

Truman Capital Advisors, LP

January 31, 2018

This brochure provides information about the qualifications and business practices of Truman Capital Advisors, LP. If you have any questions about the contents of this brochure, please contact William A. Meeks, Chief Compliance Officer, at 914-730-7102 or email at BMeeks@trucap.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Truman Capital Advisors, LP also is available on the SEC's website at www.adviserinfo.sec.gov.

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Item 2 Material Changes

There were no material changes since the publication of the brochure dated January 31, 2017.

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Item 4 Advisory Business

Truman Capital Advisors, LP (“Truman”) provides investment advisory services primarily to sophisticated institutional investors through private funds (the “Funds” or “Clients”) in which Truman and/or affiliates provide various services to the Funds including the day-to-day management of the Funds. Truman has been in business since 2001 and is owned 99% by TruCap Advisors, LLC (limited partner) and 1% by Savannah Capital, LLC (general partner.). Mitchell D. Samberg is the principal owner of TruCap Advisors, LLC and Savannah Capital, LLC.

Truman’s advisory services are generally focused in the residential real estate market in the United States. Truman’s investments are generally limited to delinquent and current residential mortgages offered in the secondary market and when necessary, the underlying residential properties which provided the collateral for those mortgages. As part of Truman’s advisory services, it is actively involved in all aspects of the process and activities necessary to manage the mortgages and residential properties including, but not limited to, negotiating modifications to existing mortgages, managing the foreclosure process involving delinquent mortgages and the sale of acquired real estate.

All investments are made in accordance with the Client’s investment objectives and strategies.

As of December 31, 2017, Truman managed \$891,042,000 of Client assets on a discretionary basis. Truman does not manage assets on a non-discretionary basis.

Item 5 Fees and Compensation

Truman is not required to provide this information as the brochure will only be delivered to qualified purchasers as defined in section 2(a)(51)(A) of the Investment Company Act of 1940.

Truman will usually deduct its advisory fees directly from Client accounts.

Each Fund bears all of its own legal and other organizational expenses incurred in the formation of the Fund. Each Fund ,also, bears its own operating and other expenses including, but not limited to, investment-related expenses (e.g., costs, fees and other out-of-pocket expenses directly related to: (i) the investigation of investment opportunities (whether or not consummated); (ii) the acquisition, ownership, financing, hedging or sale of its investments, including travel and lodging expenses in connection with investment activities, transaction fees, legal and other expenses, brokerage commissions, information-related expenses, clearing and settlement charges, custodial fees, interest expenses, appraisal fees, and other due diligence expenses); and (iii) all other operational expenses, including legal (including responding to formal and informal regulatory inquiries and indemnification expenses), auditing and accounting expenses (including expenses associated with the preparation of the Fund's financial statements, tax returns and Schedule K-1s), expenses incurred in collection of monies owed to the Fund, insurance expenses, regulatory expenses (including certain filing fees), the costs and expenses of third-party risk management products, models and services (including, without limitation, the costs of risk management software or database packages), fees of the administrator and any other service providers, and to the extent applicable, any taxes, fees or other governmental charges levied against the Fund, extraordinary expenses (such as litigation-related expenses) and expenses comparable to the foregoing. Any expenses borne for the benefit of both the Fund and other Clients of the investment manager and its affiliates shall be allocated between the Fund and such other Clients on a fair and equitable basis.

An affiliate of Truman (Columbus Consulting, LLC) provides due diligence services to the Fund and charges a fee for these services, which is comparable to the fees charged by non-affiliated entities performing similar services. The due diligence service involves comprehensive analytical work involving mortgage investment opportunities which includes the review of: 1) collection comments provided by the selling servicer; 2) title and tax issues as reported by companies retained by Columbus for the purpose of determining potential foreclosure issues; and 3) timeline risks associated with each asset to be acquired. Such information is used to determine the final pricing for each asset acquisition and in certain cases the decision to not acquire a particular asset. The due

diligence fee is based on the number of mortgage files reviewed and is charged whether or not a reviewed mortgage is selected for investment or not. This creates an inherent or potential conflict of interest as Truman has an incentive, in order to increase its overall due diligence fees, to perform due diligence on mortgage files for which it does not reasonably believe the Fund will invest.

