Client performance.

Interest Rate Fluctuations. The prices of portfolio investments tend to be sensitive to interest rate fluctuations and unexpected fluctuations in interest rates could cause the corresponding prices of the long and short portions of a position to move in directions which may not have been initially anticipated. In addition, interest rate increases generally will increase the interest carrying costs of borrowed securities and leveraged investments. Such increased costs will be borne by the Clients.

Nature of Reorganization Proceedings. Investments in the debt or equity of companies involved in reorganization proceedings typically entail a number of risks that do not normally apply to investments in financially sound companies. The law governing reorganization proceedings is complex and outcomes are difficult to predict. For example, if Angelo, Gordon’s evaluation of the anticipated outcome of a reorganization or the timing of such outcome should prove incorrect, Clients could experience losses. A wide variety of considerations make any evaluation of the outcome of an investment in such a company uncertain.

Such investments may require active monitoring and representation on official and unofficial creditors’ committees for the company. Accordingly, Angelo, Gordon may participate in such committees if it deems it advisable. Serving on an official or unofficial committee increases the possibility that the Firm will be deemed an “insider” or a

“fiduciary” of the company and may restrict or prevent the Firm’s trading of investments in such company for all Clients including those not invested in such companies.

Investing in High Yield Debt. Client portfolios may invest in fixed-income securities and other debt obligations which are rated below investment grade or are unrated. These high-yield bonds are regarded as being speculative as to the issuer’s ability to make payments of principal and interest. Investment in such securities involves substantial risk. Issuers of high-yield debt may be highly leveraged or have difficulty obtaining financing. Therefore, the risks associated with acquiring the securities of such issuers generally are greater than is the case of issuers of higher quality. For example, during an economic downturn or a sustained period of rising interest rates, issuers of high-yield bonds may be more likely to experience financial stress, especially if such issuers are highly leveraged. During such periods, such issuers may not have sufficient revenues to meet their interest payment obligations. Therefore, the risk of loss due to default by the issuer is significantly greater for the holders of high-yield bonds because such securities may be unsecured and may be subordinated to other creditors of the issuer. There can be no assurance that such events will not occur after the Client purchases a particular security, in which case the Client may experience losses.

Derivative Instruments. When consistent with Client guidelines, Angelo, Gordon may use various derivative instruments which may be volatile and speculative, and which may be subject to wide and sudden fluctuations in market value, with a resulting fluctuation in the amount of profits and losses to Clients.

Use of derivative instruments presents various risks, including the following:

Liquidity. Derivative instruments, especially when traded in large amounts, may not be liquid in all circumstances, so that in volatile markets, Clients may not be able to close out a position without incurring a loss. In addition, daily limits on price fluctuations and speculative position limits on exchanges on which Clients may conduct transactions in certain derivative instruments may prevent prompt liquidation of positions, subjecting Clients to the potential of greater losses.

Leverage. Trading in derivative instruments can result in leverage that may magnify the gains and losses experienced by Clients and could cause the value of Clients’ portfolios to be subject to wider fluctuations than would be the case if derivative instruments were not used.

Over-the-Counter Trading. Derivative instruments that may be purchased or sold include instruments not traded on an exchange. Over-the-counter options derivatives are bilateral contracts with price and other terms negotiated by the buyer and seller. The risk of nonperformance by the obligor on such an instrument may be greater and the ease with which Client portfolios can dispose of or enter into closing transactions with respect to such an instrument may be less than in the case of an exchange-traded instrument. In addition, significant disparities may exist

between “bid” and “asked” prices for derivative instruments that are not traded on an exchange, and transaction costs may be greater. Derivative instruments not traded on exchanges are also not subject to the same type of government regulation as exchange traded instruments, and many of the protections afforded to participants in a regulated environment may not be available in connection with such transactions.

