
Semper Capital Management, L.P.

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Form ADV, Part 2A – Firm Brochure

September 13, 2013

This Brochure provides information about the qualifications and business practices of Semper Capital Management, L.P. (formerly known as UCM Partners, L.P.) (the “Firm”). If you have any questions about the contents of this Brochure, please contact us by phone, 212-797-2688, or e-mail at info@sempercap.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.

The Firm is a registered investment adviser. The term “registered investment adviser” reflects the Firm’s registration with the SEC and does not imply a certain level of skill or training.

Additional information about Semper Capital Management, L.P. is also available on the SEC’s website at www.adviserinfo.sec.gov.

Item 2 – Material Changes

We have included below in this Item 2 only those material changes since the last annual update of the Firm's Brochure on December 20, 2012.

On April 14, 2013, the UCM New Horizon Fund, L.P. and UCM Secured Asset Allocation Fund, L.P. were removed from the ADV Parts 1 and 2 because those funds were closed.

On May 6, 2013, the Firm's Chief Compliance Officer, Martinnette Witrick, left the Firm and was replaced by Ria A. Davis, who is also the Firm's General Counsel.

Also on May 6, 2013, UCM Partners, L.P. changed its name to Semper Capital Management, L.P. In connection with the Firm's name change: (i) UCM Midas Fund, L.P. changed its name to Semper Midas Fund, L.P. on May 28, 2013; UCM Midas GP, LLC (UCM Midas Fund, L.P.'s General Partner) changed its name to Semper Midas GP, LLC on May 29, 2013; and UCM Midas Fund, Ltd. changed its name to Semper Midas Fund, Ltd. on June 5, 2013; (ii) UCM Opportunistic Mortgage Strategy Fund, L.P. changed its name to Semper Opportunistic Mortgage Strategy Fund, L.P. on May 31, 2013; and UCM Global Opportunistic Mortgage Strategy Fund, Ltd. changed its name to Semper Global Opportunistic Mortgage Strategy Fund, Ltd. on June 5, 2013; (iii) UCM Active MBS Fund, L.P. changed its name to Semper Active MBS Fund, L.P. on May 31, 2013; UCM Subadvised GP, LLC (the General Partner of UCM Active MBS Fund, L.P. and UCM Government/Credit Fixed Income Fund, L.P.) changed its name to Semper Subadvised GP, LLC on May 31, 2013; and UCM Active MBS Fund, Ltd. changed its name to Semper Active MBS Fund, Ltd. on June 5, 2013; (iv) UCM Government/Credit Fixed Income Fund, L.P. changed its name to Semper Government/Credit Fixed Income Fund, L.P. on May 31, 2013; and UCM Government/Credit Fixed Income Fund, Ltd. changed its name to Semper Government/Credit Fixed Income Fund, Ltd. on June 5, 2013; (v) UCM Short Duration Fund, a series of Forum Funds, changed its name to Semper Short Duration Fund on June 1, 2013; and (vi) UCM US RMBS Opportunity REIT, Inc. changed its name to Semper US RMBS Opportunity REIT on June 6, 2013.

On July 22, 2013, the Firm launched the Semper MBS Total Return Fund, a series of the Advisors Series Trust.

On July 30, 2013, the Firm was registered as a "Swap Firm" with the National Futures Association (the "NFA") and as a Commodity Pool Operator (CPO) and a Commodity Trading Advisor (CTA). In connection with this registration, several members of the Firm's management team were registered as "Swap Associated Persons" and "Associated Persons". See "Other Financial Industry Activities and Affiliations" – Item 10 below.

On August 1, 2013, Gregory Parsons, the Firm's Chief Executive Officer and an owner of the Firm, acquired 100% of a FINRA registered broker-dealer, CAVU Securities, LLC (formerly known as Point Capital Management, LLC; the "Broker-Dealer"). The Firm has a third party marketing agreement with the Broker-Dealer to distribute certain pooled investment funds advised by the Firm. Mr. Parsons and Stephen J. Burke, a Managing Director of the Firm, are registered representatives of the Broker-Dealer. In August of 2013, Mr. Parsons also joined the Board of Directors of Spouting Rock Financial Partners, LLC, a registered investment adviser. See "Other Financial Industry Activities and Affiliations" – Item 10 below.

Currently, the Firm's Brochure may be requested by contacting Thomas Mandel, Senior Managing Director, at 212-612-9129 or 212-797-2688. The Firm's Brochure is also available free of charge on our web site www.sempercap.com. Additional information about Semper Capital Management, L.P. is available via the SEC's web site www.adviserinfo.sec.gov.

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Item 4 – Advisory Business

- A. Semper Capital Management, L.P. ("Semper Capital" or the "Firm") is a Delaware limited partnership that has been in business as an SEC registered investment adviser since 1992.

The Firm's principal owners are Semper Capital Partners, LLC, which owns 34.5 % of the Firm, and RDP I, LLC, which owns 31.5% of the Firm. The Firm's Chief Executive Officer, Gregory Parsons, and its Chief Investment Officer, Jerald ("Jay") Menozzi each own 20% of Semper Capital Partners, LLC. In addition, Mr. Parsons owns 17.5% of the Firm in his individual capacity. Richard D. Parsons owns 100% of RDP I, LLC.

