

UrsaMine

Credit Advisors LLC



MP Senior Credit Partners L.P.

Form ADV Part 2A

Brochure

**535 Madison Avenue 33rd Floor
New York, NY 10022**

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This brochure provides information about the qualifications and business practices of UrsaMine Credit Advisors LLC and its affiliate MP Senior Credit Partners L.P. If you have any questions about the contents of this brochure, please contact us at 212 601-9101 or michael.nervi@ursamine.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any states securities authority.

Additional information about UrsaMine Credit Advisors LLC is also available on the SEC's website at www.adviserinfo.sec.gov.

Material Changes

There have been no material changes to our business as of our last update of this brochure on March 28th, 2012.

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Item 4 Advisory Business

UrsaMine Credit Advisors LLC (“UrsaMine”), an SEC registered investment adviser, is an investment advisory boutique specializing in the management of below investment grade (high yield) commercial bank loan assignments. UrsaMine utilizes several distribution channels most notably structured finance and institutional markets. Justin Driscoll, Managing Member and Chief Executive Officer and Niall Rosenzweig, Founding Member and President co-founded the firm in October of 2008 and commenced operations on April 1, 2009. In March of 2008 and shortly after JP Morgan acquired The Bears Stearns Companies, both Justin Driscoll and Niall Rosenzweig negotiated a spin-off of Bear Stearns Asset Management’s high yield bank loan group which became UrsaMine. UrsaMine’s principal place of business is in New York.

As of January 10th 2012, UrsaMine partnered with MatlinPatterson Asset Management L.P. (“MPAM”) in a joint venture to create MP Senior Credit Partners L.P. (“MPSCP”). MPSCP is a limited partnership formed to provide collateral asset management services and focusing on investment opportunities in the below investment grade bank loan market. UrsaMine and MPAM’s affiliate, MP Global Advisers LLC, are both registered investment advisers with the U.S. Securities and Exchange Commission (“SEC”) and MPSCP is relying on UrsaMine’s registration in accordance with the American Bar Association No Action Letter, publicly available January 18, 2012. In this respect, so long as UrsaMine is registered under the Investment Advisers Act of 1940, as amended, MPSCP will conduct its investment advisory activities in accordance with the Investment Advisers Act of 1940 and the policies and procedures of UrsaMine, and MPSCP’s employees and activities will be subject to UrsaMine’s supervision and control for regulatory purposes.

MP Senior Credit Partners GP LLC is the General Partner to MPSCP. UrsaMine and MPAM are limited partners with each legal entity having 50% participation ownership in MPSCP. MPSCP and its general partner’s principal officers and board members consist of principal officers from both UrsaMine and MPAM. UrsaMine’s previous offerings of discretionary separately managed accounts will now be offered through MPSCP, its investment advisory affiliate. UrsaMine’s investment management services of its legacy Collateral Loan Obligations (“CLOs”) will remain with UrsaMine and any new offerings of CLOs will also be offered through MPSCP.

Since Justin Driscoll, Managing Member and Chief Executive Officer and Niall Rosenzweig, Founding Member and President of UrsaMine are also Principal Officers of UrsaMine and MPSCP, these entities implemented compliance policies and procedures that address certain business practices and potential conflicts of interests pertaining to both UrsaMine and its investment advisory affiliate, MPSCP.

For the purposes of this brochure, the term “Principal Officers” refers to Justin Driscoll and Niall Rosenzweig acting in the capacity as portfolio managers for both UrsaMine and MPSCP. The term “Clients” or “Client Accounts” used in this brochure refers to both the

legacy CLO's associated with UrsaMine and/or the separate managed accounts and CLO's to be established that are associated with MPSCP.

UrsaMine and its investment advisory affiliate MPSCP specialize in the analysis of below investment grade commercial bank loans. UrsaMine's investment advisory service is provided to special purposes vehicles known as CLO's. UrsaMine's affiliated investment adviser, MPSCP, will provide collateral asset management generally through discretionary separate managed accounts pursuant to separate investment management agreements as well as through CLOs. Both Justin Driscoll and Niall Rosenzweig are Principal Officers and members of the board of MPSCP as appointed by MPSCP's general partner. MPSCP's principal place of business is at the same location as UrsaMine and is separate from the principal place of business of MatlinPatterson Asset Management L.P.