Counterparty and Credit Risk. To the extent that contracts for investment will be entered into between Clients and a market counterparty as principal (and not as agent), Clients are exposed to the risk that the market counterparty may, in an insolvency or similar event, be unable to meet its contractual obligations to Clients. Because certain purchases, sales, hedging, financing arrangements (including the lending of portfolio securities) and derivative instruments in which Clients may engage are not traded on an exchange but are instead traded between counterparties based on contractual relationships, Clients are subject to the risk that a counterparty will not perform its obligations under the related contracts.

Settlements. Delays in settlement can result in temporary periods when Client assets are uninvested and no return is earned thereon. The inability of Angelo, Gordon to make intended investments due to settlement delays could cause Client portfolios to forego attractive investment opportunities or cause delays in making withdrawal distributions.

Valuations. It is expected that third party pricing information will, at times, not be available regarding certain investments in Client portfolios. Valuations, which will affect the amount of the Performance Compensation payable to Angelo, Gordon may involve uncertainties and judgmental determinations, and if such valuations prove to be incorrect, Clients’ portfolio value could be adversely affected. For example, in the case of an overvaluation of the portfolio, the Firm’s compensation would be greater than if a lower valuation had been used. In the case of certain asset classes, valuations are provided by Angelo, Gordon.

Investments in Real Estate. Special risks associated with such investments include changes in the general economic climate or local conditions (such as an oversupply of space or a reduction in demand for space), competition based on rental rates, attractiveness and location of the properties, changes in the financial condition of tenants, and changes in operating costs. Real estate values are also affected by such factors as government regulations (including those governing usage, improvements, zoning and taxes), interest rate levels, and the availability of financing and potential liability under changing environmental and other laws.

Risks Associated with the Firm

Dependence on the Firm and its personnel. The success of Clients is largely dependent upon Angelo, Gordon and there can be no assurance that Angelo, Gordon or the

individuals employed by Angelo, Gordon will remain willing or able to provide advice to Clients. Further, the performance of Angelo, Gordon depends upon certain key personnel. Should any such personnel be in any way incapacitated or cease to provide investment advice as a Firm professional, Clients' performance may be adversely affected. Angelo, Gordon's professional staff will devote such time and effort in conducting activities on behalf of Clients as Angelo, Gordon reasonably determines appropriate to perform its duties. Angelo, Gordon's professional staff is currently committed to and expects to be committed in the future to providing investment advisory services as well as other services to Clients and engage in other business ventures in which Clients could have no interest. As a result of these separate business activities, Angelo, Gordon has actual or potential conflicts of interest in allocating management time, services and functions among Clients and other business ventures or new business.

Certain Conflicts of Interest. Various potential and actual conflicts of interest may arise from the overall investment activities of Angelo, Gordon, its affiliates and their respective employees, for their own accounts or for the accounts of others, including Clients. Angelo, Gordon and its affiliates, either for their own accounts or the accounts of others, may invest in securities or obligations that would be appropriate as investments for Clients. The Firm and its affiliates also currently serve as and expect to serve as investment manager for, invest in or be affiliated with, other entities which invest in assets or employ strategies substantially similar to Clients' strategies. Employees may also invest in other entities managed by other managers which invest in or employ strategies substantially similar to the Firm's strategies. Angelo, Gordon or its affiliates and their respective employees may make investment decisions for themselves, Clients and their affiliates that may be different from those undertaken for their personal accounts, made by the Firm on behalf of other Clients, even where the investment objectives are the same or similar to those of Clients. Angelo, Gordon and its affiliates and its employees may at certain times be simultaneously seeking to purchase or sell the same or similar investments for Clients or another client for which any of them serves as investment manager, or for themselves. Likewise, the Investment Manager may on behalf of Clients make an investment in an issuer or obligor in which another account, client or affiliate is already invested or has co-invested. This follow-on investment from one Client could result in a benefit to the other Client.

