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January 18, 2011

This Brochure provides information about the qualifications and business practices of UCM Partners, L.P. If you have any questions about the contents of this Brochure, please contact us by phone, 212-797-2688, or e-mail, info@ucmpartners.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.

UCM Partners, L.P. is a registered investment adviser. The term registered investment adviser reflects UCM Partners' registration with the SEC and does not imply a certain level of skill or training. This brochure has not been approved by the SEC or any state securities authority.

Additional information about UCM Partners, L.P. is also available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 – Material Changes

MATERIAL CHANGES

On July 28, 2010, the United State Securities and Exchange Commission published “Amendments to Form ADV” which amends the disclosure document that we provide to clients as required by SEC Rules. This Brochure dated [Date of Brochure] is a new document prepared according to the SEC’s new requirements and rules. As such, this Document from UCM Partners, L.P. (“UCM” or “the Firm”) is materially different in structure and requires certain new information that our previous brochure did not require. In the future, this section will discuss only specific material changes that are made to the Brochure and provide clients with a summary of such changes. We will also reference the date of our last annual update of our brochure.

In the past UCM has offered or delivered information about the Firm’s qualifications and business practices to clients on at least an annual basis. Pursuant to new SEC Rules, we will ensure that you receive a summary of any materials changes to this and subsequent Brochures within 120 days of the close of our business’ fiscal year. We may further provide other ongoing disclosure information about material changes as necessary.

We will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

Currently, our Brochure may be requested by contacting Dana Reed, Managing Director, at 212-612-9101 or 212-797-2688. UCM’s Brochure is also available free of charge on our web site www.ucmpartners.com. Additional information about UCM Partners, L.P. is available via the SEC’s web site www.adviserinfo.sec.gov.

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Item 4 – Advisory

- A. UCM Partners, L.P. (“UCM” or “the Firm”) has been in business as an SEC registered investment adviser since 1992.

Currently, the Firm’s principal owners are:

*RDP I LLC (C %) (Richard Parsons)

*UCM Partners II, LLC (C %) (Gregory Parsons, Jerald Menozzi)

B. UCM 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. UCM specializes in fixed income securities, specifically cash and securitized debt. UCM does not provide financial planning services.

C. UCM 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 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. UCM also manages and sub-advises registered and unregistered commingled investment funds.

D. UCM does not participate in wrap fee programs.

E. As of 12/31/2010, UCM had \$1,029,340,641.00 in assets under management. \$651,486,952.00 of assets are managed on a discretionary basis; \$377,853,689.00 of assets are managed on a non-discretionary basis.

Item 5 – Fees and Compensation

- A. UCM may be compensated for advisory services based on:
- i. A percentage of assets under management
 - ii. Fixed fees (other than subscription fees)
 - iii. Performance based fees
 - iv. Fees may be negotiable

Separate Account Management Fee schedules are listed below, and may be negotiable. Fees are an annual percentage of assets calculated quarterly in arrears:

Cash Management

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

Short Duration

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

Core Fixed Income

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

Passive MBS

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

Active MBS

Up to \$50 Million 0.30%
\$50 to 250 Million 0.250%
Over \$250 Million 0.20%
Minimum Annual Fee \$50,000

UCM Opportunistic Mortgage Strategy Fund

Management Fee – 75 basis points of assets under management paid monthly in arrears
Incentive Allocation – 10% of net capital appreciation over hurdle rate of 12 month LIBOR + 75 bps Opportunistic Mortgage Strategy Fund paid annually

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

- B. Separate account and commingled fund management fees are deducted from client assets in a manner that is established at account opening. Generally, as agreed upon with the client at account inception, UCM will invoice the fund administrator and/or the client for payment of UCM's fees.
- C. Generally, clients do not pay additional fees or expenses in connection with UCM's services.
- D. UCM does not collect fees in advance.
- E. Neither UCM 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 UCM is established in a client's written Advisory Agreement with UCM. 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 PPM.

UCM's fees are exclusive of custodial fees, and other related costs and expenses which may be incurred by the client.

UCM does not recommend broker-dealers to clients. Broker-dealers on UCM's approved broker list are approved after a due diligence compliance review.