Another affiliate of Truman (Columbus Real Estate Management, LLC) earns a fee in connection with services related to the management and disposition of residential property and is normally paid out of the fee payable to the real estate broker for selling the property. The fee is calculated based on the selling price of the property and is comparable to compensation paid to non-affiliated parties performing similar services. As this fee is only recognized if the Fund completes a foreclosure and takes legal ownership of the property an inherent or potential conflict of interest exists as Truman has an incentive, in order to increase its fees, to have the Fund take legal ownership of the property as opposed to retaining or selling the mortgage.

Truman believes it has adequate policies and procedures in place to minimize the inherent or potential conflicts of interest noted above. Where available, Truman will attempt to utilize affiliates as a means of insuring the quality of services provided to its Funds as opposed to third parties over which quality control measures can be more difficult to oversee. In addition, Truman negotiates fee arrangements with affiliates at or below what it believes to be current market rates. Truman will make reasonable efforts to periodically review the services provided by its affiliates to ensure, in its good faith judgment, that it is receiving services at or better than what it believes to be current market and paying at or below what it believes to be current market rates for these services. Truman has the option to use third party vendors for any services it deems appropriate.

The payment of management fees is negotiated with each Fund, and may include a fee for assets under management as well as a fee from the liquidation proceeds of an asset. Management fees are paid quarterly or annually, in arrears. If the Client should terminate the relationship prior to the end of a quarter, the fees will be calculated as provided in the related fund documents.

Item 6 Performance-Based Fees and Side by Side Management

Truman is entitled to an annual performance-based fee from each investor in a Fund, based on the total return earned on invested capital in the investor's account exceeding an established equity return. These amounts are negotiated with investors in a Fund, prior to commencement of Fund operations.

Item 7 Types of Clients

Truman provides its investment advisory services to the Funds, which may or may not be pooled investment vehicles.

The Fund's investors may consist of any of:

- Banks and other financial institutions
- Insurance companies
- Investment companies
- Public and private retirement and pension plans
- Public and private profit sharing plans
- Trusts and estates
- Private funds

All investors are subject to applicable suitability requirements. Truman requires that each investor in the a Fund be a qualified purchaser as defined in the Investment Company Act of 1940, as amended.

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

Analysis and Investment Strategies

Truman's investment objective is to generate investment returns by investing primarily in residential mortgage loans that Truman knows have been, currently are, or believes at some point will, be considered nonperforming or be at risk of being considered nonperforming loans. Truman's investment strategy is primarily to acquire in the name of a Fund pools of residential mortgage loans at a discount to their respective unpaid principal balances and either manage the process to increase the value of each separate mortgage loan in the pool or obtain title, in the name of the related Fund, of the mortgage's collateralize property through a foreclosure process, and realize a gain by selling the property. Prior to making any investment, Truman or an affiliate performs an extensive due diligence review of the mortgage loans and associated residential properties in order to value the pool of mortgages. The process involves: (1) a detailed analysis of a borrower's willingness and ability to satisfy their payment obligations; (2) an extensive review of each property using various valuation tools which usually includes an independent real estate broker's price opinion, and an internal review of each value; (3) a documentation completeness review; (4) a state, county and federal level compliance review; and (5) an analysis of past payment histories and mortgage servicer comments. Based on the due diligence review, Truman will determine what it believes is an appropriate aggregate value for the pool of mortgages calculated based on its valuation of each mortgage loan, as well as its preferred exit strategy and associated investment timeline.