Angelo, Gordon expects to allocate its investment opportunities among eligible Clients in a manner believed to be fair and equitable over time. Neither Angelo, Gordon nor any of its affiliates has any obligation to obtain for Clients any particular investment opportunity. In addition, the Firm may be precluded from offering to Clients particular securities in certain situations as to which the Firm or any of its affiliates possess material, non-public information. Angelo, Gordon may allocate investment opportunities to certain Clients designated by the Firm in its discretion and not to other Clients due to, among other reasons, the application of law or regulatory requirements, client guidelines and/or principles of portfolio management. The Firm will be permitted to bunch or aggregate orders or to elect not to bunch or aggregate orders for a particular Client with orders for

other Clients, notwithstanding that the effect of such bunching, aggregation or lack thereof may operate to the disadvantage of some Clients.

Angelo, Gordon cannot assure and assumes no responsibility for equality among Clients. There is no assurance that all Clients will hold the same investments or perform in a substantially similar manner as other Clients with similar strategies under the management of the Firm. There is also a possibility that the Firm or employees will invest for Clients in opportunities declined by Angelo, Gordon.

The Firm and its employees may also have ongoing relationships with the obligors of investments or the Clients' counterparties and they or Clients may own equity or other securities or obligations issued by such parties. In addition, Angelo, Gordon, either for its own accounts or for the accounts of other Clients, may hold securities or obligations that are senior to, or have interests different from or adverse to, the securities or obligations that are acquired by other Clients.

Angelo, Gordon may serve on creditor committees or advise companies subject to bankruptcy or insolvency proceedings or otherwise be engaged in financial restructuring activities. As a result of such service, the Firm's flexibility in making certain investment decisions to purchase or sell on behalf of Clients may be limited.

Although certain personnel providing services to Angelo, Gordon will devote as much time to the management of Client portfolios as the Firm deems appropriate, none of such personnel expects to devote substantially all of his or her working time to the management of the investments of a single Client and such personnel may have conflicts in allocating their time and service among Clients now or hereafter advised by Angelo, Gordon.

In certain instances, one or more affiliates of the Firm (the "Servicers"), may act as service providers to specific portfolios of assets owned by certain Clients. The General Partners of such Clients have the ability to enter into servicing arrangements with the Servicers with respect to specific types of assets based upon the specialized expertise or systems of each such Servicer. The General Partners can also replace any Servicer at any time without notice to such Clients.

The Servicers may charge fees ("Service Fees") to these Clients on an arm's length basis. In such cases, Angelo, Gordon indirectly receives such fees, via their affiliates, in addition to Management Fees and Performance Compensation.

The foregoing risks do not purport to be a complete explanation of all the risks of Clients of Angelo, Gordon. Clients or investors in Clients Funds should review the terms of the management agreement or the final confidential offering memoranda for additional risk factors which may be unique to an individual Client, Client Fund or investment strategy.

Item 9—Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to an evaluation of Angelo, Gordon or the integrity of its management.

Angelo, Gordon has no information applicable to this Item.

Item 10—Other Financial Industry Activities and Affiliations

Angelo, Gordon or an affiliate acts as a general partner or managing member of Client Funds. Absent specific authority, Angelo, Gordon does not exercise any discretionary authority with respect to an investor's decision to invest in such Client Funds. A list of Client Funds is identified in Schedule D, Section 7.B.(1) of Part 1A of the Firm's Form ADV, available on the SEC's website at www.adviserinfo.sec.gov or upon request from Ms. Ruth Gitlin at 212-692-2014 or rgitlin@angelogordon.com

Angelo, Gordon may pay third parties cash compensation for Client or investor referrals in amounts negotiated between the parties. Such arrangements will be disclosed to Clients or investors, as the case may be, in accordance with applicable law. The fact that Angelo, Gordon may share with third parties a portion of the compensation received for investment advisory services will not result in any Client being charged investment advisory fees at a rate in excess of, or less than, the rate or level of advisory fee customarily charged by Angelo, Gordon, nor does Angelo, Gordon charge any Client any other amount for the purpose of offsetting its costs associated with Client referrals.