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

In some cases, UCM has established performance based fee arrangements with institutional investors at account inception. Such fees are subject to negotiation with each client. UCM will structure a performance or incentive fee arrangement subject to Section 205(a) (1) of the Investment Advisors Act of 1940 in accordance with the exemptions available including the exemption set forth in Rule 205-3. In measuring a client's assets for the calculation of performance-based fees, UCM shall include realized and unrealized capital gains and losses. Performance based fee arrangements may create an incentive for an advisor 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 in the allocation of investment opportunities. UCM has 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. UCM uses the Bloomberg Compliance Manager system and the its asset allocation procedures together to ensure assets are appropriately allocated according to a portfolio or investor's guidelines, requirements, limitations, and directives. 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.

UCM does not participate in side-by-side management of assets.

Item 7 – Types of Clients

UCM may provide portfolio management services to many different types of clients including institutional and high net worth clients. Institutional clients include corporate pension and profit-sharing plans, Taft-Hartley plans, charitable institutions, foundations, endowments, municipalities, registered mutual funds, private investment funds, and trust programs. Fund account opening minimums vary and are stated in the PPM of each fund. Separate account opening minimums are established at account opening.

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

UCM 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. UCM'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, UCM utilize sub-advisors to supplement our core competencies. We believe that fixed income market inefficiencies allow for value added through active management.

Through the utilization of a team approach, we generally seek to add value through:

1. Security Selection: Overweighting securities we identify that should outperform, and under-weighting securities that 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.

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

UCM sources ideas for our 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 to us.

Our sector, sub-sector and industry allocation decisions are based on fundamental “top-down” analysis. Our 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 MBS.

Principal risks of UCM’s fixed income investment strategies may include:

1. Mortgage-Backed Securities Risk

A large portion of UCM’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

An increase in interest rates typically causes a fall in the value of fixed-income securities.

5. Credit Risk

The value of an investment may change in response to changes in the credit ratings of the securities in the portfolio. Generally, investment risk and price volatility increase as a security's credit 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 PPM of 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 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 your evaluation of UCM or the integrity of UCM's management. UCM has no disciplinary information to disclose.

Item 10 – Other Financial Industry Activities and Affiliations

UCM has arrangements that are material to its advisory business.

UCM is a sub-advisor to the BlackRock Public-Private Investment Fund ("PPIF") under the U.S. Treasury Public-Private Investment Program ("PPIP").

UCM established a relationship with BlackRock Financial Management, Inc. under the UCM Government/Credit Fund in which BlackRock is the subadvisor for the fund. UCM's Core strategy invests a portion of its assets into this Fund, while UCM manages the remainder of the assets through either separate accounts or through the UCM Active MBS Fund.

UCM is the investment adviser of the following registered mutual funds.

1. The UCM Floating NAV Fund. The NAV Fund has two sub-funds: the UCM Government Floating NAV Fund, advised by UCM, and the UCM Credit Floating NAV Fund, sub-advised by PIMCO. These two funds currently are not funded.
2. The UCM Short Duration Fund

Item 11 – Code of Ethics

UCM has adopted a Code of Ethics for all supervised persons of the firm that describes its standard of business conduct and fiduciary duty to its clients. 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. All employees of UCM must

acknowledge the terms of the Code of Ethics annually, or as amended.

UCM anticipates that, in appropriate circumstances, consistent with clients' investment objectives, it may cause accounts over which UCM has management authority to effect, and may recommend to advisory clients or prospective clients, the purchase or sale of securities in which the Firm and/or clients, directly or indirectly, have a position of interest. UCM's employees and its associated persons are required to follow the UCM Code of Ethics. Subject to satisfying this policy and applicable laws, officers, directors and employees of UCM may trade for their own accounts in securities which are recommended and/or purchased for UCM clients. The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of UCM 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. The Code requires the Chief Compliance Officer (CCO) to grant pre-clearance of personal securities transactions by access employees. The CCO may restrict trading. Employee trading is monitored under the Code of Ethics to reasonably prevent conflicts of interest between UCM client portfolios and portfolio managers.

The Firm's clients or prospective clients may request a copy of the UCM's Code of Ethics by contacting Dana Reed, Managing Director, 212-612-9101.

Item 12 – Brokerage Practices

UCM does not participate in soft dollar programs.

If a client asks for a broker recommendation, UCM will suggest more than one broker, describing their 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, UCM may aggregate the purchase or sale of securities for various accounts. Asset allocation is based on portfolio guidelines, portfolio requirements to fulfill the guidelines, cash available, and securities available in the market. A strict calculation method is used to determine appropriate asset allocation among accounts.

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 UCM's obligation of best execution. Item 6 discusses these procedures.

It is UCM's policy that the Firm will not affect any principal or agency cross securities transactions for client accounts. UCM will also not cross trades between client accounts.