- B. The Firm provides advisory services and discretionary and non-discretionary fixed- income portfolio management for institutional and high net worth clients in both long-only and alternative strategies. These services include continuous evaluation of a client's portfolio, and purchases and sales of securities according to client guidelines established prior to account opening in accordance with each client's investment objectives and constraints. The Firm specializes in fixed income securities, specifically securitized debt and short duration strategies. The Firm does not provide financial planning services.
- C. The Firm may tailor a separate account according to an institutional or high net worth client's guidelines that are established prior to account opening. These guidelines are stated in the investment advisory agreement and entered into the Firm's Bloomberg Compliance Manager System so each trade for the portfolio is "tested" against the guidelines. Portfolio Managers and the Operations Department monitor these portfolios on an ongoing basis. The Firm also manages and advises registered and unregistered commingled investment funds.
- D. The Firm does not participate in wrap fee programs.
- E. As of July 23, 2013, the Firm had \$1,071,815,569 in assets under management; of this amount, \$568,705,592 is managed on a discretionary basis and \$503,109,977 is managed on a non-discretionary basis.

Item 5 – Fees and Compensation

- A. The Firm may be compensated for advisory services based on one or more of the following:
- A percentage of assets under management; and
 - Performance based fees.

Separately Managed Accounts

Separate account management fee schedules are listed below. Fees are an annual percentage of assets calculated quarterly in arrears. Fees may also be negotiated separately with a client.

Active MBS Strategy

Up to \$50 Million: 0.30% p/a
\$50 to 250 Million: 0.25% p/a
Over \$250 Million: 0.20% p/a
Minimum Annual Fee: \$50,000

Passive MBS Strategy

Up to \$250 Million: 0.12% p/a
\$250 to 500 Million: 0.10% p/a
\$500 to 1,000 Million: 0.08% p/a
Over \$1 Billion: 0.06%
Minimum Annual Fee: \$50,000

Short Duration Strategy

Up to \$50 million: 0.25% p/a
\$51 to \$250 million: 0.20% p/a
Over \$250 million: 0.15% p/a
Minimum Annual Fee: \$50,000

Core Fixed Income Strategy

Up to \$50 million: 0.30% p/a
\$51 to \$250 million: 0.25% p/a
Over \$250 million: 0.20% p/a
Minimum Annual Fee: \$50,000

Cash Management

Up to \$50 million: 0.15% p/a
\$51 to \$250 million: 0.10% p/a
Over \$250 million: 0.08% p/a
Minimum Annual Fee: \$50,000

PRIVATE INVESTMENT FUNDS

Private fund management fee schedules are listed below. Fees may be waived by the Firm with respect to particular investors in the Funds. Incentive based fees or allocations are also discussed in Item 6.

Semper Opportunistic Mortgage Strategy Fund, L.P.

Management Fee: 0.0625% of the Net Asset Value of the Capital Account of each Partner in the Fund, paid monthly in arrears (0.75% per annum).

Incentive Allocation: 10% of net capital appreciation over hurdle rate of 12 month LIBOR + 0.75% per annum, paid annually with a high water mark.

Minimum Investment: U.S. \$5,000,000; Minimum additional investment is \$50,000.

Semper MIDAS Fund, L.P.

Management Fee:

- (i) 0.0417% of the Net Asset Value of the Capital Account of each Class A Partner, measured at the close of the last Business Day of each calendar month (0.5% per annum with respect to Class A Partners).
- (ii) 0.125% of the Net Asset Value of the Capital Account of each Class B Partner and Class C Partner, measured at the close of the last Business Day of each calendar month (1.5% per annum with respect to Class B and Class C Partners).

Incentive Allocation: 20% of net capital appreciation with a high water mark, payable quarterly in arrears.

Minimum Investment: U.S. \$500,000; Minimum additional investment is \$50,000.

Semper Government/Credit Fixed Income Fund, L.P.

Management Fee: 0.014583% of the Net Asset Value of the Capital Account of each Partner in the Fund, payable monthly in arrears (0.175% per annum).

Incentive Allocation: None.

Minimum Investment: U.S. \$5,000,000; Minimum additional investment is \$50,000.

Semper Active MBS Fund, L.P.

Management Fee:

- (i) 0.0042% of the NAV of the capital Account of Class A Partners, payable monthly in arrears (0.05% per annum), payable monthly in arrears.
- (ii) 0.0292% of the NAV of the Capital Account of Class B Partners (0.35% per annum), payable monthly in arrears.
- (iii) 0.0083% of the NAV of the Capital Account of Class C Partners (0.10% per annum), payable monthly in arrears.

Incentive Allocation (for Class C Partners only): 10% increase of the Aggregate Net Increase in excess of the Hurdle with respect to each Class C Partner. A “high water mark” method of incentive allocation has been adopted by utilizing the Loss Recovery Account method described in the Fund’s Private Placement Memorandum.

Minimum Investment: U.S. \$1,000,000; Minimum additional investment is \$150,000.

Semper US RMBS Opportunity REIT, Inc.

Management Fee: Annual asset management fee of 1.5% of average assets under management, paid monthly.

Incentive Fee: 20% of net proceeds from investment and sales activities after distributions to stockholders of their target dividend of 8.0% on a cumulative basis, for all previous and current distribution periods.

Minimum Investment: 5,000 shares for \$50,000.00 at \$10.00 per share; Minimum additional investment is \$1,000.00; Minimum amount of Shares that must be sold is \$1,000,000 (100,000 shares).

