

**ITEM 1
COVER PAGE**

PART 2A OF FORM ADV: FIRM BROCHURE

ALDEN GLOBAL CAPITAL LLC

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This brochure provides information about the qualifications and business practices of Alden Global Capital LLC ("Alden"). If you have any questions about the contents of this brochure, please contact us at 212-888-5500. 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.

Additional information about Alden also is available on the SEC's website at www.adviserinfo.sec.gov.

Alden is registered as an investment adviser with the SEC. Registration with the SEC or with any state securities authority does not imply a certain level of skill or training.

ITEM 2

MATERIAL CHANGES

On February 14, 2012, Alden filed the previous version of this brochure. While there are no material changes between this brochure and the previous brochure, Alden is updating this brochure to make certain changes to the description of the advisory firm in Item 4.A. and to update its assets under management in Item 4.E.

ITEM 3
TABLE OF CONTENTS

ITEM 1 COVER PAGE.....	i
ITEM 2 MATERIAL CHANGES	ii
ITEM 3 TABLE OF CONTENTS	iii
ITEM 4 ADVISORY BUSINESS	1
ITEM 5 FEES AND COMPENSATION.....	2
ITEM 6 PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT	4
ITEM 7 TYPES OF CLIENTS	5
ITEM 8 METHODS OF ANALYSIS, INVESTMENT STRATEGIES, AND RISK OF LOSS.....	6
ITEM 9 DISCIPLINARY INFORMATION	18
ITEM 10 OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS	19
ITEM 11 CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS, AND PERSONAL TRADING	20
ITEM 12 BROKERAGE PRACTICES	22
ITEM 13 REVIEW OF ACCOUNTS.....	24
ITEM 14 CLIENT REFERRALS AND OTHER COMPENSATION	25
ITEM 15 CUSTODY	26
ITEM 16 INVESTMENT DISCRETION.....	27
ITEM 17 VOTING CLIENT SECURITIES.....	28
ITEM 18 FINANCIAL INFORMATION	29
ITEM 19 REQUIREMENTS FOR STATE-REGISTERED ADVISERS.....	30

ITEM 4

ADVISORY BUSINESS

A. General Description of Advisory Firm.

Alden Global Capital LLC (“Alden”) is a Delaware limited liability company which commenced operations in February 2012 and succeeded to the investment advisory business of Alden Global Capital, a division of Smith Management LLC, as of March 31, 2012. Alden is principally owned by The Alden Trust.

B. Description of Advisory Services.

Alden is an investment advisory firm specializing in alternative investments. Alden currently acts as a non-discretionary sub-adviser to private investment funds managed and/or advised by Alden Global Capital Limited (each, a “Fund,” and, collectively, the “Funds”). Alden Global Capital Limited (“Alden Jersey”) commenced operations as an investment adviser to the Funds beginning in May in 2010. Alden Jersey is registered with, and regulated by, the Jersey Financial Services Commission and is an exempt reporting adviser with the SEC.

For more information on the Funds, please see Section 7.B.(2) of Schedule D to Part 1A of Alden’s Form ADV, and Section 7.B.(1) of Schedule D to Part 1A of Alden Jersey’s Form ADV, both of which are available at www.adviserinfo.sec.gov.

Alden may, in the future, provide discretionary or non-discretionary advisory services, either directly or in a sub-advisory capacity, to other investment funds or separately managed accounts.

C. Availability of Customized Services for Individual Clients.

Alden advises each Fund in an attempt to achieve the Fund’s investment objective and does not tailor its advice to the individual needs of any investor in the Fund. Generally, no investor in a Fund may impose any restrictions on the way Alden advises the Fund. Should Alden provide advisory services to a client through a separately managed account, or a fund created specifically for a client, it is anticipated that the account or fund would be tailored to the individual needs of the client and any investment restrictions or guidelines, as well as other terms such as fees, liquidity, and access to information, would be mutually agreed between Alden and the client.

D. Wrap Fee Programs.

Alden currently does not participate in any wrap fee programs.

E. Assets Under Management.

As of March 31, 2011, Alden had approximately \$3,248,097,459 of client regulatory assets under management on a non-discretionary basis.

ITEM 5

FEES AND COMPENSATION

A. Advisory Fees and Compensation.

Compensation received by Alden in its role as a sub-adviser to the Funds generally consists of a fee paid to it by Alden Jersey and a portion of the performance-based compensation, such as performance fees, allocations, or carried interest distributions, to which investors in the Funds are subject (“Performance Fees”).

Compensation from the Funds received by Alden Jersey is comprised of fees based on a percentage of assets under management (“Management Fees”) and a portion of the Performance Fees. All Management Fees and Performance Fees are disclosed in the relevant Fund’s offering documentation, which is provided to all prospective investors.

Management Fees typically range between 1% and 2% per annum. Management Fees are generally payable quarterly in advance and are pro-rated for partial periods.

Performance Fees are generally between 10% and 20% of net realized and unrealized capital appreciation, after making up for any losses carried forward from prior periods. The timing of allocations/distributions related to Performance Fees varies depending on the Fund and, within a particular Fund, on the terms of each class of interest of such Fund, as set forth in the relevant Fund’s offering documentation.

The Management Fees and/or Performance Fees received by Alden and Alden Jersey, as applicable, with respect to any investor in a Fund, may be waived, reduced, rebated, or calculated differently.

Should Alden manage and/or advise other investment funds or separately managed accounts in the future, it is anticipated that Alden would receive compensation similar to the Management Fees and Performance Fees described above.

B. Payment of Fees.

In general, Management Fees and Performance Fees are deducted from the assets of the Funds. As discussed above, Management Fees are generally deducted on a quarterly basis. Performance Fees are generally deducted, or allocated away, from the assets of investors in the Funds, on a periodic basis which period varies in duration, generally ranging from one to three years. Such duration is determined by the terms of each class of interest of the Fund, as set forth in the Fund’s offering documentation.

An investor in a Fund may be billed for Management Fees, and a Fund may hold a portion of an investor’s withdrawal/redemption proceeds in reserve to satisfy its future Management Fee payment obligations, in instances where the investor has requested a full withdrawal/redemption from the Fund and the Fund has elected to segregate assets in connection with such withdrawal/redemption.

C. Additional Fees and Expenses.

In addition to the Management Fees and Performance Fees described above, investors in the Funds may be subject to additional fees in the event of an early withdrawal. Investors in the Funds also are generally responsible for the costs and expenses of a Fund, as set forth in the Fund’s offering documentation.