If Truman is successful in acquiring a mortgage pool, the pool of mortgage loans is transferred to a third-party mortgage servicer. Upon the successful transfer of the pool, Truman will monitor the performance of each loan including its payment stream and liquidation possibilities. Mortgage loans that are deemed to be paying or performing will be presented with refinancing opportunities in which Truman will be willing to accept a discount to the unpaid principal balance or a forgiveness of certain advances or obligations. Mortgage loans considered delinquent or non-performing will be monitored by Truman through the third-party mortgage servicer with the goal of achieving maximum cash proceeds within the shortest timeline. Truman is involved and generally approves all loan modifications, third-party sales, short sales, real estate owned listings and other strategic alternatives which may be suggested by the third-party mortgage servicers.

Material Risks

Risk of Loss. Investing in securities involves risk of loss of capital that Clients should be prepared to bear.

Risks of Investments Generally. No guarantee or representation is made that Truman's investment program will be successful. Truman's investment program involves, without limitation, risks associated with limited diversification and concentration, leverage, investments in speculative assets and the use of speculative investment strategies and techniques, interest rates, currencies volatility, credit deterioration or default risks, systems risks and other risks inherent in such activities. Certain investment techniques of Truman (e.g., use of direct leverage or indirectly through leveraged investments) can, in certain circumstances, magnify the impact of adverse market moves to which the Client may be subject. In addition, the fund's investments may be materially affected by conditions in real estate markets, the financial markets and overall economic conditions occurring globally and in particular markets where Truman may invest its Clients' assets.

Truman's methods of minimizing such risks may not accurately predict future risk exposures. Risk management techniques are based in part on the observation of historical market behavior, which may not predict market divergences that are larger than historical indicators. Also, information used to manage risks may not be accurate, complete or current, and such information may be misinterpreted.

Limited Diversification. In the normal course of making investments on behalf of the Client, Truman's investments will be concentrated within the mortgage credit sector. In addition, it is possible that Truman may select investments that are concentrated in a limited number or type of financial instruments or assets. Such concentration of risk may increase the losses suffered by the Client or reduce its ability to hedge its exposure and to dispose of depreciating assets. Limited diversity could expose the Client to losses disproportionate to market movements in general if there are disproportionately greater adverse price movements in those financial instruments or assets.

Leverage. Truman may lever the Client's investments through various types of financings and through various securitization vehicles.

While leverage presents opportunities for increasing the Client's total return, it has the effect of potentially increasing losses as well. Accordingly, any event that adversely affects the value of an investment made by the Client would be magnified to the extent the investment is leveraged. The effect of the use of leverage by the Client in a market that moves adversely to the Client's investments could result in a substantial loss to the Client, which would be greater than if the Client's investments were not leveraged. Leverage will increase the exposure of the Client to adverse economic factors such as significantly rising interest rates, severe economic downturns or deterioration in the condition of the Client's investments or their corresponding markets.

Because Truman may engage in portfolio financings where several investments are cross-collateralized, multiple investments may be subject to the risk of loss. As a result, the Client could lose its interests in performing investments in the event such investments are cross-collateralized with poorly performing or non-performing investments. In addition, Truman may negotiate recourse debt, with the Client's permission, and such debt may subject other assets of the Client to risk and loss. In addition, the Client may be subject to the lender's right to value the assets according to its own mark-to-market pricing.

Illiquidity. A substantial portion of the Client's portfolio will consist of loans and other financial instruments that are not actively or widely traded. Mortgage/real estate-backed loans and asset backed securities are generally less liquid than are other securities (*e.g.*, stock or bonds). Consequently, it may be relatively difficult for the Client to dispose of such investments rapidly and at favorable prices in the event Truman elects to do such.

General Economic and Market Conditions. The success of the Client's investment will be affected by general economic and market conditions, such as interest rates, real estate values, availability of credit, inflation rates, economic uncertainty, changes in laws (including laws relating to taxation of the Client's investments), trade barriers, currency exchange controls, and national and international political circumstances (including wars, terrorist acts or security operations). These factors may affect the level and volatility of securities prices and the liquidity of the Client's investments. Volatility or illiquidity could impair the profitability of the investment or result in losses.

Developments in the Residential Mortgage Market May Adversely Affect the Performance of the Client's Investment. Truman intends to invest, on behalf of the Client, in the residential mortgage market, including in subprime mortgages and securities backed by subprime mortgage loans. The

residential mortgage market in the United States has experienced and may again experience a variety of difficulties and changed economic conditions that may adversely affect the performance of the Client's investment.