From time to time, advisory personnel of Angelo, Gordon may on behalf of the Firm serve on a portfolio company's board of directors or otherwise act to influence the management of portfolio companies.

We do not recommend or select other advisers for Clients.

We do not believe that our relationships with these entities cause a conflict of interest with Clients.

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

Angelo, Gordon has adopted a Code of Ethics (the "Code") designed to address actual or potential conflicts which might arise in the context of personal trading and other activities by Angelo, Gordon employees. The Code imposes certain restrictions, pre-clearance and reporting requirements on such activities. The Code includes provisions

relating to personal trading, service on a board, confidentiality of Client information, prohibition on insider trading, prohibition on rumor mongering, gifts and entertainment and limitations on political contributions. With respect to personal trading, certain classes of securities have been designated as exempt (from pre-clearance) based on a determination that these would not interfere with the interest of Clients in any material respect. Consistent with the Code, Angelo, Gordon's employees may from time to time purchase or sell, or hold, directly or indirectly, positions for their personal accounts in the same securities or securities or assets that are senior to or subordinate to securities that also may be held, or have been or will be purchased or sold for the accounts of Clients. Employees subject to the Code are required to acknowledge the terms of the Code annually. If you would like to receive a copy of the Firm's Code of Ethics, please contact Ms. Ruth Gitlin at 212.692.2014 or rgitlin@angelogordon.com.

Clients participate in trading and investment situations in which Angelo, Gordon has considered a commitment of its own capital (either directly or indirectly through a capital commitment to Clients). The Firm conducts such activity through an affiliated partnership, AG Funds, L.P. ("AG Funds"). In determining whether a particular situation or strategy under consideration by Angelo, Gordon is appropriate and feasible at a particular time for AG Funds and for Clients, Angelo, Gordon generally considers a variety of factors, including, among others, capital available for investments, the ability to borrow and the cost of borrowed funds, transaction costs, tax consequences, and the liquidity of the investment relative to the needs of each account. There is no assurance that AG Funds will hold an interest in every position held by the Clients or that the performance of AG Funds or the contents of its portfolio will be substantially similar to that of Clients.

Angelo, Gordon may, to the extent permitted under applicable law, effect Client cross-transactions where Angelo, Gordon causes a transaction to be effected between two or more accounts that it advises. Such cross transactions may be engaged in if Angelo, Gordon believes that it is in the best interests of all relevant Client accounts to effect such transactions.

Angelo, Gordon and its employees may not trade for Clients or themselves or recommend to others trading in securities of a company while in possession of material, non-public information ("Information") or disclose such Information to any person not entitled to receive it. By reason of its various investment activities, the Firm may have access to Information or be restricted from effecting transactions in certain investments that might have otherwise been initiated. The Firm has designed and implemented policies and procedures reasonably designed to limit those situations; however, there can be no assurance that such policies and procedures will prevent restrictions from occurring.

Item 12—Brokerage Practices

Where consistent with the investment mandate, Angelo, Gordon has the authority to determine, without specific Client consent, the securities or instruments to be bought and sold and the broker-dealer or counterparty, as well as the time, price, manner and amount. Generally, there are no restrictions or limitations on Angelo, Gordon's authority. Securities and credit balances of Client Funds are maintained in the custody of financial institutions ("Prime Brokers") selected by Angelo, Gordon. Such Prime Brokers provide additional services to Clients which typically include clearance and settlement services, and may also include margin loans and other financing. From time to time, Prime Brokers will also provide services to Angelo, Gordon such as market information, research or Client or investor referrals.

In the course of selecting such brokers, dealers, banks and financial intermediaries to effect transactions for and with Clients, Angelo, Gordon may agree to such commissions, fees and other charges on behalf of its Clients as it shall deem reasonable under the circumstances taking into consideration all such factors as the Firm and its personnel deem relevant, including, among other things, the quality of research services (even if such research services are not for the exclusive benefit of the relevant Client(s)). There is no assurance that the costs of such services will represent the lowest costs available.