Generally, a Fund will bear all of its legal and other organizational expenses incurred in connection with its formation, including certain expenses related to capital raising activities. In addition, the Fund will bear all of its on-going 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) and (ii) the acquisition, ownership, financing, hedging, or sale of its investments, including transaction and investment banking or similar costs and fees, legal and other expenses, brokerage commissions, information-related expenses, costs and expenses of portfolio construction tools and data services, costs and expenses of proxy research and voting services, clearing and settlement charges, custodial fees, interest expenses, appraisal fees, and other due diligence expenses), and all operational expenses, including legal (including responding to formal and informal inquiries and indemnification expenses), auditing, tax preparation, and accounting expenses (including expenses associated with the preparation of financial statements, tax returns, and Schedules K-1), expenses incurred in obtaining systems, research, and other information utilized for portfolio management purposes that facilitate valuations and accounting (including the costs of statistics and pricing services, service contracts for quotation equipment, and related hardware and software), the costs and expenses of holding any meetings of Fund investors, expenses incurred in the collection of monies owed to the Fund, insurance expenses, regulatory expenses (including filing fees), management fees, fees of the administrator and any other service providers, and to the extent applicable, any entity-level taxes, fees, or other governmental charges levied against the Fund, extraordinary expenses (such as litigation-related and indemnification expenses), and expenses comparable to the foregoing (collectively, “Operating Expenses”).

For Funds that are organized in a “master-feeder” structure, feeder funds will also bear their pro rata share of the respective master fund’s legal and organizational expenses and Operating Expenses.

Please see Item 12 for a discussion of Alden’s brokerage practices.

D. Prepayment of Fees.

As discussed above, Management Fees are generally payable quarterly in advance and are pro-rated for partial periods. If an investor in a Fund makes a redemption/withdrawal other than as of the last day of a fiscal quarter, such investor will only be charged a pro rata portion of the management fee for that quarter (based on the actual number of days elapsed during the quarter) and any remaining management fee previously charged but not owed will be refunded to the investor.

E. Additional Compensation for the Sale of Securities or Other Investment Products.

Neither Alden nor any of its supervised persons accepts compensation for the sale of securities or other investment products.

ITEM 6
PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

As noted in Item 5 above, Alden receives performance-based fees. Performance-based fees may create an incentive for Alden to recommend investments that may be riskier or more speculative than would be the case if such arrangement were not in effect. In addition, performance-based fee arrangements may create an incentive to favor higher fee paying Funds over other Funds in the allocation of investment opportunities. Alden has adopted policies and procedures, including trade allocation policies, designed to manage these conflicts.

ITEM 7

TYPES OF CLIENTS

As noted in Item 4 above, Alden currently acts as a non-discretionary sub-adviser to the Funds and may, in the future, provide discretionary or non-discretionary advisory services, either directly, or in a sub-advisory capacity, to other investment funds or separately managed accounts.

Investors in the Funds may include pension plans, foundations, funds of funds, charitable organizations, trusts, estates, corporations, sovereign wealth funds, other institutional investors, and high net worth individuals.

The minimum subscription amounts for investing in the Funds are set forth in their respective offering documentation and range from \$500,000 - \$2,000,000, generally subject to change or waiver at the discretion of Alden Jersey, or a Fund's general partner or board of directors, as applicable.

It is anticipated that other investment funds advised by Alden will require similar minimum subscription amounts and any separately managed account relationships will be subject to significantly higher account minimums that are negotiated on a case by case basis.

ITEM 8

METHODS OF ANALYSIS, INVESTMENT STRATEGIES, AND RISK OF LOSS

A. Methods of Analysis and Investment Strategies.

Alden seeks to generate returns generally by recommending investments in companies experiencing financial stress or distress, or otherwise undergoing an extraordinary corporate transaction. Alden seeks undervalued equity and debt obligations primarily of financially troubled firms in an attempt to realize value during the company's restructuring, recapitalization, turnaround process, or other event outside such company's ordinary course of business.

Alden primarily focuses on investments in securities of companies in the United States and Europe but may recommend investments in emerging market countries and other global markets. Alden believes that technical factors can create mispricing at different parts of the capital structure of the same company so it may opportunistically target any part of a particular company's capital structure. Alden's recommendations may involve shorting securities and the utilization of leverage to tactically reduce and increase market exposures of portfolios to desired levels. The investment portfolios of the Funds are relatively concentrated, with the size of an "investment," which may contain positions in multiple issuers and securities, generally ranging from 5% to 15% of a Fund's portfolio.

The descriptions set forth above discuss Alden's general methods of analysis and investment strategies and should not be understood to limit in any way Alden's investment activities on behalf of the Funds. Alden may recommend whatever strategies or approaches it believes from time to time may be suited to prevailing market conditions, subject to each Fund's investment objectives and guidelines as set forth in its offering documents.

The investment programs recommended by Alden on behalf of the Funds are designed for sophisticated investors, are speculative, and entail substantial risks, including a complete loss of capital that investors in the Funds should be prepared to bear. Since market risks are inherent in all investments to varying degrees, there can be no assurance that a Fund's investment objectives will be achieved or that significant losses will not be incurred.

B. Material, Significant, or Unusual Risks Relating to Investment Strategies.

Investing in securities involves a risk of loss that investors should be prepared to bear. The following is a summary of some of the material risks associated with the various strategies employed by the Funds and does not purport to be a complete list or explanation of the risks involved in investing the Funds. Although no summary can fully describe all of the risks associated with a particular investment program, the offering documents of the Funds contain a more complete description of these and other risks.

No Material Limitation on Strategies. Alden may recommend whatever strategies or approaches Alden believes from time to time may be suited to prevailing market conditions. The risks associated with such strategies may be different than those described herein. There can be no assurance that Alden will be successful in recommending any such strategy or approach and that losses will be avoided.

New Strategies and Techniques. Alden may develop and recommend new trading strategies or hedging techniques that may not be thoroughly tested in the market before being employed, and may have operational or theoretical shortcomings which could result in unsuccessful trades and, ultimately, losses to the Funds. In addition, any new investment strategy or hedging technique

developed by Alden may be more speculative than earlier techniques and may increase the risk of an investment made by a Fund.

Risks of Investments Generally. All investments risk the loss of capital. Such investments are subject to investment-specific price fluctuations as well as to macro-economic, market, and industry-specific conditions, including but not limited to national and international economic conditions, domestic and international financial policies and performance, conditions affecting particular investments such as the financial viability, sales and product lines of corporate issuers, national and international politics and governmental events, and changes in income tax laws. No guarantee or representation is made that a Fund's investment program will be successful. Each Fund'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, volatility, tracking risks in hedged positions, credit deterioration or default risks, systems risks, and other risks inherent in investment activities. Certain investment techniques recommended by Alden (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 Funds may be subject. In addition, a 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 the Funds may invest their assets.