Prior to establishing a new separate managed account with prospective investors, MPSCP will make a reasonable inquiry about the financial background and sophistication, investment experience, investment time frame, investment objectives, risk tolerance, liquidity constraints and tax situation and any other information disclosed by the prospective investor. As fiduciaries, the Principal Officers are required to act in the Clients' best interest and manage portfolios that are consistent with the Clients' investment objectives, guidelines and any investment restrictions that Clients may wish to impose on the separate managed account and consistent with the terms of the CLO indenture.

Because the vast majority of managed assets are held within CLO's which raise capital through the private placement market under Rule 144A and 144A/3(c)(7) securities (including CDO's), regulations require that the investors are pre-qualified as a Qualified Institutional Buyer ("QIB") (in the case of Rule 144A securities) or as both QIBs and a Qualified Purchaser ("QP") (in the case of 144A/3(c)(7) securities) prior to CLOs accepting any investment.

As of December 31, 2012, UrsaMine and its affiliate MPSCP manage \$ 1,097,731,097 across 4 portfolios on a fully discretionary basis.

Item 5 Fees and Compensation

UrsaMine Fees and Compensation

UrsaMine's fees for the CDO are calculated based on the total portfolio collateral and may include both senior and subordinated components. As compensation for its services, UrsaMine is entitled to receive a base collateral management fee ("base fee"), an additional collateral management fee ("additional fee") and an incentive collateral management fee ("incentive fee"). All fees are negotiable. The offering circular for each CDO describes the additional details on the collateral management fees, rates, payment terms, termination notices and refunds. The CDO typically is issued at a discrete point in time, have a finite life and are now closed to further issuance of notes to new investors.

The CDO's are calculated by the administrative (custodian) agent of the deal and then are approved by the Trustees of the deal for distribution on a quarterly basis. Fees are paid at the same time interest and principal distributions are paid to note holders of the CDO. The process is driven by the indenture of the CDO relative to the note-holders of the deal. These fees are deducted from specific expense related accounts established at the commencement of the deal and replenished on the above mentioned quarterly basis.

CDO's, which are separate legal entities with unique capital structures, will bear additional expenses other than advisory, custodial and transaction fees. These fees will include underwriting fees typically paid to an investment bank to structure and sell the various tranches of the deal to investors. There will also be separate legal fees, trustee fees and various other fees such as security pricing services, portfolio record keeping, portfolio administration and ratings agency fees. Each deal is unique which may incur other additional fees that other deals may not.

MPSCP Fees and Compensation

For separate managed accounts offered through MPSCP, the annual management fee will be 0.50% based on the average month-end net asset value (marked-to-market) including accrued income of the account, with a minimum account size of \$25 million. The fee will be payable on a quarterly basis in arrears, meaning that fees are charged at the end of the quarter. All fees and minimum account requirements are negotiable. Accounts may be terminated at the next quarter-end upon a 60 day written notice by either party. In addition to the annual management fee, MPSCP may charge incentive fees in certain separate managed accounts in accordance with the terms of the investment advisory agreement as well as federal securities laws.

Separate managed accounts Clients will sign an investment management agreement directly with MPSCP. MPSCP generally will not electronically deduct fees from the managed account and will bill Clients pursuant to an invoice sent to the Client on a quarterly basis in accordance with the terms of the investment management agreement. Clients may impose their own procedures related to fee billings.

MPSCP Clients will have the right to terminate the investment management agreement (subject to the provisions of the investment management agreement), and Clients must notify MPSCP in writing of their intention to terminate the account in accordance with the terms of the investment management agreement. Since MPSCP will bill Client's management fees after the end of each quarter, the management fees for a shorter period will be pro-rated and the Client will not bear in excess of its pro-rated portion of the management fees in the event a client terminates the investment management agreement during any given quarter.

For CDOs offered through MPSCP, the offering circular for each CDO will describe the details on the collateral management fees, rates, payment terms, termination notices and refunds.