Semper Short Duration Fund

Management Fee: Institutional Shares is 0.35%; Investor Shares is 0.35%. The Firm has contractually agreed to reduce a portion of its fee and reimburse Fund expenses to limit Total Annual Fund Operating Expenses of Institutional and Investor Shares to 0.60% and 0.85%, respectively, through March 31, 2014. See the Fund’s Prospectus for additional information.

Incentive Fee: None

Minimum Investment:

Institutional Shares: \$1,000,000; no minimum additional investment amount.
Investor Shares: \$2,500; no minimum additional investment amount.

Semper MBS Total Return Fund

Management Fee: Institutional Shares is 0.45%; Investor Shares 0.45%. The Firm has contractually agreed to reduce a portion of its management fee and to pay Fund expenses to ensure that Net Annual Fund Operating Expenses do not exceed 0.75% of average daily net assets for Institutional Class shares and 1.00% of average daily net assets for Investor Class shares through March 29, 2015. See the Fund's Prospectus for additional information.

Incentive Fee: None

Minimum Investment:

Institutional Shares: \$1,000,000; \$1,000 minimum additional investment amount.

Investor Shares: \$2,500; \$1,000 minimum additional investment amount.

- B. Separate account and commingled fund management fees are deducted by the client or the client's designee (such as an administrator or custodian) from client assets in a manner that is established at account opening. Generally, as agreed upon with the client at account inception, the Firm will invoice the fund administrator, custodian and/or the client for payment of the Firm's fees.
- C. The Firm's fees are exclusive of custodial fees, trading costs, including brokerage commissions, and other related costs and expenses which may be incurred by the client. Broker-dealers on the Firm's approved broker list are approved by the Firm after a due diligence compliance and best execution review. See Item 12 of this Brochure for a discussion of the Firm's brokerage practices.
- D. The Firm does not collect fees in advance.
- E. Neither the Firm nor its supervised persons accept compensation for the sale of securities or other investment products including asset-based charges or service fees.

The specific manner in which fees are charged by the Firm is established in a client's written Advisory Agreement with the Firm. Generally, accounts initiated or terminated during a calendar quarter are charged a prorated fee and, in most instances, a client may terminate a separate account agreement without penalty. Fees and termination terms for funds are stated in the appropriate offering documents and investment management agreements.

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

In some cases, the Firm has established performance based fee arrangements with institutional investors at account inception. Such fees are subject to negotiation with each client. The Firm will structure a performance or incentive fee arrangement subject to Section 205(a) (1) of the Investment Advisers Act of 1940 in accordance with the exemptions available including the exemption set forth in Rule 205-3. Unrealized capital gains and losses are included in measuring a client's assets for the calculation of performance-based fees.

Performance based fee arrangements may create an incentive for an advisor (such as the Firm) to purchase or recommend investments which may be riskier or more speculative than those which would be recommended under a different fee arrangement. Such fee arrangements may create an incentive to favor higher fee paying accounts over other accounts, or to favor performance fee paying clients over non-performance fee paying clients, in the allocation of investment opportunities. The Firm has established asset

allocation procedures designed and implemented to ensure that all client accounts are treated fairly and equitably to prevent and manage conflicts of interest from influencing the allocation of investment opportunities among client accounts. The Firm uses the Bloomberg Compliance Manager system, together with its asset allocation procedures, to ensure assets are appropriately allocated according to the guidelines, requirements, limitations and directives of each portfolio or client. The CIO reviews the process on an ongoing basis to ensure that the allocation process follows the prescribed methods to reduce risk and potential conflicts.

The Firm does not participate in side-by-side management of assets.

Item 7 – Types of Clients

The Firm provides portfolio management services to many different types of clients, including institutional clients and high net worth individual clients who are “accredited investors” under Regulation D of the Securities Act; “qualified clients” under the Advisers Act or “qualified purchasers” under the Investment Company Act; and “qualified eligible persons” under Rule 4.7 under the Commodity Exchange Act, as amended (the “CEA”).

Institutional clients include corporate pension and profit-sharing plans, Taft-Hartley plans, charitable institutions, foundations, endowments, municipalities, and registered mutual funds, private investment funds (some of which use a master/feeder structure), and trust programs.

Fund account opening minimums vary and are stated in the offering documents for each fund – see Item 5(B) above. Separate account opening minimums are established at account opening.

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

The Firm has a series of fixed income investment strategies, most of which have the objective of outperforming benchmark indices or providing absolute returns while managing risk.

The Firm’s historical primary source of value added has been security selection within the securitized debt sector consisting of mortgage-backed securities (“MBS”), commercial mortgage-backed securities (“CMBS”), and asset-backed securities (“ABS”). In some cases and in some strategies, the Firm utilizes sub-advisors to supplement its core competencies. The Firm believes that fixed income market inefficiencies allow for value added through active management.

Through the utilization of a team approach, the Firm generally seeks to add value through:

1. Security Selection: Overweighting securities we believe should outperform the sector overall, and under-weighting securities that we believe are at risk of under-performing the sector overall. This process is both qualitative and quantitative.
2. Sector Selection: Over-weighting/under-weighting broad fixed income sectors based on our expectation for out-performance or relative under-performance of fixed income sectors, generally consisting of Treasuries, Government Agencies, Corporate Bonds, MBS, CMBS, and ABS securities. Equally important in our process is the management and control of risk.
3. Macro or Yield Curve/Duration Strategies: Modestly adjusting interest rate sensitivity of our portfolios based on our expectation for yield curve changes based on economic, market, and technical conditions.