Alden's methods of minimizing such risks (if any) 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; High Concentration. The Funds' portfolios generally will be relatively concentrated. At any given time, a Fund's portfolio could become significantly concentrated within a particular company, asset or asset class, industry, sector, strategy, or geographic region, and such concentration of risk may increase the losses suffered by the Fund or reduce its ability to hedge its exposure and to dispose of depreciating assets. In addition, it is possible that a Fund may hold investments that are concentrated in a limited number or type of financial instruments. This high concentration could expose a Fund to losses disproportionate to market movements in general if there are disproportionately greater adverse price movements in those financial instruments.

Substantial Leverage. The Funds' assets may be levered through various types of financings and through various securitization vehicles. Alden may also recommend leveraging a portfolio by utilizing options, short sales, swaps, forwards, and other derivative instruments. While leverage presents opportunities for increasing a Fund's total return, it has the effect of potentially increasing losses as well. Accordingly, any event that adversely affects the value of an investment held by a Fund would be magnified to the extent the Fund is leveraged. The cumulative effect of the use of leverage in a market that moves adversely to a Fund's investments could result in a substantial loss, which would be greater than if the Fund was not leveraged. Leverage will increase the exposure of a Fund to adverse economic factors such as significantly rising interest rates, severe economic downturns, or a deterioration in the condition of a Fund's investments or their corresponding markets.

Illiquidity. A substantial portion of a Fund's portfolio may consist of loans and other Financial Instruments that are not actively or widely traded. Consequently, it may be relatively difficult for the Fund to dispose of such investments rapidly and at favorable prices in connection with withdrawal requests, adverse market developments or other factors. Illiquid assets may also be more difficult to value.

Cross Collateralization; Recourse Debt. Because Alden may recommend portfolio financings where several investments are cross-collateralized, multiple investments may be subject to the risk of

loss. As a result, a Fund could lose its interests in performing investments in the event such investments are cross-collateralized with poorly performing or non-performing investments. In addition, recourse debt, which may be obtained in a Fund's portfolio, may subject other assets of the Fund to risk of loss.

Short Selling. Certain hedging transactions and investment transactions recommended by Alden may be short sales. Short selling involves selling securities which may or may not be owned by the short seller and borrowing them for delivery to the purchaser, with an obligation to replace the borrowed securities at a later date. Short selling allows the investor to profit from a decline in market price to the extent such decline exceeds the transaction costs and the costs of borrowing the securities. The extent to which a Fund engages in short sales will depend upon Alden's recommended investment strategy and opportunities. A short sale creates the risk of a theoretically unlimited loss, in that the price of the underlying security could theoretically increase without limit, thus increasing the cost to the Fund of buying those securities to cover the short position. There can be no assurance that a Fund will be able to maintain the ability to borrow securities sold short. In such cases, the Fund can be "bought in" (i.e., forced to repurchase securities in the open market to return to the lender). There also can be no assurance that the securities necessary to cover a short position will be available for purchase at or near prices quoted in the market. Purchasing securities to close out a short position can itself cause the price of the securities to rise further, thereby exacerbating the loss.

Short strategies can also be implemented synthetically through various instruments and be used with respect to indices or in the over-the-counter market and with respect to futures and other instruments. In some cases of synthetic short sales, there is no floating supply of an underlying instrument with which to cover or close out a short position and a Fund may be entirely dependent on the willingness of over-the-counter market makers to quote prices at which the synthetic short position may be unwound. There can be no assurance that such market makers will be willing to make such quotes. Short strategies can also be implemented on a leveraged basis. Lastly, even though a Fund secures a "good borrow" of the security sold short at the time of execution, the lending institution may recall the lent security at any time, thereby forcing the Fund to purchase the security at the then-prevailing market price which may be higher than the price at which such security was originally sold short by the Fund.

Global Investments. Alden may recommend that all or a portion of a Fund's portfolio be invested in financial instruments of issuers located outside of the United States (which may include emerging, developing, or under-developed countries). In addition to business uncertainties, such investments may be affected by political, social, and economic uncertainty affecting a country or region. Many financial markets are not as developed or as efficient as those in the United States, and as a result, liquidity may be reduced and price volatility may be higher. The legal and regulatory environment may also be different, particularly as to bankruptcy and reorganization. Financial accounting standards and practices may differ, and there may be less publicly available information in respect of such non-U.S. issuers.

Furthermore, some of the financial instruments may be subject to brokerage taxes levied by governments, which has the effect of increasing the cost of such investments and reducing the realized gain or increasing the realized loss on such securities at the time of sale. Income realized (or gross sale or disposition proceeds received) by a Fund from sources within some countries may be reduced by withholding and other taxes imposed by such countries. Any such taxes paid by a Fund will reduce its net income or return from such investments.

In addition, all or a portion of a Fund's investments may take place in emerging markets. Investing in emerging markets involves additional risks and special considerations not typically associated with investing in other more established economies or markets. Such risks may include (i) increased risk of nationalization or expropriation of assets or confiscatory taxation; (ii) greater social, economic, and political uncertainty, including war; (iii) higher dependence on exports and the

corresponding importance of international trade; (iv) greater volatility, less liquidity, and smaller capitalization of markets; (v) greater volatility in currency exchange rates; (vi) greater risk of inflation; (vii) greater controls on foreign investment and limitations on realization of investments, repatriation of invested capital, and on the ability to exchange local currencies for U.S. dollars; (viii) increased likelihood of governmental involvement in and control over the economy; (ix) governmental decisions to cease support of economic reform programs or to impose centrally planned economies; (x) differences in auditing and financial reporting standards which may result in the unavailability of material information about issuers; (xi) less extensive regulation of the markets; (xii) longer settlement periods for transactions and less reliable clearance and custody arrangements; (xiii) less developed corporate laws regarding fiduciary duties of officers and directors and the protection of investors; and (xiv) certain considerations regarding the maintenance of a Fund's financial instruments with non-U.S. brokers and securities depositories.