Both legal entities, UrsaMine and MPSCP do not have the capability to custody assets on behalf of Clients. Therefore, MPSCP separate managed account Clients will have to independently contract for custodial services which will result in the incurrence of separate fees.

Due to the over-the-counter nature of the high yield bank loan market (no exchange), brokerage commissions are not transparent to the Principal Officers as portfolio managers. Typically, broker-dealer firms provide 'Bid and Ask' quotes with the difference between the two interpreted to be the implied commission. From time to time, there may be additional assignment fees charged by the executing broker that will be passed on to Clients. Please see Item 12 of this brochure for additional information regarding brokerage.

UrsaMine, MPSCP and the Principal Officers do not receive any additional compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds.

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

For the CDO's, UrsaMine and/or MPSCP are entitled to receive directly an incentive collateral management fee ("incentive fee") as described in the offering circular for each of the CDO. UrsaMine, as a partner and 50% participation owner of MPSCP, receives an allocable share of adjusted net revenue from MPSCP for any fiscal year. MPSCP's revenues are anticipated to include a base management fee in accordance with the terms of the investment management agreement for separate managed account Clients and any incentive fees as initiated by MPSCP's and incentive fees generated by the CDO's. Fees for separate managed accounts are subject to negotiation.

Justin Driscoll as Managing Member and Niall Rosenzweig as Founding Member and 100% owners of UrsaMine are also indirectly compensated by MPSCP due to the fact that UrsaMine has a 50% participating ownership. Incentive fees and different ownership percentages may create an incentive for the Principal Officers to favor investments for UrsaMine and where relevant for MPSCP Clients that are riskier or more speculative than would be the case if such incentive fees were not payable.

Reference Item 12 for additional disclosures, policies and internal controls addressing the conflicts of interests related to side by side management.

Item 7 Types of Clients

UrsaMine and MPSCP's Clients include and/or expected to include various CLOs which make-up a major part of the structured finance market place. The Client is typically a separate and discrete special purpose vehicle ("SPV") of each CLO. These SPVs maintain their own capital structures which generally consist of note-holders and equity investors. These CLOs are issued at discrete points in time and typically are closed to new

investors once a deal has been underwritten. Together, these investors may form the collateral pool to which UrsaMine and/or MPSCP may serve as the investment advisor. Thus, the client is the SPV, not the underlying note-holders and/or equity investors within the structures. The Principal Officers actively manage the pooled collateral in order to pay interest and principal and will regularly report to the underlying investors as to the performance of the aggregate portfolios. It is important to note each SPV or CLO has a finite life and has certain time frames during which a manager can actively manage a portfolio. It has been our experience that banks and thrift institutions, insurance companies and various limited liability companies (hedge funds) are the main underlying clients of the CLO notes and equity holders.

MPSCP currently requires \$25 million to establish a separate managed account, which is negotiable. MPSCP does not provide custodial services or arrangements and will require for the Client to engage directly with a custodian.

MPSCP and its investment advisory affiliates have established two marketing channels targeting institutional investors. One channel, the structured finance market place, which entails managing the investment portfolio of collateralized loan obligations (“CLOs”) and the other channel is geared towards institutional domestic public and private pension funds, endowment and foundation funds, insurance separate accounts along with sovereign wealth funds and investment and employee benefit consulting firms that also serve the institutional client market place. MPSCP and its investment advisory affiliates also seek to market their services on a sub-advisor basis to various pooled investment strategies targeting institutional investors such as bank sponsored commingled vehicles and or mutual funds.

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

The Principal Officers’ primary method of analysis in formulating investment views on individual issuers is bottom-up fundamental credit analysis. Our proprietary credit analysis has been developed by UrsaMine’s Chief Executive Officer and draws extensively on his experience as a commercial banking lending officer and at previous investment management firms prior to forming UrsaMine. The Principal Officer’s credit analysis is focused on issuers with the below attributes:

- Issuers that generate consistent positive cash flows (earnings before interest, taxes and depreciation and amortization (“EBITDA”) less capital expenditures (“CapEx”),
- The issuer’s experienced management teams operates within a leveraged capital structure; and,
- Supported by adequate (target 50%) junior capital relative to the bank loans including bonds, notes and equity (common and/or preferred)