Another factor that may in the future result in, higher delinquency rates is the increase in monthly payments on adjustable-rate mortgage loans. Borrowers with adjustable payment mortgage loans are being exposed to increased monthly payments when the related mortgage interest rate adjusts upward from the initial fixed rate or a low introductory rate, as applicable, to the rate computed in accordance with the applicable index and margin. This increase in borrowers' monthly payments, together with any increase in prevailing market interest rates, may result in significantly increased monthly payments for borrowers with adjustable-rate mortgage loans. Borrowers seeking to avoid these increased monthly payments by refinancing their mortgage loans may no longer be able to find available replacement loans at comparably low interest rates. A decline in housing prices may also leave borrowers with insufficient equity in their homes to permit them to refinance, and in addition, many mortgage loans have prepayment premiums that inhibit refinancing. Furthermore, borrowers who intend to sell their homes on or before the expiration of the fixed rate interest periods on their mortgage loans may find that they cannot sell their properties for an amount equal to or greater than the unpaid principal balance of their loans. These events, alone or in combination, may contribute to higher delinquency rates.

In addition, numerous residential mortgage loan originators that originate subprime mortgage loans could experience serious financial difficulties and, in some cases, bankruptcy. These difficulties can result in part from declining markets for mortgage loans as well as from claims for repurchases of mortgage loans previously sold under provisions that require repurchase in the event of early payment defaults, or for material breaches of representations and warranties made on the mortgage loans, such as fraud claims. Truman may also purchase assets, on behalf of Clients, from financial institutions that subsequently cease operations or otherwise cease to continue as a going concern, and thereby adversely affect the Client's ability to cure material breaches of representations and warranties made by such defunct entities.

Regulatory Risk. The value of the assets in which the Truman will invest, on behalf of the Client, may also be affected by changes in the market's perception, or by changes in government regulations, tax policies and laws (relating to, among other things, fraudulent transfers and other voidable transfers or payments, lender liability and the power of a court, receiver or liquidator to

disallow, reduce, subordinate, or disenfranchise claims). The value of the Client's assets could be negatively affected by adverse regulatory developments.

Geographic Concentration of Mortgage Loans. The mortgage loans in which the Client will invest may be concentrated in a specific state or states of the USA. Weak economic conditions in these locations or any other location (which may or may not affect real property values), may affect the ability of borrowers to repay their mortgage loans on time. Properties in certain jurisdictions may be more susceptible than homes located in other parts of the country to certain types of uninsurable hazards, such as earthquakes, as well as floods, hurricanes, wildfires, mudslides and other natural disasters. Declines in the residential real estate market of a particular jurisdiction may reduce the values of properties located in that jurisdiction, which would result in an increase in the loan-to-value ratios.

Lack of Information Regarding Underwriting Standards; Higher Expected Delinquencies in Payment. The Client will acquire mortgage loans from various unaffiliated savings institutions, finance companies and other sellers. From time to time, the seller may not have information available to it as to the underwriting standards that were applied in originating the mortgage loans, and such mortgage loans may have been originated in accordance with standards less strict than those of the Federal National Mortgage Association and Federal Home Loan Mortgage Corporation. As a result, certain of the Client's investments may experience rates of delinquency and default that are higher than those experienced by mortgage loans that were underwritten in accordance with higher standards. Changes in the values of mortgaged properties may have a greater effect on the delinquency, default and loss experience of the mortgage loans in the fund than on mortgage loans that were originated under stricter guidelines.

Higher Risk of Loss on Loans Secured by Non-Owner-Occupied Properties. The Client may invest in mortgage loans that are secured by properties held by borrowers for investment, or second homes. These mortgage loans may present a greater risk of loss if a borrower experiences financial difficulties, because these borrowers may be more likely to default on a mortgage loan secured by non-owner occupied property than a mortgage loan secured by a primary residence of a borrower.