Hedging Transactions. For a variety of reasons, there can be no guarantee that a hedging strategy recommended by Alden for a Fund will be successful, volatility will be reduced, or a significant or complete capital loss will be avoided. Hedging against a decline in the value of a portfolio position does not eliminate fluctuations in the values of portfolio positions or prevent losses if the values of such positions decline, but establishes other positions designed to gain from those same developments, thus offsetting the decline in the value of the portfolio positions. Such hedging transactions also limit the opportunity for gain if the value of the portfolio position should increase. Alden may not recommend a hedge against a particular risk because it does not regard the probability of the risk occurring to be sufficiently high as to justify the cost of the hedge, because it does not foresee the occurrence of the risk, or for other reasons. The use of certain hedging strategies may also become difficult or impractical due to factors including, without limitation, increased hedging costs, reduced availability of hedging counterparties, and reduced market liquidity. The successful utilization of hedging and risk management transactions requires skills that could be different than those needed in the selection of a Fund's portfolio holdings. Hedging also involves other risks, including the possible default by the counterparty to the transaction and illiquidity of an agreement in the event that the need arises to close the agreement before its forward date. With regard to the risk of failure or default by the counterparty to such a transaction, a Fund will have contractual remedies pursuant to the agreements related to the transaction, which may or may not be meaningful depending on the financial position of the defaulting counterparty and the ability to enforce such agreements.

The success of a hedging strategy will depend, in part, upon Alden's ability to correctly assess the degree of correlation between the performance of the instruments used in the hedging strategy and the performance of the portfolio investments being hedged. Since the characteristics of many securities change as markets change or time passes, the success of a hedging strategy will also be subject to Alden's ability to continually recalculate, readjust, and execute hedges in an efficient and timely manner. While Alden may recommend hedging transactions to seek to reduce risk, such transactions may result in a poorer overall performance for a Fund than if it had not engaged in such hedging transactions. For a variety of reasons, Alden may not seek to establish a perfect correlation between the hedging instruments utilized and the portfolio holdings being hedged. Such an imperfect correlation may prevent a Fund from achieving the intended hedge or expose the Fund to risk of loss.

Trading and Investing Vehicles. Alden may effect certain investments for the Funds through limited partnerships, limited liability companies, corporations or other vehicles sponsored or managed by Alden, Alden Jersey, or their respective affiliates, or other third parties. Such investments may be effected through the purchase of debt, warrants or other investments of issuers, the equity of which may be owned by Alden, Alden Jersey, or any of their respective affiliates. A creditor having a claim that relates to a particular investment held by any such vehicle may be able to satisfy such claim against all assets of such vehicle, without regard to the participation rights of a Fund and other investors in the assets of such vehicle.

Counterparty Risk. Some of the markets in which Alden may effect transactions for the Funds 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 a Fund 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 a Fund to suffer a loss. Such “counterparty risk” is accentuated for contracts with longer maturities where events may intervene to prevent settlement, or where a Fund has concentrated its transactions with a single or small group of counterparties. Alden is not restricted from dealing with any particular counterparty or from concentrating any or all of its transactions for the Funds with one counterparty. The lack of a complete and “foolproof” evaluation of the financial capabilities of a counterparty and the absence of a regulated market to facilitate settlement may increase the potential for losses by a Fund.

Regulatory Risk. The value of the assets in which a Fund may invest may be affected 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 particular claims). The value of a Fund’s assets could be negatively affected by adverse regulatory developments.

“Control” Positions. Alden may recommend that a Fund, either alone or together with other members of a group (which may include other Funds), acquire a “control” position in the securities of a company, and may also recommend the appointment of certain persons it selects, or other members of the group, to a company’s management team or board of directors. Accordingly, situations may arise where Alden has a conflict of interest between the duties that it owes, if any, to such a company and its shareholders, on the one hand, and those that it owes to the Funds, on the other. In such situations, Alden may, if possible and practicable, abstain from participating in decisions that would not be in the best interests of a Fund.

Co-Investments with Third Parties. If circumstances so warrant, a Fund 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-venturer 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 Fund, or may be in a position to take (or block) action in a manner contrary to the Fund’s investment objective. 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 a Fund.

Competition; Availability of Investments. The markets in which the Funds are expected to invest are extremely competitive and, as a result, there may be reduced expected investment returns. There can be no assurance that Alden will be able to identify 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 a Fund’s opportunity for profit by generally increasing price pressure on desired assets, reducing mispricings in the market as well as the margins available on those mispricings that can still be identified.

Uncertain Exit Strategies. Due to the illiquid nature of many of the positions which a Fund may acquire, as well as the uncertainties of the reorganization and active management process, Alden is unable to predict with confidence what exit strategy it will ultimately recommend for any given investment, or that one will definitely 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.

C. Risks Associated With Particular Types of Securities.

Investment in Fixed-Income Securities—Generally. Alden may recommend that the Funds invest in fixed-income securities. The value of fixed-income securities changes in response to fluctuations in interest rates. Except to the extent that values are independently affected by currency exchange rate fluctuations, when interest rates decline, the value of fixed-income securities generally can be expected to rise. Conversely, when interest rates rise, the value of fixed-income securities generally can be expected to decline. In addition, to the extent that the receivables or loans underlying specific securities are prepayable without penalty or premium, the value of such securities may be negatively affected by increasing prepayments, which generally occur when interest rates decline.

Alden may also recommend that a Fund's assets be invested in zero coupon bonds and deferred interest bonds, which are debt obligations issued at a significant discount from face value. The original discount approximates the total amount of interest the bonds will accrue and compound over the period until maturity or the first interest accrual date at a rate of interest reflecting the market rate of the security at the time of issuance. While zero coupon bonds do not require the periodic payment of interest, deferred interest bonds generally provide for a period of delay before the regular payment of interest begins. Such investments experience greater volatility in market value due to changes in interest rates than debt obligations that provide for regular payments of interest.

Equity Securities. The Funds may invest in equity and equity-related securities of U.S. companies. Equity securities fluctuate in value in response to many factors, including the activities, results of operations, and financial condition of individual companies, the business market in which individual companies compete, industry market conditions, interest rates, and general economic environments. In addition, events such as domestic and international political instability, terrorism, and natural disasters may be unforeseeable and contribute to market volatility in ways that may adversely affect equity and equity-related investments.