For each issuer, an analyst will generally prepare a financial credit model over a minimum of three years broken down on both quarterly and annual periods to judge earnings predictability, industry positioning and management capability. The analyst will also:

- seek to value the issuer relative to how the issuer is capitalized (i.e. magnitude of leverage and interest coverage),
- compare the issuer to other comparable companies,
- calculate a proprietary private enterprise multiple (market value of an issuers combined debt and equity capital), similar to what private equity sponsors and mergers and acquisitions analysis will do to evaluate investment merit; and,
- undertake a detailed review of the credit agreement and ascertain the quality and availability (liens) of the assets collateral, review various covenants (affirmative, incurrence, negative and maintenance) along with maintaining a private side investor (as opposed to a public investor) status.

The main sources of information that the Principal Officers use include prospectuses, filings with the Securities and Exchange Commission, annual company reports, offering memorandums, quarterly company earnings press releases and conference calls, financial newspapers and magazines, inspection of corporate activities and research materials prepared by others. In addition, the Principal Officers and UrsaMine's employees may obtain non-public information directly from the borrower in keeping with the terms of the credit agreement which may present a conflict of interest. Such conflicts are described in Item 11.

Clients should be prepared to bear a potential significant principal loss related primarily to credit risk. Credit risk is the risk that the issuers to which our Clients lend money will not be able to repay their obligations. Due to the below investment grade nature of the strategy, credit risk is higher relative to other higher grade fixed income strategies. Credit losses could arise if loans are sold below cost prior to default if we believe there could be further losses over time after default.

Other risks Clients should be aware of are counter-party brokerage related. Due to the over-the-counter nature of bank loan trading and non standard delivery vs. payment settlement methods of loan assignments, bank loans are subject to delayed settlement and issuers in distress may take much longer than a standard 7-day settlement cycle.

Other risks include the underlying agent banks (the issuers bank that underwrote the loans we purchased assignments from), may fail to confirm instructions received from the manager regarding amendment or loan agreement modification requests. This action could lead to price erosion if additional tranches of loans are created at better terms.

Further, Clients should also be aware that the Principal Officers and UrsaMine's employees may obtain private (material non-public) information of the portfolio issuers in the manner described above which may subject Clients to confidentiality agreements and restrict trading in other securities of portfolio issuers if such information were transferred to Clients.

The Principal Officers principal strategy is fundamental credit analysis. The Principal Officers seek to analyze each loan on an issuer by issuer basis, sometimes referred to bottoms-up analysis. The credit analysis could prove to be wrong and subject the portfolios to principal related losses through defaults or default-like events. The Principal Officers seek to mitigate this risk by diversifying portfolios across minimum amounts of individual issuers and not concentrate highly in any one industry of the market. From a trading risk perspective, relative to a work-out situation (issuer in default), the Principal Officers could sell a loan at a significant loss prior to bankruptcy exit only for that loan to actually recover more than what we sold it for upon exit.

Our strategy primarily invests in below investment grade commercial bank loan assignments. As mentioned in Item 8, principal risks are credit loss and counter-party related performance on trades. Bank loan assignments are not securities and thus rely on the underlying agent bank (underwriter) to efficiently distribute information about the issuer's financial performance, coupon payments and principal re-payments distribution and maintaining the legal aspects of the loan documentation updated. This reliance risk is higher if invested in private transactions which we expect to comprise a majority of our Clients' portfolios. The Principal Officers track all the information related to each issuer and appropriately monitor each credit on a timely and informed basis.

The Principal Officers also apply the same methods of analysis and investment strategies and associated investment risks for the MPSCP separate managed account Clients. Any conflicts of interest in regards to the investment process in relation to MPSCP are described in the various items in this brochure.

Item 9 Disciplinary Information

None of UrsaMine, MPSCP or any of their respective management persons had any legal or disciplinary events within the past ten years that are material to a current Client or prospective Client's evaluation of our advisory business.