Commercial banks and dealers act as principals to effect fixed income trades (including bank debt) and earn a mark- up, not a commission, on such trades. Published research from such dealers may be provided to and used by the Firm. Such research is generally provided free of charge and is not available for sale. Certain fixed income instruments such as bank debt or trade claims can be subject to settlement periods/closings in excess of the securities standard of trade date plus three days. Settlements/closings can range from ten to sixty days, or longer in the case of distressed, non-US transactions and special situation trades.

Angelo, Gordon generally seeks to obtain, among other things, best execution of securities transactions for its Clients. Based on the applicable investment strategy, a limited universe of dealers are in a position to offer investments to the Firm. Accordingly, Angelo, Gordon often will not be able to select a dealer. In such cases, the dealer offering the investment to Angelo, Gordon usually represents the only execution for such investment and is, therefore, the "best execution."

When the Firm is in a position to select from a range of brokers and dealers, Angelo, Gordon considers relevant factors such as: the ability to achieve prompt and reliable executions; the efficiency with which transactions are effected; the financial strength, integrity and stability of the broker; service as a Prime Broker or capital introduction capabilities; the quality, comprehensiveness and frequency of available research services considered to be of value; and the competitiveness of transaction costs. Thus even when a range of brokers and dealers is available, transaction cost is not the sole factor used by

Angelo, Gordon to evaluate execution. Research services provided by brokers may include written information and analyses concerning specific securities, companies or sectors; market, financial and economic studies and forecasts; statistics and pricing or appraisal services, as well as discussions with research personnel. The Firm may have an incentive to select or recommend dealers based on an interest in receiving research or other products or services rather than Clients' interest in receiving favorable execution. Firm employees may receive gifts and gratuities from broker-dealers or persons with whom the Firm does business. This may include tickets to sporting events, meals and other entertainment, transportation, attendance at seminars or other educational training or informational events, logo items and other items of small value, gifts associated with life events such as birthdays or weddings, and gifts of substantial value. It is the Firm's policy that gifts or entertainment of substantial value be pre-approved.

The Firm has no directed brokerage arrangements. If it were to engage in such arrangements, there is no assurance that best execution could be achieved.

Orders are allocated among eligible Clients in a manner which Angelo, Gordon believes is fair and equitable over time. Pro rata allocation is not always feasible and allocations are driven by a number of factors including, among others, Client investment guidelines and the portfolio manager's overall view of the portfolio, including the nature and size of target positions and existing positions, available cash, cash needs, regulatory restrictions, as well as market conditions and performance. Accordingly, Angelo, Gordon's allocation decisions will affect performance and certain Clients will not participate in gains or losses that were realized by other Clients with similar investment objectives. Likewise, certain allocations to Clients which provide for performance compensation could result in an increased economic benefit to Angelo, Gordon.

From time to time, during the course of trading for Clients, errors can occur. It is the policy of Angelo, Gordon to resolve an error in a manner which will put the Client in such a position as if the error had not occurred. Subject to applicable documentation, Angelo, Gordon is responsible for its own errors and not the errors of other persons, including third party broker-dealers and custodians. In cases when an error is attributable to a broker-dealer or other third party, the Firm takes reasonable steps to recover the amount of losses resulting from a third party trading error.

Angelo, Gordon has established an advisory committee to oversee the brokerage practices of the Firm (the "Brokerage Committee"). The Brokerage Committee, chaired by the Firm's Chief Risk Officer, is comprised of representatives from accounting, trading, legal, compliance and operations, and meets at least quarterly. The Brokerage Committee has responsibility for best execution oversight through, among other things, the review and approval of broker-dealers, and the periodic review of broker-dealers and level of activity.

Item 13—Review of Accounts

Frequency and Nature of Review.