Purchases of Securities and other Obligations of Financially Distressed Companies. Alden may recommend that the assets of the Funds be invested in obligations of issuers in weak financial condition, experiencing poor operating results, having substantial capital needs or negative net worth, facing special competitive or product obsolescence problems, including companies involved in bankruptcy or other reorganization and liquidation proceedings. These obligations are likely to be particularly risky investments, although they also may offer the potential for correspondingly high returns. Among the risks inherent in investments in troubled entities is the fact that it frequently may be difficult to obtain information as to the true condition of such issuers. Such investments may also be adversely affected by laws relating to, among other things, fraudulent transfers and other voidable transfers or payments, lender liability, and the bankruptcy court's power to disallow, reduce, subordinate, recharacterize debt as equity, or disenfranchise particular claims. Such companies' obligations may be considered speculative, and the ability of such companies to pay their debts on schedule could be affected by adverse interest rate movements, changes in the general economic climate, economic factors affecting a particular industry, or specific developments within such companies. In addition, there is no minimum credit standard that is a prerequisite to an investment in any asset, and a significant portion of the obligations in which a Fund invests may be less than investment grade. The level of analytical sophistication, both financial and legal, necessary for successful investment in companies experiencing significant business and financial difficulties is unusually high. There is no assurance that the value of the assets collateralizing a Fund's investments will be sufficient or that prospects for a successful reorganization or similar action will become available. In any reorganization or liquidation proceeding relating to a company in which a Fund invests, the Fund may lose its entire investment, may be required to accept cash or securities with a

value less than its original investment, and/or may be required to accept payment over an extended period of time. Under such circumstances, the returns generated from such investments may not compensate the Fund adequately for the risks assumed. In addition, under certain circumstances, payments and distributions may be disgorged if any such payment is later determined to have been a fraudulent conveyance or a preferential payment.

In liquidation (both in and out of bankruptcy) and other forms of corporate reorganization, there exists the risk that the reorganization either will be unsuccessful (due to, for example, failure to obtain requisite approvals), will be delayed (for example, until various liabilities, actual or contingent, have been satisfied), or will result in a distribution of cash or a new security the value of which will be less than the purchase price of the security in respect of which such distribution was made.

In certain transactions, a Fund may not be “hedged” against market fluctuations, or, in liquidation situations, Alden may not accurately value the assets of the company being liquidated. This can result in losses, even if the proposed transaction is consummated.

Non-Performing Nature of Debt. It is anticipated that certain debt instruments purchased by the Funds will be non-performing and possibly in default. In addition, these positions are expected to be non-control positions in such debt and the Funds will be dependent on actions of unrelated third parties. 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.

Fraud Risk. 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 a Fund to perfect or effectuate a lien on the collateral securing the loan. Under certain circumstances, payments to a Fund may be reclaimed if any such payment or distribution is later determined to have been a fraudulent conveyance or a preferential payment.

Contingent Liabilities. From time to time, the Funds may incur contingent liabilities in connection with an investment. For example, a Fund may purchase from a lender a revolving credit facility that has not yet been fully drawn. If the borrower subsequently draws down on the facility, the Fund would be obligated to fund the amounts due. A Fund may also enter into agreements pursuant to which it agrees to assume responsibility for default risk presented by a third party, and may, on the other hand, enter into agreements through which third parties offer default protection to the Fund.

High-Yield Securities. Fund assets may be invested in high-yield securities. Such securities are generally not exchange-traded and, as a result, these instruments trade in the over-the-counter marketplace, which is less transparent than the exchange traded marketplace. In addition, Alden may recommend that a Fund invest in bonds of issuers that do not have publicly traded equity securities, making it more difficult to hedge the risks associated with such investments. High-yield securities face ongoing uncertainties and exposure to adverse business, financial, or economic conditions that could lead to the issuer’s inability to meet timely interest and principal payments. The market values of certain of these lower-rated and unrated debt securities tend to reflect individual corporate developments to a greater extent than do higher-rated securities which react primarily to fluctuations in the general level of interest rates, and tend to be more sensitive to economic conditions than are higher-rated securities. Companies that issue such securities are often highly leveraged and may not have available to them more traditional methods of financing. It is possible that a major economic recession could severely disrupt the market for such securities and may have an adverse impact on the value of such securities. In addition, it is possible that any such economic downturn could adversely affect the ability of the issuers of such securities to repay principal and pay interest thereon and increase the incidence of default of such securities.

Troubled Origination. The investments recommended by Alden 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.

Bankruptcy Claims. Alden may recommend that the assets of a Fund be invested in bankruptcy claims, which are amounts owed to creditors of companies in financial difficulty. Bankruptcy claims are illiquid and generally do not pay interest and there can be no guarantee that the debtor will ever be able to satisfy the obligation on the bankruptcy claim. The markets in bankruptcy claims are not generally regulated by Federal securities laws or the SEC. Because bankruptcy claims are frequently unsecured, holders of such claims may have a lower priority in terms of payment than certain other creditors in a bankruptcy proceeding. In addition, under certain circumstances, payments and distributions may be reclaimed if any such payment is later determined to have been a fraudulent conveyance or a preferential payment.

Risks Associated with Bankruptcy Cases. Many of the events within a bankruptcy case are adversarial and often beyond the control of the creditors. While creditors generally are afforded an opportunity to object to significant actions, there can be no assurance that a bankruptcy court would not approve actions that may be contrary to the interests of a Fund. Furthermore, there are instances where creditors and equity holders lose their ranking and priority as such if they are considered to have taken over management and functional operating control of a debtor.

Generally, the duration of a bankruptcy case can only be roughly estimated. The reorganization of a company usually involves the development and negotiation of a plan of reorganization, plan approval by creditors, and confirmation by the bankruptcy court. This process can involve substantial legal, professional and administrative costs to the company and the Funds; it is subject to unpredictable and lengthy delays; and during the process, the company's competitive position may erode, key management may depart, and the company may not be able to invest adequately. The debt of companies in financial reorganization will, in most cases, not pay current interest, may not accrue interest during reorganization, and may be adversely affected by an erosion of the issuer's fundamental values. Such investments can result in a total loss of principal.

U.S. bankruptcy law permits the classification of "substantially similar" claims in determining the classification of claims in a reorganization for purpose of voting on a plan of reorganization. Because the standard for classification is vague, there exists a significant risk that a Fund's influence with respect to a class of securities can be lost by the inflation of the number and the amount of claims in, or other gerrymandering of, the class. In addition, certain administrative costs and claims that have priority by law over the claims of certain creditors (for example, claims for taxes) may be quite high.

Alden, Alden Jersey, or their respective affiliates, on behalf of a Fund, may elect to serve on creditors' committees, equity holders' committees, or other groups to ensure preservation or enhancement of the Fund's position as a creditor or equity holder. A member of any such committee or group may owe certain obligations generally to all parties similarly situated that the committee represents. If Alden, Alden Jersey, or their respective affiliates, concludes that its obligations owed to the other parties as a committee or group member conflict with its duties owed to a Fund, it may resign from that committee or group, and in such case the Fund may not realize the benefits, if any, of participation on the committee or group. In addition, and also as discussed above, if a Fund is represented on a committee or group, it may be restricted or prohibited under applicable law from disposing of or increasing its investments in such company while it continues to be represented on such committee or group.