Item 10 Other Financial Industry Activities and Affiliations

None of UrsaMine, MPSCP or any of their respective management persons is registered or has any pending registrations as a broker dealer or a registered representative of a broker dealer. None of UrsaMine, MPSCP or any of their respective management persons is registered or has any application pending registrations as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.

UrsaMine manages pooled investment vehicles and acts as collateral manager for various collateralized bond and loan obligations. UrsaMine also performs certain other administrative and reporting functions. UrsaMine is not affiliated with a broker-dealer or any other financial services firm which eliminates potential conflicts of interest related to affiliated transactions. MPSCP will conduct its operations in a similar manner.

UrsaMine partnered with MPAM in a joint venture to create MPSCP, an affiliated investment adviser. UrsaMine and MPAM's affiliate, MP Global Advisers, are both registered investment advisers with the SEC and MPSCP is relying on UrsaMine's registration in accordance with the No Action Letter issued to the American Bar Association (publicly available January 18, 2012). UrsaMine's principal owners who are also acting as Principal Officers and portfolio managers for both UrsaMine and MPSCP may be faced with various material conflicts of interests. Such material conflicts of interests include the Principal Officer's allocations of investment opportunities for both UrsaMine and MPSCP Clients that may also include various incentive fee structures, sharing of proprietary information between both investment advisory entities and the allocation of operating expenses between UrsaMine and MPSCP where a percentage of UrsaMine's operating cost as it relates to MPSCP will be reimbursed to UrsaMine.

As a relying investment adviser to UrsaMine, MPSCP has implemented compliance policies and procedures that address the potential conflicts of interests pertaining to both UrsaMine and MPSCP. The policies and procedures that address these conflicts of interests are described in the Items 6, 11 and 12 of this brochure. In addition, the reimbursement of UrsaMine's operating expenses as it relates to MPSCP is subject to the terms of MPSCP's Limited Partnership Agreement and the approval and oversight of MPSCP's Board of Directors which consist of two principal officers from both UrsaMine and MPAM.

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

Due to the nature of the below investment grade commercial bank loan market and UrsaMine's desire to remain a private investor, UrsaMine employees and applicable related persons may be in receipt of potentially material non-public information of portfolio companies. This information typically includes company management forecasts made available to all private side investors and more tangible access to company management. Access to this information by UrsaMine employees and applicable related persons presents a conflict of interest related to UrsaMine's personal trading activities. To eliminate this conflict, UrsaMine has restricted all trading in a portfolio company issuers total capital structure, particularly in the public equity (if any) securities. This is described in UrsaMine's and MPSCP's adopted "Code of Ethics and Policy Statement on Insider Trading" ("Code of Ethics"). As a relying adviser, MPSCP and its personnel are subject to UrsaMine's and MPSCP's Code of Ethics and certain policies applicable to "Supervised Persons" as defined in UrsaMine's and MPSCP's Code of Ethics apply.

UrsaMine's employees and applicable related persons must also avoid any personal interest outside of UrsaMine which could be placed ahead of their obligations to UrsaMine and to clients. Conflicts may exist even when there is an appearance of a conflict and no wrongdoing. The opportunity to act improperly may be enough to create the appearance of a conflict. UrsaMine recognizes and respects an employee's right of privacy concerning personal affairs, but requires full and timely disclosure of any situation which could result in a conflict of interest or even the appearance of a conflict. Whether or not a conflict exists will be determined by the Chief Compliance Officer.

The Code of Ethics also includes other provisions to comply with the securities laws and to address conflicts of interests such as the following:

- Reporting of Personal Securities Transactions
- Restricting Personal Trading of Employees and Related Persons where applicable
- Employee and Applicable Related Person Certification of Compliance
- Employee Restrictions on Gifts and Entertainment
- Approval of Employee Outside Business Interests
- Restrictions on Political and Charitable Contributions

These policies and procedures, which are embodied in UrsaMine's and MPSCP's Code of Ethics, are intended to comply with the requirements of Rule 204A-1 under the Advisers Act. Copies of UrsaMine's and MPSCP's Code of Ethics will be made available to all Clients upon request.