Item 13 – Review of Accounts

UCM accounts are reviewed at least monthly by the CIO and the senior investment team. This review is based on each portfolio's guidelines, objectives, UCM's investment strategy and other relevant factors. Each portfolio is reviewed daily by the portfolio management team for duration management and sector concentrations. All accounts are reviewed with clients at least annually for necessary changes or updates.

UCM provides quarterly reports to clients detailing trading, performances, holdings, and information about market activity. UCM also provides monthly reports as requested by clients.

Item 14 – Client Referrals and Other Compensation

UCM and its related persons do not have arrangements, either oral or in writing, that would allow UCM 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. UCM does not directly or indirectly compensate any person for client referrals.

- A. UCM does not have a relationship with any entity or person (not a client) that provides investment advice or other advisory services to UCM's clients for an economic benefit such as sales awards or prizes to UCM.
- B. From time-to-time UCM may maintain a solicitor's agreement arrangement with certain individuals who are not UCM supervised persons for introductions to institutional clients. Such solicitation arrangements fall under SEC rule 206(4)-3 and are appropriately implemented and disclosed.

Item 15 – Custody

UCM does not custody client assets or funds. UCM ensures that clients receive at least quarterly statements from the broker-dealer, bank or other qualified custodian that holds and maintains client's investment assets. UCM statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities. UCM urges its clients to carefully review statements and compare such official custodial records to the account statements that UCM may have provided.

Item 16 – Investment Discretion

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

When selecting securities and determining amounts, UCM observes the investment policies, limitations and restrictions of the clients for which it advises. As a sub-advisor for a registered investment company, UCM'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 UCM and the client and in the Bloomberg Compliance Manager system.

Item 17 – Voting Client Securities – Proxy Voting

UCM specializes in fixed income securities and does not have the opportunity to participate in proxy shares for securities held in client accounts. Should this change in the future, UCM will establish proxy voting procedures.

Item 18 – Financial Information

UCM does not collect advisory fees in advance, has no financial commitment that impairs 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, CEO, at 212-612-9190.

Item 19 – Requirements for State-Registered Advisers

UCM is a registered with the SEC.

ADV Part IIB – Brochure Supplement accompanies this document

Educational Business Standards

UCM Partners, L.P. requires that professionals must have a college degree and/or experience managing portfolios or must be working toward completion of the CFA series of exams.

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ADV Part II- Part 2B Supplement
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This brochure supplement provides information about Jerald Menozzi, Vesta Marks and Boris Perechensky that supplements the UCM Partners, L.P. ADV Part II brochure. Please contact Dana Reed at 212-612-9109 if you did not receive a copy of the ADV Part II brochure or if you have any questions about the contents of this supplement.

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

JERALD MENOZZI, CFA, CHIEF INVESTMENT OFFICER

Professional Designation: CFA

Year of Birth: 1962

Experience:

UCM Partners, L.P. 12/1999 - Present

Chief Investment Officer & Portfolio Manager

APAM Core Fixed Income, L.L.C. 2/1999 – 11/1999

Managing Director/Institutional Money Manager

Atlantic Portfolio Analytics & Management, Inc. 08/1987 – 02/1999

Portfolio Manager/Institutional Money Manager

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

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

gparsons@ucmpartners.com

VESTA MARKS, CFA, PORTFOLIO MANAGER

Professional Designation: CFA

Year of Birth: 1978

Experience:

UCM Partners, L.P. 03/2007 - Present

Portfolio Manager

Earnest Partners LLC 06/2006 – 03/2007

Analyst

Independent Banker's Bank of FL 05/2005 – 06/2006

Analyst

UCM Partners, L.P. 01/2003 – 05/2005

Analyst

Educational Background:

Massachusetts Institute of Technology

BS in Mathematics

Chartered Financial Analyst Institute

CFA

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.

jmenozzi@ucmpartners.com

BORIS PERESECHENSKY, CFA, PORTFOLIO MANAGER

Professional Designation: CFA

Year of Birth: 1977

Experience:

UCM Partners, L.P. 09/2005 - Present

Portfolio Manager

Bayview Financial Trading Group 05/2003 – 09/2005

Risk Manager

HSBC Securities 06/2001 – 05/2003

Risk Analyst

Lazard Asset Management 07/1999 – 04/2001

Junior Portfolio Manager

Educational Background:

Columbia University

BA in Economics - Operations Research

Chartered Financial Analyst Institute

CFA

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.

jmenozzi@ucmpartners.com