The Funds may purchase creditor claims subsequent to the commencement of a bankruptcy case. Under judicial decisions, it is possible that such purchase may be disallowed by the bankruptcy court if the court determines that the purchaser has taken unfair advantage of an unsophisticated seller, which may result in the rescission of the transaction (presumably at the original purchase price) or forfeiture by the purchaser.

Reorganizations can be contentious and adversarial. It is by no means unusual for participants to use the threat of, as well as actual, litigation as a negotiating technique. Alden anticipates that Alden, Alden Jersey, the Funds, and perhaps certain investors in the Funds may be named as defendants in civil proceedings. The expense of defending against claims by third parties and paying any amounts pursuant to settlements or judgments would generally be borne by the Fund and would reduce net assets or could require investors in a Fund or Funds investing through a separately managed account to return to the Fund or account, as applicable, distributed capital and earnings.

Equitable Subordination. Under common law principles that in some cases form the basis for lender liability claims, if a lender (i) intentionally takes an action that results in the undercapitalization of a borrower or issuer to the detriment of other creditors of such borrower or issuer, (ii) engages in other inequitable conduct to the detriment of such other creditors, (iii) engages in fraud with respect to, or makes misrepresentations to, such other creditors, or (iv) uses its influence as a stockholder to dominate or control a borrower or issuer to the detriment of other creditors of such borrower or issuer, a court may elect to subordinate the claim of the offending lender or bondholder to the claims of the disadvantaged creditor or creditors (a remedy called “equitable subordination”). Alden does not intend to engage in, or recommend, conduct that would form the basis for a successful cause of action based upon the equitable subordination doctrine; however, because of the nature of the debt obligations, the Funds may be subject to claims from creditors of an obligor stating that debt obligations of such obligor which are held by a Fund should be equitably subordinated.

Bank Loans. The investment program of a Fund may include secondary market investments in significant amounts of bank loans and participations. These obligations are subject to unique risks, including: (i) the possible invalidation of an investment transaction as a fraudulent conveyance under relevant creditors’ rights laws; (ii) so-called lender-liability claims by the issuer of the obligations; (iii) environmental liabilities that may arise with respect to collateral securing the obligations; and (iv) limitations on the ability of a Fund to directly enforce its rights with respect to participations. In analyzing each bank loan or participation, Alden compares the relative significance of the risks against the expected benefits of the investment. Successful claims by third parties arising from these and other risks are borne by the Funds.

FCC Attribution Risk. The Federal Communications Commission (the “FCC”) has promulgated a number of rules that restrict the ability of an entity to hold multiple or cross-interests in various communications companies. These rules affect investments in areas such as television and radio broadcasting, wireless cable, local multipoint distribution service, local exchange service, cable television, and newspapers, as well as wireless and mobile communications services. The Funds may invest in these areas. The offering documentation of the Funds will contain (or may be amended to contain) provisions designed to ensure, to the extent possible, that investors in the Fund are not deemed to hold an “attributable ownership interest” in any portfolio company subject to the FCC rules and regulations that determine the attributable status of limited partners based upon compliance with FCC criteria designed to insulate limited partners from any material involvement, direct or indirect, in the management or operation of the media or common carrier activities of the Fund. Such provisions will generally preclude the investors in the Fund from engaging in any activities with respect to the Fund or any such portfolio company that would be deemed inconsistent with such FCC rules, regulations and policies regarding the “insulation” of limited partners.

Credit Default Swaps. The Funds may enter into credit derivative contracts such as credit default swap (“CDS”), loan credit default swap (“LCDS”), credit default swap index (“CDX”), and loan credit default swap index (“LCDX”) contracts. The typical CDS and LCDS contract requires the seller to pay to the buyer, in the event that a particular reference entity experiences specified credit events, the difference between the notional amount of the contract and the value of a portfolio of securities or loans issued by the reference entity that the buyer delivers to the seller. In return, the buyer agrees to make periodic and/or upfront payments equal to a fixed percentage of the notional amount of the contract. The Funds may also purchase or sell credit default swaps on a basket of reference entities or an index, that is CDX and LCDX contracts. In circumstances in which a Fund does not own the debt or loans that are deliverable under a credit default swap, the Fund will be exposed to the risk that deliverable securities or loans will not be available in the market, or will be available only at unfavorable prices, as would be the case in a so-called “short squeeze.” In certain instances of issuer defaults or restructurings, it has been unclear under the standard industry documentation for credit default swaps whether or not a “credit event” triggering the seller’s payment obligation had occurred. In either of these cases, a Fund would not be able to realize the full value of the credit default swap upon a default by the reference entity. As a seller of credit default swaps, a Fund incurs leveraged exposure to the credit of the reference entity and is subject to many of the same risks it would incur if it were holding debt securities or loans issued by the reference entity. However, the Fund will not have any legal recourse against the reference entity and will not benefit from any collateral securing the reference entity’s debt obligations. In addition, the credit default swap buyer will have broad discretion to select which of the reference entity’s debt obligations to deliver to the Fund following a credit event and will likely choose the obligations with the lowest market value in order to maximize the payment obligations of the Fund. Given the recent sharp increases in volume of credit derivatives trading in the market, settlement of such contracts may also be delayed beyond the time frame originally anticipated by counterparties. Such delays may adversely impact a Fund’s ability to otherwise productively deploy any capital that is committed with respect to such contracts.

Derivative Instruments. Alden may recommend the use derivative financial instruments, including without limitation, futures, swaps, options and total return swaps, primarily for leveraging and hedging purposes. The use of derivative instruments involves a variety of material risks, including the high degree of leverage often embedded in such instruments and the possibility of counterparty non-performance as well as of material and prolonged deviations between the actual and the theoretical value of a derivative (*i.e.*, nonconformance to anticipated or historical correlation patterns). In addition, the markets for certain derivatives are frequently characterized by limited liquidity, which can make it difficult as well as costly to a Fund to close out positions in order to either realize gains or to limit losses. The volatility of the derivatives market may prevent a Fund from adequately hedging its positions in the event that the Fund is unable to execute a particular derivative trade necessary for a hedge.