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4. Risk Management: Throughout our investment process we utilize a number of quantitative processes to seek to understand, quantify, and control risk, including minimizing downside risk and volatility.

The Firm sources ideas for its investment strategies through internal discussion, macroeconomic analysis of the economy, technical and fundamental market analysis, quantitative analysis using proprietary and third party models, and continuous evaluation of securities available for purchase and sale. We also interact continuously with our partners, including sub-advisors, and with trading counterparties including primary and regional broker/dealers, in order to evaluate investment opportunities and strategies presented.

The Firm's sector, sub-sector and industry allocation decisions are based on fundamental "top-down" analysis. The Firm's security selection investment process for securitized debt utilizes a proprietary loan-level loss model which generates separate default and severity vectors for delinquency pipeline, voluntary defaults, and involuntary defaults to analyze the expected loss adjusted yields for residential mortgage-backed securities.

Principal risks of the Firm's fixed income investment strategies may include:

1. Mortgage-Backed Securities Risk – A large portion of the Firm's investment activities involve the purchase, sale, and analysis of mortgage-backed securities. The value of these securities can fall if the owners of the underlying mortgages pay off their mortgages sooner than expected, which could happen when interest rates fall, or later than expected, which could happen when interest rates rise. If the underlying mortgages are paid off sooner than expected, our strategies may require reinvesting this money in mortgage-backed or other securities that have lower yields. Mortgage-backed securities are most commonly issued or guaranteed by U.S. government agencies or instrumentalities ("Agencies"), but may also be issued or guaranteed by other private issuers. Although obligations of Agencies are not debts of the U.S. Treasury, in some cases, payment of interest and principal on such obligations is guaranteed by the U.S. government. There is no guarantee that the U.S. government will support securities not backed by its full faith and credit. Accordingly, although these securities historically have involved little risk of loss of principal if held to maturity, they may involve more risk than securities backed by the U.S. government's full faith and credit. Mortgage-backed securities issued by private issuers, whether or not such obligations are subject to guarantees by the private issuer, may entail greater risk than obligations directly or indirectly guaranteed by the U.S. government.
2. Commercial Mortgage-Backed Securities Risk – Commercial Mortgage-Backed Securities ("CMBS") include securities that reflect an interest in, and are secured by, mortgage loans on commercial real property. Many of the risks of investing in CMBS reflect the risks of investing in the real estate securing the underlying mortgage loans.
3. Asset-Backed Securities Risk – Payment of interest and repayment of principal may be impacted by the cash flows generated by the assets backing asset backed securities. The value of asset-backed securities may also be affected by changes in interest rates, the availability of information concerning the interests in and structure of the pools of purchase contracts, financing leases or sales agreements that are represented by these securities, the creditworthiness of the servicing agent for the pool, the originator of the loans or receivables, or the entities that provide any supporting letters of credit, surety bonds, or other credit enhancements.
4. Interest Rate Risk – A rise in interest rates typically causes a fall in the value of fixed-income securities.

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5. Credit Risk – The value of an investment may change in response to changes in the credit quality or credit ratings of the securities in the portfolio. Generally, investment risk and price volatility increase as a security's credit quality or rating declines.
 6. Prepayment Risk – Prepayment risk is the risk that the ability of an issuer of a debt security to repay principal prior to a security's maturity can cause greater price volatility if interest rates change. Such prepayments often occur during periods of declining interest rates, and may cause a portfolio to reinvest its assets in lower yielding securities.

Investing in securities involves risk of loss that clients should be prepared to bear. Hedge fund investing is speculative and may involve substantial investment, liquidity, derivative, and other risks described in the offering documents for each fund. Hedge funds can use leverage and their performance results can be volatile. Hedge funds are not subject to the same regulatory requirements as mutual funds and are not required to provide periodic pricing or valuation information to investors. There is generally no secondary market for interest in hedge funds nor is one expected to develop. Hedge fund fees and expenses may offset a fund's profits. An investor could lose all or a substantial amount of his/her investment.

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 a client or prospective client's evaluation of the Firm or the integrity of the Firm's management. The Firm has no such disciplinary information to disclose.

Item 10 – Other Financial Industry Activities and Affiliations

- A. As discussed in Item 2 above, on August 1, 2013, the Firm's Chief Executive Officer, Gregory Parsons, who is also an owner of the Firm, acquired 100% of a FINRA registered broker-dealer, CAVU Securities, LLC (formerly known as Point Capital Management, LLC; FINRA CRD #6906; the "Broker-Dealer"). The Broker-Dealer is therefore now an affiliate of the Firm.

Although the Firm maintains a third party marketing agreement with the Broker-Dealer to distribute certain pooled investment funds advised by the Firm, the Broker-Dealer is not an approved broker/dealer for client account trading and the Firm does not trade through the Broker-Dealer. The Broker-Dealer is not co-located with the Firm and does not share employees with the Firm. In addition, the Broker-Dealer does not have access to any Firm systems or client information and maintains a separate supervisory structure. The Firm therefore does not believe that Mr. Parsons' acquisition of the Broker-Dealer creates any actual or potential conflicts of interest for the Firm.