UrsaMine may recommend to Clients the purchase or sale of primary and secondary securities in which UrsaMine's employees and applicable related persons may have a financial interest or position. Employees and applicable related persons may also serve as directors of companies whose related securities UrsaMine may purchase or sell on your behalf. Also, by reason of its investment advisory activities and through an initial and ongoing analysis of public companies (issuers), UrsaMine's employees and applicable related persons may obtain or download material non-public information or establish special or "insider" relationships with one or more issuers of securities. In such cases, UrsaMine's employees and applicable related persons will not be free to disclose or act upon such confidential information in accordance with UrsaMine's and MPSCP's Code of Ethics and UrsaMine has imposed certain restrictions on employee's and applicable related persons who are deemed as Access Persons, purchases and sales of the public securities issued by the same company (issuer) as described above.

UrsaMine's and MPSCP's Code of Ethics includes policies and procedures and certain "Chinese Wall" provisions in regards to investment activities of MPSCP applicable to

related persons and employees of MPAM. Such provisions include, but are not limited to, the separate physical locations of MPAM on the one hand and MPSCP and UrsaMine on the other hand, restricted access to computer systems and servers of these entities, restricted access to UrsaMine's proprietary information including trade reports and material non-public information obtained by UrsaMine where applicable, restricting and monitoring the flow of information to employees and related persons on a "need to know" basis for valid business reasons, maintaining a communications policy, requiring a pre-approval process for any "wall crossings" and confining investment decisions only to the Principal Officers who are employees of UrsaMine.

UrsaMine's Chief Compliance Officer periodically monitors Access Persons personal and related accounts against the Restricted List for any violations to the Code of Ethics and Statement on Insider Trading.

UrsaMine employees and applicable related persons do not buy securities from (or sell securities to) Clients and other Clients as a principal nor does it act as a general partner in a partnership.

Item 12 Brokerage Practices

Limits on Investment and Brokerage Discretion Authority

The Principal Officers manage Client Accounts on a discretionary basis. Without consultation with the Client and within the Client's specified investment objectives and guidelines, the Principal Officers determines which securities are bought or sold, the total amount of securities to be bought or sold and the broker or dealer through which the securities are to be bought or sold.

In exercising its investment discretion, the Principal Officers are guided by the investment policies and guidelines for each of the CDO's and any investment policies and guidelines that are imposed on the separate managed accounts. The investment policies and guidelines cover matters such as the degree of risk that Client's may wish to assume and the types and amounts of securities that will comprise of the Client's portfolio. Clients may also restrict certain securities from being purchased for their portfolios.

By virtue of its investment advisory business, none of UrsaMine or MPSCP has any soft dollar arrangements. None of UrsaMine or MPSCP receives Client referrals from any broker dealer or third party it buys or sells securities on the Client's behalf nor does it accept any directed brokerage arrangements.

Factors Considered in Selecting Broker Dealers

The Principal Officers place trade orders for Client Accounts in accordance with the firm's best execution policies. The objective of the best execution policy is to achieve the most favorable net results for portfolios on each transaction considering the circumstances

including the availability of securities, buyers and sellers in the market, market impact as a result of the solicitation process and quality of a broker dealer's services. The key factors under consideration when the Principal Officers select broker dealers are: timing, order size and execution capability of the broker dealer; specialized access and depth of the market; reputation, integrity, credit standing and financial stability of the broker dealer; clearance and settlement capabilities of the broker dealer, role as a market maker, ability to facilitate transactions, proprietary offerings, capital and new issues available. Commissions are not charged to the portfolios for these types of investments; however, certain transactions executed with non-agents could incur a transaction fee.

Aggregation and Allocation of Trade Orders

The Principal Officers may aggregate orders for the CDO's and/or with other Client orders for the separate managed account Clients for the purchase or sale of the same security in order to achieve best execution. The Principal Officers are not required to aggregate orders if the Principal Officers determine that aggregation would be inconsistent with their investment management duties or the investment guidelines for the Client Accounts. The amount of securities to be purchased or sold for a Client Account participating in the aggregated order is designated at the time of execution. There are no additional costs to clients if an order is not aggregated.