Many of the derivatives which Alden trades for Funds will be principal-to-principal or “over-the-counter” contracts between a Fund and third parties entered into privately, rather than on an exchange. As a result, the Fund is not afforded the regulatory and financial protections of an exchange or its clearinghouse (or of the government regulator that oversees such exchange and clearinghouse). In privately negotiated transactions, the risk of the negotiated price deviating materially from fair value is substantial, particularly when there is no active market available from which to derive benchmark prices.

Many derivatives are valued on the basis of dealers’ pricing of these instruments. However, the price at which dealers value a particular derivative and the price that the same dealers would actually be willing to pay for such derivative should a Fund wish or be forced to sell may be materially different. Such differences can result in an overstatement of a Fund’s net assets and could materially adversely affect the Fund in situations in which the Fund is required to sell derivative instruments.

Options and Swap Agreements. The Funds may trade in options and swap agreements. These options transactions may be part of a hedging strategy (*i.e.*, offsetting the risk involved in another securities position) or designed to afford a leveraged position in the security or instrument underlying the option. The prices of all derivative instruments, including options, are highly volatile. Payments made pursuant to swap agreements may also be highly volatile. Price movements of options contracts and payments pursuant to swap agreements are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary, and exchange control programs and policies of governments, and national and international political and economic events and policies. The value of options and swap agreements also depends upon the price of the debt securities or commodities underlying them. In addition, a Fund is subject to the risk of the failure of any of the exchanges on which it trades or of their clearinghouses.

Options may be cash settled, settled by physical delivery, or by entering into a closing purchase transaction. In entering into a closing purchase transaction, a Fund may be subject to the risk of loss to the extent that the premium paid for entering into such closing purchase transaction exceeds the premium received when the option was written.

Swaps and certain options and other custom instruments are subject to the risk of non-performance by the swap counterparty, including the risks relating to the financial soundness and creditworthiness of the swap counterparty. Alden does not have any fixed credit-rating requirements for such counterparties.

Over-the-Counter-Trading. Financial instruments that may be purchased or sold by a Fund may include instruments not traded on an exchange, including, but not limited to, swap transactions, and forward foreign currency transactions. Over-the-counter options, unlike exchanged-traded options, are two-party contracts with price and other terms negotiated by the buyer and seller. The risk of non-performance by the obligor on such an instrument may be greater and the ease with which a Fund can dispose of or enter into closing transactions with respect to such an instrument may be less than in the case of an exchange-traded instrument to the extent that the Fund has not hedged such risk. In addition, significant disparities may exist between “bid” and “asked” prices for financial instruments that are not traded on an exchange. Financial instruments not traded on exchanges are also not subject to the same type of government regulation as exchange-traded instruments, and many of the protections afforded to participants in a regulated environment may not be available in connection with such transactions. It may be impossible to liquidate or assign an existing position, to assess the value of a position, or to assess the exposure to risk.

To the extent that a Fund engages in these transactions, the Fund must rely on the creditworthiness of its counterparty. In certain instances, counterparty or credit risk is affected by the lack of a central clearinghouse for foreign exchange trades. To reduce its credit risk exposure, a Fund may trade in the forward foreign currency market through money center banks and leading brokerage firms.

Securities Futures Contracts. Securities futures contracts include both futures contracts on single stocks and futures contracts on narrow-based securities indices. They are treated as both futures and securities and, therefore, are subject to the joint jurisdiction of the SEC and the Commodity Futures Trading Commission (“CFTC”). Securities futures contracts are subject to the same risks as other securities, as well as to the greater volatility and risks of futures trading. Since they are new products, securities futures contracts have relatively low liquidity and no trading history.

Forward Trading. Forward contracts and options thereon, unlike commodity interest contracts, are not traded on exchanges and are not standardized; rather banks and dealers act as principals in these markets, negotiating each transaction on an individual basis. Forward and “cash” trading is substantially unregulated; there is no limitation on daily price movements and speculative position limits are not applicable. The principals that deal in the forward markets are not required to

continue to make markets in the commodities they trade and these markets can experience periods of illiquidity, sometimes of significant duration. There have been periods during which certain participants in these markets have refused to quote prices for certain commodities or have quoted prices with an unusually wide spread between the price at which they were prepared to buy and that at which they were prepared to sell.

Trading in Currencies. The Funds are exposed in the interbank market to risks associated with any government or market action that might suspend or restrict trading or otherwise render illiquid, in whole or in part, a Fund's position. The Funds trade currencies and financial instruments in interbank and forward contract markets which Alden believes to be well-established and of recognized standing, and Alden effects such trades with banks, brokers, dealers, financial institutions, and other market participants which Alden believes to be creditworthy.

Currency and Exchange Rate Risks. The Funds may invest in financial instruments denominated in currencies other than the U.S. Dollar or in financial instruments which are determined with reference to currencies other than the U.S. Dollar. The Funds, however, will generally value their assets in U.S. Dollars. To the extent unhedged, the value of a Fund's assets will fluctuate with U.S. Dollar exchange rates as well as with price changes of their non-U.S. Dollar denominated investments. Thus, an increase in the value of the U.S. Dollar compared to the other currencies in which a Fund may make investments will reduce the effect of increases and magnify the effect of decreases in the prices of the Fund's non-U.S. Dollar denominated investments. Conversely, a decrease in the value of the U.S. Dollar will have the opposite effect of magnifying the effect of increases and reducing the effect of decreases in the prices of the Fund's non-U.S. Dollar denominated investments. Alden may recommend that forward currency contracts and options be utilized to hedge against currency fluctuations, but there can be no assurance that such hedging transactions will be effective.

Volatility Risk. A Fund's investment program may involve the purchase and sale of relatively volatile instruments such as derivatives, which are frequently valued based on implied volatilities of such derivatives compared to the historical volatility of the underlying financial instruments. Fluctuations or prolonged changes in the volatility of such instruments, therefore, can adversely affect the value of investments held by the Fund. In addition, many non-U.S. financial markets are not as developed or as efficient as those in the U.S., and as a result, price volatility may be higher for the Fund's investments. Consequently, and also as a result of its investment program, a Fund's performance may be volatile.

ITEM 9
DISCIPLINARY INFORMATION

There are no legal or disciplinary events that are material to a Fund investor's, or prospective Fund investor's, evaluation of Alden's advisory business or the integrity of Alden's management.

ITEM 10
OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

A. Broker-Dealer Registration Status.

Neither Alden nor any of its management persons are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.

B. Futures Commission Merchant, Commodity Pool Operator, or Commodity Trading Adviser Registration Status.

Neither Alden nor any of its management persons are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, commodity trading advisor, or an associated person of the foregoing entities.