On August 28, 2013, Mr. Parsons became a registered representative (Corporate Securities Limited Representative) of the Broker-Dealer. On September 6, 2013, Stephen J. Burke, a Managing Director of the Firm, also became a registered representative of the Broker Dealer.

The Firm itself is not registered as a broker-dealer, does not have any application pending to register to as a broker-dealer, and no other management persons of the Firm are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.

- B. In August of 2013, Greg Parsons also joined the Board of Directors of Spouting Rock Financial Partners, LLC, a financial services firm located in Radnor, Pennsylvania. Spouting Rock Financial Partners includes Spouting Rock Wealth Advisors, LLC (IARD/CRD # 150516), a registered investment

adviser, and Spouting Rock Capital Advisors, LLC, a FINRA-registered broker-dealer (SEC # 8-67539 and CRD # 143180). The Firm does not, however, believe that Mr. Parsons' participation on the Board of Spouting Rock creates an actual or potential conflict of interest for the Firm as the Firm does not do business with Spouting Rock Financial Partners, LLC or any of its affiliates. Furthermore, Spouting Rock Capital Advisors, LLC is not an approved broker-dealer for client trades and the Firm does not trade through Spouting Rock Capital Advisors.

- C. On July 30, 2013, the Firm was registered as a "Swap Firm" with the National Futures Association (the "NFA") and as a Commodity Pool Operator (CPO) and a Commodity Trading Advisor (CTA) under NFA ID # 0422976. In connection with this registration, the following members of the Firm's management team were registered as "Swap Associated Persons" and "Associated Persons" – Gregory Parsons (NFA ID # 0464254), Gregory Ellis (NFA ID # 0289829), Thomas Mandel (NFA ID # 0464260) and Stephen Burke (NFA ID # 0464258).
- D. Although certain affiliates controlled by the Firm serve as general partners of private investment funds advised by the Firm, and certain officers of the Firm serve as Directors of one or more private investment funds advised by the Firm, none of those affiliates or individuals receives any compensation from the relevant private investment fund(s) and therefore these relationships do not create any material conflict of interest with the Firm's clients.

The Firm is the investment adviser for the Semper Short Duration Fund (a registered mutual fund which is a series of the Forum Funds) and for the Semper MBS Total Return Fund (a registered mutual fund which is a series of the Advisors Series Trust).

- E. The Firm does not recommend or select other investment advisers for its clients.

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

- A. Code of Ethics. The Firm has adopted a Code of Ethics for all supervised persons of the Firm pursuant to SEC rule 204A-1. The Code of Ethics describes the Firm's standard of business conduct and fiduciary duty to its clients. The Code of Ethics is designed to ensure that the personal securities transactions, activities and interests of the employees of the Firm will not interfere with (i) making decisions in the best interest of advisory clients; and (ii) implementing such decisions while allowing employees to invest for their own accounts. All employees of the Firm must acknowledge the terms of the Code of Ethics annually and whenever it is amended.

The Code of Ethics covers many areas, including the Firm's expectations regarding appropriate business conduct, confidentiality of client information, prohibition on insider trading, procedures to follow regarding grants, gifts and business entertainment, personal securities trading procedures, and procedures for charitable and political contributions. Compliance with the Code of Ethics is monitored using the Compliance11 system, a comprehensive compliance and employee trade monitoring system implemented by the Firm in February of 2012. Employees are required to pre-clear trades in securities that the Firm buys or sells for client accounts or that it recommends to clients on the Compliance11 system, and must also disclose their holdings in all brokerage accounts quarterly on Compliance11.

The Firm's clients or prospective clients may request a copy of the Firm's Code of Ethics by contacting Thomas Mandel, Senior Managing Director, 212-612-9129.

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- B. Participation or Interest in Client Transactions. Although the Firm's related persons have been prohibited, since November 2011, from purchasing securities, funds or portfolios held by, or recommended to, clients (as well as related securities, *e.g.*, warrants, options or futures, referred to herein as "restricted securities"), some related persons continue to have positions in such restricted securities. In appropriate circumstances, therefore, the Firm may, consistent with clients' investment objectives, cause accounts over which it has management authority to effect, and may recommend to advisory clients or prospective clients, the purchase or sale of securities in which the Firm's related persons, directly or indirectly, have a position or interest. To the extent that a related person has a position in a security, fund or portfolio that is held by or recommended to a client/investor, a conflict of interest may result from making such a recommendation if the related person receives an increase (or decrease) in the value of the security and the client does not receive a benefit and/or incurs a loss. In order to manage any potential conflicts of interest, therefore, related persons may only sell existing positions in such securities with pre-clearance from the Firm's CCO or COO via the Compliance11 system.

In addition, the Firm acts as an investment adviser to investment companies that it may recommend to clients. Such transactions may create a potential conflict of interest for the Firm in that the Firm may have an incentive to recommend a fund for which it serves as investment adviser as an investment to its clients because it, or its affiliate, receives management fees and incentive allocations in connection therewith. The Firm seeks to manage this conflict by determining whether the investment is appropriate for the client and by not charging fees at both levels when such an investment occurs.

- C. Personal Trading. Employee trading is monitored under the Code of Ethics using the Compliance11 system to reasonably prevent conflicts of interest between Firm client portfolios and employees. In addition, the Firm's CCO or CEO may restrict trading in appropriate circumstances.