Generally, trade allocations are made on a pro-rata basis based on the percentage of cash available for each Client Account and the market value size of the Client Account. Each Client Account that participates in an aggregated security order will participate at the average share price for such aggregated order. If an aggregated order is not completely filled, partial fills will typically be allocated on a pro-rata basis based on the percentage of cash available to all Client Accounts and the size of the Client Account. If the allocation for a Client Account is disproportionately small in relation to the size of the Client Account as a result of a partial fill situation, the shares that were intended to be allocated to the Client Account may be reallocated to other participating Client Accounts with the largest available cash balance in terms of a percentage of the assets in the Client Account. In certain cases, the Principal Officers may determine that pro-rata allocation is not appropriate and, as a result, allocations will be made on the basis of other factors. When evaluating whether a particular allocation is fair and equitable, the Principal Officers will consider the following factors in relation to all suitable accounts such as:

- cash limitations or excess cash;
- Client Account-specific investment guidelines;
- existing portfolio composition and applicable industry, sector or capitalization weightings;
- size of the Client Account (allocation may be adjusted to minimize transaction fees for smaller accounts or otherwise improve the overall efficiency of the transaction);
- undesirable position size (if a pro rata allocation would create an undesirably small or large position);
- tax status;

- regulatory restrictions; and,
- common sense and/or equitable adjustments that clearly lead to meaningful cost savings or other transactional efficiencies.

New issue purchases for UrsaMine's and MPSCP 's Clients are subject to UrsaMine's trade allocation policy for all Client Accounts whose investment objectives and guidelines, tax reasons and other potential restrictions allows for participation in the order. In determining the allocation of a new issue to a Client's Account, the Principal Officers take into consideration the suitability of the investment, whether Client Accounts who are suitable for the investment opportunity are able to participate in the allocation, any reasons for non-participation and the size of the order for the new issue placed by the Principal Officers.

Item 13 Review of Accounts

The Principal Officers will review and monitor the performance and credit quality of all of the portfolio collateral on an ongoing basis as further provided in the Collateral Management Agreement for each of the CDO's. The Principal Officers and their supporting staff will conduct ongoing credit monitoring of all Client Accounts. The review seeks to identify problem credits prior to default to establish candidates for a watch-list that is frequently updated. Aggregate portfolios are monitored daily through Wall Street Office that consists of a daily review of the issuer, industry, credit rating and covenants and ad-hoc client requests. On a weekly basis, the Principal Officers conduct a formal credit review with a targeted minimum review of ten issuers including informal daily discussions with the issuer. Aggregate portfolio issuers are formally reviewed, at a minimum, on a quarterly basis. The Principal Officers also utilize other "top shelf" applications that support proprietary credit models and process. Additional reviews may be triggered by various events including changes in market conditions and other circumstances.

UrsaMine and MPSCP do not formally provide client reports for the CDO's. The Trustees of the CDO sends out a written monthly report to the underlying investors that identifies the portfolio holdings and investments in the CDO. UrsaMine and MPSCP, through the Trustee, will make themselves available for further discussions with the underlying investors related to the management of the CDO. For separate managed accounts, MPSCP will send out a written monthly report that is customized based on the Principal Officer's consultation with the separate managed account Clients.

Item 14 Client Referrals and Other Compensation

Currently, UrsaMine, MPSCP and the Principal Officers do not have any arrangements with any third parties involving any economic benefit as described above.

Currently, UrsaMine, MPSCP or any related persons do not compensate any persons for Client referrals. Generally, employees are prohibited from entering into a solicitation arrangement without first obtaining prior approval of the Chief Executive Officer and the

Chief Compliance Officer on behalf of UrsaMine and the board members on behalf of MPSCP.

Item 15 Custody

UrsaMine and MPSCP do not have custody of any Client's funds or securities.

Item 16 Investment Discretion

The Principal Officers manage Client Accounts on a discretionary basis in accordance with the CDO indentures and the terms of the investment management agreements for separate managed accounts. In exercising its investment discretion, the Principal Officers are guided by the investment policies and guidelines for each of the CDO's.

Also reference Item 4 Advisory Business.