Credit Scores May Not Accurately Predict the Performance of the Mortgage Loans. Truman may rely on credit scores as part of its due diligence process. Credit scores are obtained by many lenders in connection with mortgage loan applications to help them assess a borrower's creditworthiness.

Credit scores are generated by models developed by a third-party that analyzed data on consumers in order to establish patterns that are believed to be indicative of the borrower's probability of default over a two-year period. The credit score is based on a borrower's historical credit data, including, among other things, payment history, delinquencies on accounts, levels of outstanding indebtedness, length of credit history, types of credit, and bankruptcy experience. Credit scores range from approximately 300 to approximately 850, with higher scores indicating an individual with a more favorable credit history compared to an individual with a lower score. However, a credit score purports only to be a measurement of the relative degree of risk a borrower represents to a lender (*i.e.*, a borrower with a higher score is statistically expected to be less likely to default in payment than a borrower with a lower score). Lenders have varying ways of analyzing credit scores and, as a result, the analysis of credit scores across the industry is not consistent. In addition, it should be noted that credit scores were developed to indicate a level of default probability over a two-year period, which does not correspond to the life of a mortgage loan. Furthermore, credit scores were not developed specifically for use in connection with mortgage loans, but for consumer loans in general, and assess only the borrower's past credit history. Therefore, a credit score does not take into consideration the effect of mortgage loan characteristics (which may differ from consumer loan characteristics) on the probability of repayment by the borrower. There can be no assurance that the credit scores of the mortgagors will be an accurate predictor of the likelihood of repayment of the related mortgage loans.

Environmental Risks. Real property pledged as security for a mortgage loan may be subject to certain environmental risks. Under the laws of certain states, contamination of a property may give rise to a lien on the property to ensure payment of the costs of cleanup. In several states, such a lien has priority over the lien of an existing mortgage against the property. In addition, under the laws of some states and under the federal Comprehensive Environmental Response, Compensation and Liability Act of 1980, a lender may be liable, as an "owner" or "operator," for costs of addressing releases or threatened releases of hazardous substances that require remedy at a property, if agents or employees of the lender have become sufficiently involved in the operations of the borrower, regardless of whether or not the environmental damage or threat was caused by a prior owner.

A lender also risks such liability on foreclosure of the mortgage. Any such lien arising with respect to a mortgaged property would adversely affect the value of the mortgaged property and could make foreclosure impracticable on the mortgaged property in the event of a default by the related borrower. In addition, certain environmental laws impose liability for releases of asbestos into the

air. Third parties may seek recovery from owners or operators of real property for personal injury associated with exposure to asbestos, lead paint, radon or other hazardous substances. Property owners in some areas have recently been subject to liability claims associated with mold.

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

Interest Rate Risk. The value of the fixed rate investments in which the Client may invest generally will have an inverse relationship with interest rates. Accordingly, if interest rates rise the value of such investments may decline. In addition, to the extent that the receivables or loans underlying specific investments are pre-payable without penalty or premium, the value of such investments may be negatively affected by increasing prepayments, which generally occur when interest rates decline.

Troubled Origination. The investments chosen by Truman may have been originated by financial institutions or other entities that are insolvent, in serious financial difficulty, or no longer in existence. As a result, the standards by which such investments were originated, the recourse to the selling institution, or the standards by which such investments are being serviced or operated may be adversely affected.

Violation of Various Federal, State and Local Laws May Result in Losses on the Mortgage Loans. Violation of certain federal, state or local laws and regulations relating to the protection of consumers, unfair and deceptive practices and debt collection practices may limit the ability of the Client to collect all or part of the principal of or interest on the mortgage loans and, in addition, could subject the Client to damages and administrative enforcement.