As noted above, in order to avert any potential conflict of interest, related persons are generally prohibited from purchasing "restricted securities". A "restricted list" of securities held in all client accounts is uploaded to the Compliance11 system at least weekly. Pre-clearance for any proposed purchase of a "restricted security" would be automatically denied by the Compliance11 system. Preclearance requests that are exceptions and cannot be preapproved by the Compliance11 system will be forwarded to the Chief Compliance Officer (CCO) or the Chief Operating Officer (COO) for approval or denial. If a related person did purchase a "restricted security", the transaction would be flagged by Compliance11, which would automatically notify the Firm's Chief Compliance Officer and Chief Operating Officer.

- D. As noted above, related persons are not permitted to invest in "restricted securities". Sales of "restricted securities" require pre-clearance approval from the Firm's CCO or COO.

Item 12 – Brokerage Practices

In selecting brokers to effect securities transactions for clients, the Firm considers such factors as price, the ability of the brokers to effect the transactions and the brokers' facilities, reliability and financial responsibility. The Firm will generally, in selecting brokers and dealers to effect transactions on behalf of its clients, seek to obtain the best price and execution for the transactions, taking into account factors such as price, size of order, difficulty of execution and operational facilities of a brokerage firm and the brokerage firm's risk in positioning a block of securities. Subject to appropriate disclosure, however, the Firm may select brokers on a basis other than that outlined above and may receive benefits other than research or that benefit the Firm rather than the client. The Firm will generally seek reasonably competitive commission rates, but will not necessarily pay the lowest commission available on each transaction provided it is meeting its best execution obligations.

The Firm does not trade through affiliated broker-dealers.

Consistent with seeking best price and execution, the Firm may place brokerage orders with brokers that may provide the Firm and its affiliates with supplemental research, market and statistical information, including information as to the value of securities, the advisability of investing in, purchasing or selling securities, and the availability of securities or purchasers or sellers of securities, and furnishing analyses and reports concerning issuers, industries, securities, economic factors and trends, portfolio strategy and the performance of accounts. The Firm's expenses are not necessarily reduced as a result of the receipt of this supplemental information, which may be useful to the Firm or its affiliates in providing services to clients other than the relevant client. In addition, not all of the supplemental information is used by the Firm in connection with an investment in which the particular client invests. Conversely, the information provided to the Firm by brokers and dealers through which other clients of the Firm and its affiliates effect securities transactions may be useful to the Firm in providing services to the client.

Notwithstanding the foregoing paragraph, the Firm does not currently participate in soft dollar programs nor does it consider, in selecting or recommending broker-dealers, whether the Firm or a related person received client referrals from the broker.

If a client asks for a broker recommendation, the Firm will suggest more than one broker, describing each broker's reputation for execution, products, services, and research and price competitiveness.

In carrying out its fiduciary responsibilities for the best execution and appropriate allocation for each portfolio, the Firm may aggregate the purchase or sale of securities that are appropriate for more than one account. Asset allocation is based on portfolio guidelines, portfolio requirements to fulfill the guidelines, cash available, and securities available in the market. The Firm has established asset allocation procedures designed and implemented to ensure that all client accounts are treated fairly and equitably.

Certain institutional advisory accounts may trade in the same securities with other institutional advisory accounts on an aggregated basis when consistent with the portfolio guidelines and the Firm's obligation of best execution.

It is the Firm's policy not to conduct any principal or agency cross securities transactions for client accounts. The Firm will also not cross trades between client accounts.

Item 13 – Review of Accounts

The Firm's accounts are reviewed at least monthly by the Chief Investment Officer (CIO) and the senior investment team. This review is based on each portfolio's guidelines, objectives, the Firm's investment strategy and other relevant factors. Each portfolio is reviewed daily by the portfolio management team for the Firm's investment strategy and other relevant factors. All accounts are reviewed with clients at least annually for necessary changes or updates.

The Firm provides quarterly reports to clients and investors in the funds detailing trading, performances, holdings and information about market activity. The Firm also provides monthly reports as requested by clients.

Item 14 – Client Referrals and Other Compensation

The Firm and its related persons do not have arrangements, either oral or in writing, that would allow the Firm to be paid cash or receive any economic benefit (including commissions, equipment or non-research services) from a non-client in connection with giving advice to clients.

No party provides economic benefits (such as sales awards or other prizes) to the Firm for providing investment advice or other advisory services to the Firm's clients.

From time to time, the Firm may maintain a solicitor's agreement arrangement with certain individuals who are not Firm supervised persons for introductions to institutional clients. Where required, such solicitation arrangements will comply with Advisers Act Rule 206(4)-3 and such arrangements will be appropriately implemented and disclosed.

The Firm maintains third party marketing agreements with Point Capital Markets, LLC, ACGM, Inc., Connex International LLC and Four Wood Capital Partners LLC for the purposes of introduction and referral of the Firm's fund products to suitable investors.

Item 15 – Custody

Under the SEC "Custody Rule" (Rule 206(4)-2 under the Investment Advisers Act of 1940), the Firm is deemed to have "custody" where funds and securities are held directly or indirectly by a "related person" of the Firm. The Firm is therefore deemed to have custody over the assets of the private investment funds advised by it because an affiliate of the Firm serves as the general partner or as a director of the fund. Investors in such pooled investment vehicles receive audited financial statements for the investment vehicle prepared by an independent auditor in accordance with U.S. generally accepted accounting principles within 120 days of the pooled investment vehicle's fiscal year end.