Item 17 Voting Client Securities

The Principal Officers provide investment advisory services as collateral manager for Client Accounts. Typically, the Principal Officers do not manage securities that require voting proxies on behalf of Clients. The Proxy Voting Policy applies to securities where the Principal Officers could pursue other investment strategies and have the authority to vote proxies and/or respond to any corporate actions. In the event that any securities held require a proxy vote, the Principal Officers shall exercise such voting rights and monitor such corporate actions in accordance with UrsaMine's and MPSCP's *Policies and Procedures for Voting Proxies for Clients (the "Proxy Voting Procedures")*, pursuant to Rule 206(4)-6 under the Advisers Act.

Although not considered proxy voting pursuant to SEC rule 206(4)-6, the Principal Officers do vote regarding issuing companies requesting from lenders amendments to modify the existing executed credit agreement documents. Such amendment requests usually entail the issuing company soliciting consents from current lenders and typically require at least 51% (in some cases a higher percent is necessary), of lenders for the amendment to take effect. These amendment requests happen often and often times a consent fee is offered as incentive for the lending group to vote in favor. The Principal Officers act according to their fundamental credit view of the company's credit worthiness which may place them at odds with other security holders and/or the underlying issuing company's equity holders. It is also possible that UrsaMine and MPSCP do not receive the consent fee even if the Principal Officers consented to the request due to the issuer's agents not receiving the consent notification properly or relative to a time sensitive deadline.

What constitutes a conflict of interest for proxy-voting purposes will be determined by UrsaMine's Chief Compliance Officer. The Chief Compliance Officer will deem a conflict to exist whenever UrsaMine, its related persons or the Principal Officers have a personal or business interest in the outcome of a particular matter before shareholders. Putative

conflicts deemed by the Chief Compliance Officer to be immaterial to a shareholder vote will not disable the Principal Officers from voting proxies. The Chief Compliance Officer will presume the existence of a conflict of interest for proxy-voting purposes whenever:

- a current Client is affiliated with a company soliciting proxies and has communicated its view to the Principal Officers on an impending proxy vote; or
- UrsaMine or any one of its affiliates has identified a personal or business interest either in a company soliciting proxies or in the outcome of a shareholder vote; or
- a third-party with an interest in the outcome of a shareholder vote has attempted to influence UrsaMine or any of its affiliates.

Assuming no conflict of interest exists, if a Client Account has authorized either UrsaMine or MPSCP to vote proxies on its behalf nevertheless instructs UrsaMine or MPSCP to vote its proxy in a fashion different from the Principal Officer's recommendation with respect to such vote, the Principal Officers will vote the proxy in accordance with the Client's written instructions.

UrsaMine will, for a period of at least five years, maintain or have ready access to the following documents:

- a copy of UrsaMine's and its affiliate's current Proxy-Voting Policies and Procedures.
- a copy of each proxy statement received by the Principal Officers regarding securities held on behalf of its Clients (which may be obtained from the SEC's Electronic Data Gathering, Analysis, and Retrieval (EDGAR) system).
- a record of each vote cast by the Principal Officers on behalf of its Clients.
- a copy of any document created by the Principal Officers that was material to a proxy vote on behalf of Clients.
- a copy of each written request received from a client as to how the Principal Officers voted proxies on its behalf and a copy of any written response from the Principal Officers to any oral or written client request for information as to how the Principal Officers voted proxies on its behalf and a copy of any written response from the Principal Officers to any oral or written client request for information as to how the Principal Officers voted proxies on its behalf.

A copy of UrsaMine's and MPSCP's *Proxy-Voting Policies and Procedures* will also be made available to Clients upon request. Clients will be provided with a contact at UrsaMine from whom clients may obtain the proxy-voting records with respect to the securities held in the account.

The Principal Officers has the authority to vote proxies and respond to all corporate actions for securities held in separate managed accounts.

Item 18 Financial Information

UrsaMine or MPSCP does not require or solicit prepayment of more than \$1,200 in fees per *Client*, six months or more in advance and is not required to provide a balance sheet.

UrsaMine or MPSCP does not have any financial condition that is reasonably likely to impair UrsaMine's ability to meet contractual commitments to Clients.

UrsaMine or MPSCP has not been the subject to a bankruptcy petition at any time during the past ten years.