Counterparty Risk. Some of the markets in which the Client may affect transactions are "over-the-counter" or "interdealer" markets. The participants in such markets are typically not subject to credit evaluation and regulatory oversight as are members of "exchange-based" markets. This exposes the Client to the risk that a counterparty will not settle a transaction in accordance with its terms and conditions because of a dispute over the terms of the contract (whether or not *bona fide*) or because

of a credit or liquidity problem, thus causing the Client to suffer a loss. Such "counterparty risk" is accentuated for contracts with longer maturities where events may intervene to prevent settlement, or where the Client has concentrated its transactions with a single or small group of counterparties. The Client is not restricted from dealing with any particular counterparty or from concentrating any or all of its transactions with one counterparty. Moreover, the Client's internal credit function which evaluates the creditworthiness of its counterparties may prove insufficient. The lack of a complete and "foolproof" evaluation of the financial capabilities of the Client's counterparties and the absence of a regulated market to facilitate settlement may increase the potential for losses by the Client.

Co-Investments with Third Parties. The Client may co-invest with third parties through joint ventures or other entities. Such investments may involve risks in connection with such third-party involvement, including the possibility that a third-party co-venture may have financial difficulties resulting in a negative impact on such investment; may have economic or business interests or goals that are inconsistent with those of the Client; or may be in a position to take (or block) action in a manner contrary to the Client's investment objectives. In those circumstances where such third parties involve a management group, such third parties may enter into compensation arrangements relating to such investments, including incentive compensation arrangements. Such compensation arrangements will reduce the returns to participants in the investments and create potential conflicts of interest between such parties and the Client.

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

Competition; Availability of Investments. The markets in which the Client may invest are extremely competitive for attractive investment opportunities and, as a result, there may be reduced expected investment returns. There can be no assurance that Truman will be able to identify or successfully pursue attractive investment opportunities in such environments. Among other factors, competition for suitable investments from other pooled investment vehicles, the public equity markets and other investors may reduce the availability of investment opportunities. Competitive investment activity

by other firms and institutions will reduce the Client's opportunity for profit by generally increasing price pressure on desired assets, reducing mis-pricings in the market as well as the margins available on those mis-pricings that can still be identified.

Debt Instruments Generally. The Client may invest in private and government debt securities and instruments. It is likely that many of the debt instruments in which the Client invests may be unrated, and whether or not rated, the debt instruments may have speculative characteristics. The issuers of such instruments (including sovereign issuers) may face significant ongoing uncertainties and exposure to adverse conditions that may undermine the issuer's ability to make timely payment of interest and principal. Such instruments are regarded as predominantly speculative with respect to the issuer's capacity to pay interest and repay principal in accordance with the terms of the obligations and involve major risk exposure to adverse conditions. In addition, an economic recession could severely disrupt the market for most of these instruments and may have an adverse impact on the value of such instruments. It is also likely that any such economic downturn could adversely affect the ability of the issuers of such instruments to repay principal and pay interest thereon and increase the incidence of default for such instruments.

Fraud. Of paramount concern in loan investments is the possibility of material misrepresentation or omission on the part of the borrower or loan seller. Such inaccuracy or incompleteness may adversely affect the valuation of the collateral underlying the loans or may adversely affect the ability of the Client to perfect or effectuate a lien on the collateral securing the loan. The Client will rely upon the accuracy and completeness of representations made by borrowers to the extent reasonable, but cannot guarantee such accuracy or completeness. Under certain circumstances, payments to the Client may be reclaimed if any such payment or distribution is later determined to have been a fraudulent conveyance or a preferential payment.

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

Uncertain Exit Strategies. Truman is unable to predict with confidence what the exit strategy will ultimately be for any given investment, or that one will be available. Exit strategies which appear

to be viable when an investment is initiated may be precluded by the time the investment is ready to be realized due to economic, legal, political or other factors.

Item 9 Disciplinary information

There are no legal or disciplinary events that are material to a Client or a prospective Client's evaluation of our advisory business or the integrity of our management.

Item 10 Other Financial Industry Activities and Affiliations

Truman will devote as much time to the activities of the Client as reasonably deemed necessary and appropriate to manage the Client's investment. Truman may manage additional Clients and may enter other investment advisory relationships even though such activities may be in competition with the Client and may require substantial time and resources of Truman.