In addition, each such pooled investment vehicle ensures that investors receive statements from the broker-dealer, bank or other qualified custodian that holds and maintains clients' investment assets at least quarterly. Statements provided by the Firm may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities. The Firm urges its clients to carefully review statements and compare such official custodial records to the account statements that the Firm may have provided.

Item 16 – Investment Discretion

The Firm usually receives discretionary authority from a client at the outset of an advisory relationship. This discretionary authority allows the Firm to select the identity and amount of securities to be bought or sold for the client. In all cases, however, such discretion is to be exercised by the Firm in a manner consistent with the stated investment objectives and guidelines for each client account.

The Firm observes the investment guidelines, policies, limitations and restrictions of the clients it advises when selecting securities and determining amounts to be bought or sold for the client. As a sub-advisor for a registered investment company, the Firm's authority to trade securities may also be limited by certain federal securities and tax laws that require diversification of investments and favor the holding of investments once made.

At account inception, investment guidelines and restrictions are established and recorded in the advisory agreement between the Firm and the client and in the Bloomberg Compliance Manager system.

Item 17 – Voting Client Securities

The Firm specializes in fixed income securities and does not vote proxies for securities held in client accounts. Should this change in the future, the Firm will establish proxy voting procedures.

Item 18 – Financial Information

The Firm does not collect advisory fees in advance, has no financial condition that is likely to impair the Firm's ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding. Requests for financial information should be directed to Gregory Parsons, the Firm's CEO, at 212-612-9190.

ADV Part 2B – Brochure Supplement accompanies this document

Educational Business Standards

The Firm requires that portfolio management professionals have a college degree, experience managing portfolios and the Chartered Financial Analyst (CFA) certification (or be working toward completion of the CFA certification program).

Semper Capital Management, L.P.

52 Vanderbilt Avenue

Suite 401

New York, NY 10017

212-797-2688

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Form ADV, Part 2B –Brochure Supplement

September 13, 2013

This brochure supplement provides information about Jerald P. Menozzi, Boris Peresechensky, Vesta Marks and Thomas B. Mandel that supplements the Semper Capital Management, L.P. brochure. You should have received a copy of Semper Capital Management, L.P.'s brochure. Please contact Thomas Mandel at 212-612-9129 if you did not receive Semper Capital Management, L.P.'s brochure or if you have any questions about the contents of this supplement.

Additional information about Jerald P. Menozzi, Boris Peresechensky, Vesta Marks and Thomas B. Mandel is available on the SEC's website at www.adviserinfo.sec.gov.

Jerald P. Menozzi, Boris Peresechensky and Vesta Marks are located in the Firm's Orlando office, located at 111 North Magnolia Avenue, Suite 1015, Orlando, FL 32801; telephone (407) 447-4900. Thomas B. Mandel is located in the Firm's New York office (see above) and its Philadelphia office, located at 1500 Market Street, 12th Floor, East Tower, Philadelphia, PA 19102; telephone (267) 702-2040.

JERALD P. MENOZZI, CFA
CHIEF INVESTMENT OFFICER

Professional Designation: Chartered Financial Analyst (CFA)⁽¹⁾.

Year of Birth: 1962

Educational Background:

- United States Air Force Academy (No degree)
- Massachusetts Institute of Technology – *BS in Electrical Engineering*
- Florida Institute of Technology – *MBA in Business Administration*
- Chartered Financial Analyst Institute – *CFA*

Business Experience:

- | | |
|---|-------------------|
| • Semper Capital Management, L.P.
<i>Chief Investment Officer & Portfolio Manager</i> | 12/1999 – Present |
| • APAM Core Fixed Income, L.L.C.
<i>Managing Director/Institutional Money Manager</i> | 02/1999 – 11/1999 |
| • Atlantic Portfolio Analytics & Management, Inc.
<i>Portfolio Manager/Institutional Money Manager</i> | 08/1987 – 02/1999 |

Other Business Activities: None

Disciplinary Information: None

Additional Compensation: Not applicable

Supervision: Mr. Menozzi is supervised by Gregory Parsons, CEO. Mr. Parsons can be reached at 212-612-9190 or gparsons@sempercap.com.

⁽¹⁾ The Chartered Financial Analyst (CFA) Program is a professional credential offered by the CFA Institute (formerly the Association for Investment Management and Research, or AIMR) to investment and financial professionals. To become a Chartered Financial Analyst, a candidate must, among other things, satisfy the following requirements: (i) pass all three levels of the CFA exam in succession; (ii) have four years (48 months) of qualified work experience (or a combination of education and work experience acceptable by the CFA Institute); (iii) become a member of the CFA Institute and apply for membership to a local CFA member society; and (iv) adhere to the CFA Institute Code of Ethics and Standards of Professional Conduct. The CFA Institute holds the investment community to the highest standards of integrity, ethics, and professional excellence. The CFA Program takes an average of four years for candidates to complete.

VESTA MARKS, CFA
PORTFOLIO MANAGER

Professional Designation: Chartered Financial Analyst (CFA)⁽²⁾.