Responsibility for managing the Client's accounts is spread among the Firm's professionals who are best suited and skilled to manage the asset class in which the account is invested. These professionals review and monitor the accounts on a daily basis. On an ongoing basis, these professionals review current market prices of securities and instruments held for Clients, review relevant financial markets and are involved in all major portfolio decisions. All Client accounts are also regularly reviewed by the Firm's Chief Investment Officer and the Risk and Compliance groups in light of trading activity, Client guidelines and objectives, allocations and best execution and to provide instructions or guidance concerning Client transactions.

Content and Frequency of Regular Account Reports.

A Client's investors receive reports from the Client as described in the investment management agreement, offering or organization documents or prospectus and supplemental disclosure document of the Client. Clients may enter into agreements with certain investors to provide such investors with additional reports, including detailed information regarding portfolio positions. In addition, investors may be supplied with a commentary on each month's or quarter's performance in monthly letters. Generally, investors in Clients are provided with audited financial statements in compliance with the requirements of applicable law.

The nature and frequency of written reports to investors in managed accounts are as agreed upon between the Firm and the investors in those managed accounts.

Item 14—Client Referrals and Other Compensation

Angelo, Gordon may pay third parties cash compensation for investor referrals in amounts based upon a portion of the advisory or performance fees earned by the firm with respect to investors or Clients introduced by the third party. Such arrangements will be disclosed to Clients in accordance with applicable law. The fact that Angelo, Gordon may share with third parties a portion of the compensation Angelo, Gordon receives for investment advisory services will not result in any Client being charged investment advisory fees at a rate in excess of, or less than, the rate or level or advisory fee customarily charged by Angelo, Gordon to its Clients for similar services, nor will Angelo, Gordon charge any Client any other amount for the purpose of offsetting costs associated with Client referrals.

The Firm may also receive Client referrals from broker-dealers or others providing services to Clients. See *Item 12—Brokerage Practices* herein.

Item 15—Custody

Unless exempt under the Advisers Act, Client assets are maintained or custodied with qualified custodians. However, in connection with the services the Firm provides to Clients, Angelo, Gordon or an affiliate may, among other things, act as general partner of a Client Fund or have investment discretion (including signing authority) with respect to investments that do not settle on a delivery versus payment basis. Such powers may cause Angelo, Gordon to have custody for purposes of the custody rule of the Advisers Act. Accordingly, Client Funds are subject to an annual audit conducted by an independent public accounting firm in accordance with GAAP and distributed to investors in the Client Funds within 120 days of the Client Funds' fiscal year. To the extent that Clients are not subject to such audits, Angelo, Gordon undergoes an annual surprise examination by an independent public accountant to verify Client assets. Further, the Firm has a reasonable belief that Clients receive at least quarterly statements from the qualified custodian that holds and maintains Client's investment assets. Angelo, Gordon urges Clients who receive such statements to compare such official custodial records to the account statements that the Firm may provide to Clients.

Item 16—Investment Discretion

Angelo, Gordon typically receives full discretionary authority from the Clients at the outset of an advisory relationship to select the identity and amount of securities to be bought or sold. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives and guidelines for the particular Client. When selecting securities and determining amounts, Angelo, Gordon observes the investment policies, limitations and restrictions of the Clients for which it advises. The Client Funds' offering memoranda or Clients' investment management agreements or guidelines may place limits on the types of securities, issuers or industries in the portfolio or the types of investment techniques that may be used in managing the Client portfolio.

Item 17—Voting Client Securities

Angelo, Gordon's authority to vote proxies or corporate actions is set forth in the limited partnership agreements or its investment management agreements. Generally, Angelo, Gordon votes its proxies or corporate actions based on what it considers to be in the best financial interest of the Clients. To receive a copy of the Firm's proxy policy or information as to how proxies were voted, contact Ms. Ruth Gitlin at 212.692.2014 or rgitlin@angelogordon.com.

Item 18—Financial Information

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about Angelo, Gordon's financial condition. The Firm has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding at any time during the past ten years.