Truman may seek to enter into certain principal and related-party transactions, for which Truman may be required to obtain permission from investors in the Client.

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

Truman has a Code of Ethics (“Code”) which complies with SEC rule 204A-1 of the Investment Advisers Act of 1940. The Code is designed to promote high ethical standards and reflect Truman’s fiduciary duty to its Clients. In addition, the Code establishes standards of business conduct for all Truman employees and is designed to detect and prevent prohibited acts and mitigate potential conflicts of interest between Truman, its employees and Clients.

The Code establishes guidelines for employees by identifying instances when they might be exposed to material non-public information and compliance procedures when they believe they are in possession of material non-public information. Other features of the Code include:

- Annual certification by employees that they have read, understand and agree to abide by the Code and insider trading policies; and
- Quarterly submission of securities transaction reports and annual securities holdings reports for each personal account of the employee, and their spouse, minor children, and any other person or entity over which the employee exercises control or investment discretion.

If we recommend securities where a related person has a financial interest, we immediately disclose that interest to our Client. Prior to accepting a new Client, Truman and the Client will draft a policy to address this issue. As our Clients are pooled investment vehicles the disclosure and approval will be made to and obtained from the appropriate advisory investor group.

Truman will provide a copy of the Code to any Client or prospective Client upon request by contacting us at the telephone number listed on the cover page of this document.

Item 12 Brokerage Practices

Due to the nature of the products Truman purchases on behalf of Clients, delinquent and current residential mortgage loans in the secondary market, the primary factor in selecting a broker-dealer for Clients is the pool of assets available and price to be paid for the assets. In connection with the liquidation on sale of mortgage loans, the primary factor would be the execution price Truman will receive. As for the sale of residential real estate, the selection of a real estate broker is made based on the broker's knowledge of the market the real estate is located in, and the ability to maximize proceeds for the Client. Non-performing loans may also be held as part of a Client portfolio. Hence, Truman generally does not utilize the services of broker-dealers to execute Client transactions.

In those limited instances (if any) in which Truman does utilize a broker-dealer (i.e. bulk sale of pooled mortgage or real estate), it will use reasonable efforts to obtain the best price and execution. In selecting a broker-dealer, Truman will take into account the relevant factors, including, but not limited to, price, broker commissions and the broker dealer's facilities, reliability and financial responsibility.

Item 13 Review of Accounts

Truman's investment professionals including its Chief Executive Officer and Portfolio Manager review Client accounts on a continuous basis. Truman's Chief Financial Officer reviews Client accounts on a monthly basis.

Clients' receive a monthly report on the NAV of their position from the third party administrator and Truman. In addition, at the end of each year, Clients for whom an affiliate of Truman serves as Managing Member, receive a copy of the audited financial statements of their investment. The audit is conducted by PricewaterhouseCoopers LLP.

Item 14 Client Referrals and other Compensation

Neither Truman nor any related person directly or indirectly compensates any person who is not our supervised person for Client referrals.

Item 15 **Custody**

Truman is deemed to have custody of Client assets, which are pooled investment vehicles, by virtue of the fact that an affiliate of Truman (Truman Capital Holdings 2012 SC2 Manager, LLC) is the Fund Managing Member and has the ability to access and control the assets of the Funds. Truman satisfies its regulatory obligations with regards to Rule 206(4)-2 by ensuring that each Fund is subject to an audit at least annually by an independent public accountant that is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board, and requires that each Fund distribute its audited financial statements to all investors within 120 days of the end of its fiscal year.

Item 16 Investment Discretion

Truman has discretionary authority over Client accounts. Investment discretion authority is granted to Truman contractually when an investor completes and signs a Fund's official subscription agreement package or related agreement.

Item 17 Voting Client Securities

This section is not applicable to Truman due to the nature of the securities we purchase.

Item 18 Financial Information

Truman is not required to include a balance sheet for its most recent fiscal year, is not aware of any financial condition reasonably likely to impair its ability to meet contractual commitments to each Fund, and has not been the subject of a bankruptcy petition at any time during the past ten years.