Year of Birth: 1978

Educational Background:

- Massachusetts Institute of Technology – *BS in Mathematics*
- Chartered Financial Analyst Institute – *CFA*

Business Experience:

- | | |
|---|-------------------|
| • Semper Capital Management, L.P.
<i>Portfolio Manager</i> | 03/2007 - Present |
| • Earnest Partners LLC
<i>Analyst</i> | 06/2006 – 03/2007 |
| • Independent Banker's Bank of FL
<i>Analyst</i> | 05/2005 – 06/2006 |
| • Semper Capital Management, L.P.
<i>Analyst</i> | 01/2003 – 05/2005 |

Other Business Activities: None

Disciplinary Information: None

Additional Compensation: Not applicable

Supervision: Mr. Marks is supervised by Jerald Menozzi, CIO. Mr. Menozzi can be reached at 407-447-4907 or jmenozzi@sempercap.com.

⁽²⁾ The Chartered Financial Analyst (CFA) Program is a professional credential offered by the CFA Institute (formerly the Association for Investment Management and Research, or AIMR) to investment and financial professionals. To become a Chartered Financial Analyst, a candidate must, among other things, satisfy the following requirements: (i) pass all three levels of the CFA exam in succession; (ii) have four years (48 months) of qualified work experience (or a combination of education and work experience acceptable by the CFA Institute); (iii) become a member of the CFA Institute and apply for membership to a local CFA member society; and (iv) adhere to the CFA Institute Code of Ethics and Standards of Professional Conduct. The CFA Institute holds the investment community to the highest standards of integrity, ethics, and professional excellence. The CFA Program takes an average of four years for candidates to complete.

BORIS PERESECHENSKY, CFA

PORTFOLIO MANAGER

Professional Designation: Chartered Financial Analyst (CFA)⁽³⁾.

Year of Birth: 1977

Educational Background:

- Columbia University – *BA in Economics - Operations Research*
- Chartered Financial Analyst Institute – *CFA*

Business Experience:

- | | |
|---|-------------------|
| ▪ Semper Capital Management, L.P.
<i>Portfolio Manager</i> | 09/2005 - Present |
| ▪ Bayview Financial Trading Group
<i>Risk Manager</i> | 05/2003 – 09/2005 |
| ▪ HSBC Securities
<i>Risk Analyst</i> | 06/2001 – 05/2003 |
| ▪ Lazard Asset Management
<i>Junior Portfolio Manager</i> | 07/1999 – 04/2001 |

Other Business Activities: None

Disciplinary Information: None

Additional Compensation: Not applicable

Supervision: Mr. Peresechensky is supervised by Jerald Menozzi, CIO. Mr. Menozzi can be reached at 407-447-4907 or jmenozzi@sempercap.com.

⁽³⁾ The Chartered Financial Analyst (CFA) Program is a professional credential offered by the CFA Institute (formerly the Association for Investment Management and Research, or AIMR) to investment and financial professionals. To become a Chartered Financial Analyst, a candidate must, among other things, satisfy the following requirements: (i) pass all three levels of the CFA exam in succession; (ii) have four years (48 months) of qualified work experience (or a combination of education and work experience acceptable by the CFA Institute); (iii) become a member of the CFA Institute and apply for membership to a local CFA member society; and (iv) adhere to the CFA Institute Code of Ethics and Standards of Professional Conduct. The CFA Institute holds the investment community to the highest standards of integrity, ethics, and professional excellence. The CFA Program takes an average of four years for candidates to complete.

THOMAS B. MANDEL, CFA

SENIOR MANAGING DIRECTOR; PORTFOLIO MANAGER

Professional Designation: Financial Analyst (CFA)⁽⁴⁾.

Year of Birth: 1959

Educational Background:

- Wharton School of Finance – *MBA – Finance*
- University of Pennsylvania – *BS – Economics*
- Chartered Financial Analyst Institute – *CFA*

Business Experience:

- | | |
|--|-------------------|
| • Semper Capital Management, L.P. | 1992 – Present |
| <i>Senior Managing Director, Portfolio Manager, Former CIO</i> | |
| • 1838 Investment Advisors | 07/1989 – 12/1991 |
| <i>Portfolio Manager</i> | |
| • Century Institutional Advisors | 07/1986 – 07/1989 |
| <i>Portfolio Manager</i> | |
| • Chase Investor Management Corp. | 4/1984 – 7/1986 |
| <i>Portfolio Manager Other</i> | |

Business Activities: None **Disciplinary**

Information: None

Additional Compensation: Not applicable

Supervision: Mr. Mandel is supervised by Gregory Parsons, CEO. Mr. Parsons can be reached at 212-612-9190 or gparsons@sempercap.com

⁽⁴⁾ The Chartered Financial Analyst (CFA) Program is a professional credential offered by the CFA Institute (formerly the Association for Investment Management and Research, or AIMR) to investment and financial professionals. To become a Chartered Financial Analyst, a candidate must, among other things, satisfy the following requirements: (i) pass all three levels of the CFA exam in succession; (ii) have four years (48 months) of qualified work experience (or a combination of education and work experience acceptable by the CFA Institute); (iii) become a member of the CFA Institute and apply for membership to a local CFA member society; and (iv) adhere to the CFA Institute Code of Ethics and Standards of Professional Conduct. The CFA Institute holds the investment community to the highest standards of integrity, ethics, and professional excellence. The CFA Program takes an average of four years for candidates to complete.