C. Material Relationships or Arrangements with Industry Participants.

Neither Alden nor any of its management persons has any relationship or arrangement with any related person that is material to its advisory business or to the Funds.

Alden provides advisory services to a number of Funds, some of which have investment programs that are similar or substantially similar. In addition, Alden may in the future advise other pooled investment vehicles and separately managed accounts that may have investment programs that are similar or substantially similar to the investment program of one or more Funds. As a result of the foregoing, Alden and its employees may have conflicts of interest in allocating their time and resources among Alden's clients, and in allocating investments among Alden's clients. Accordingly, the Adviser will devote so much of its time and will allocate the time and resources of its employees to each Fund as in its judgment each Fund reasonably requires.

D. Material Conflicts of Interest Relating to Other Investment Advisers.

Alden does not recommend or select other investment advisers for the Funds.

ITEM 11
CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

A. Code of Ethics.

Alden's employees may purchase or sell for themselves securities that the Funds also hold or may acquire. In addition, the Funds may purchase and sell securities of an issuer in which employees of Alden also have a position or interest. To govern the personal securities transactions of its employees, Alden has adopted a code of ethics which sets forth a standard of conduct expected of all Alden employees and is designed to foster compliance with applicable law and regulatory requirements, and promote a culture of high ethical standards. The code of ethics addresses Alden's standards of business conduct, and includes personal trading and insider trading policies and procedures. In addition, the code of ethics requires Alden's personnel to protect the confidentiality of client and investor information, report, and, in certain instances pre-clear, the giving or receiving of gifts and entertainment (including political contributions), and seek approval for outside business activities.

Alden's employees are required to seek pre-approval for all personal investments other than investments in non-reportable securities under Rule 204A-1 promulgated under the Investment Advisers Act of 1940. In addition, Alden's code of ethics generally prohibits its employees from personal trading in certain restricted securities and in any security during certain restricted periods. Alden's code of ethics requires employees to report personal transactions on a quarterly basis, file initial and annual personal account disclosures and securities holdings reports, and certify their compliance with the code of ethics on an annual basis.

Alden will provide a copy of its code of ethics to any investor in a Fund or prospective investor in a Fund upon request.

B. Securities That You or a Related Person Has a Material Financial Interest.

Alden generally does not, directly or indirectly, while acting as principal for its own account, knowingly sell any security to, or purchase any security from, a Fund, but if it were to engage in such transactions it would obtain any necessary approvals in accordance with applicable law.

Alden may, from time to time, recommend that a Fund enter into a cross trade (a transaction for the purchase or sale of a security or other financial instrument) with another Fund for purposes of portfolio re-balancing, or otherwise. A cross trade may be deemed a principal transaction if Alden and certain persons in a control relationship with Alden own a substantial portion (in excess of 25%) of one or both of the Funds participating in the cross trade. Alden will not recommend that a Fund enter into a cross trade that is deemed a principal transaction without obtaining proper approval in accordance with applicable law.

Alden does not contemplate engaging in agency-cross transactions. Agency cross transactions typically arise where an adviser is dually registered as a broker-dealer or has an affiliated broker-dealer.

C. Investing in Securities That You or a Related Person Recommends to Clients.

Subject to internal compliance policies and approval procedures designed to address any conflicts of interest that may arise, employees of Alden may engage, from time to time, in personal trading of securities and other financial instruments, including securities and financial instruments in

which a Fund may invest. Please refer to the response in Item 11.A for a description of Alden's personal trading policy.

D. Conflicts of Interest Created by Contemporaneous Trading.

A Fund advised by Alden may or may not follow an investment program that is the same as or similar to the investment program of one or more other Funds. Accordingly, it is Alden's policy to recommend the allocation of investment opportunities fairly and equitably over time. This means that such opportunities will be allocated among the Funds, for which participation in the respective opportunity is considered appropriate, taking into account, among other considerations: (i) whether the risk-return profile of the proposed investment is consistent with the Fund's objectives; (ii) the proposed investments impact on the current portfolio of the Fund; (iii) liquidity requirements of the Fund; (iv) potentially adverse tax consequences; (v) legal or regulatory restrictions that would or could limit a Fund's ability to participate in a proposed investment; (vi) structural and/or financing restrictions; (vii) the need to re-size risk in the Fund's portfolio; and (viii) other considerations as may be deemed appropriate from time to time.

ITEM 12

BROKERAGE PRACTICES

A. Factors Considered in Selecting or Recommending Broker-Dealers for Client Transactions.

As part of its sub-advisory services to the Funds, Alden enters into portfolio transactions on behalf of the Funds on the basis of seeking best execution. Alden has discretion in deciding what brokers and dealers a Fund will use and in negotiating the rates of compensation paid. Alden allocates portfolio transactions to brokers and dealers in consideration of various factors, including a broker's or dealer's commission rates, reliability, financial responsibility and strength, the ability to efficiently execute transactions, facilities, and the provision or payment of the costs of research and other services that are of benefit to Alden or the Funds.

1. Research and Other Soft Dollar Benefits.

Alden does not currently use commission or "soft" dollars to any significant extent to pay for research products or services. To the extent that Alden does use "soft" dollars to pay for research products or services, any such use of "soft" dollars will fall within the safe harbor for soft dollars created by Section 28(e) and any such arrangements will be structured in accordance with SEC guidance in this area. Research products and services provided to Alden may include research reports on particular industries and companies, economic surveys and analyses, advice from legal, strategic, financial, and industry consultants and advisors, recommendations as to specific securities, and other products and services providing lawful and appropriate assistance to Alden in the performance of its investment advisory responsibilities.

If Alden uses brokerage commissions (or markups or markdowns) (*i.e.*, "soft" dollars) to obtain research, or other products or services, Alden receives a benefit because it does not have to produce or pay for the research, products, or services. Alden may have an incentive to select a broker or dealer based on its interest in receiving research or other products or services, rather than on the Fund's interest in receiving the most favorable execution. Alden may cause a Fund to pay commissions (or markups or markdowns) higher than those charged by other brokers or dealers in return for soft dollar benefits. In addition, Alden may use research obtained with "soft" dollars generated by certain Funds to service other Funds; Alden is not required to allocate "soft" dollar benefits to Funds proportionately. Where a product or service obtained with "soft" dollars provides both research and non-research assistance to Alden, Alden will make a reasonable allocation of the cost of that product or service that may be paid for with soft dollars and will pay for the remainder of the cost with its own funds.

2. Brokerage for Client Referrals.

Brokers may refer or introduce investors to Alden, and Alden may accept investor referrals or introductions from brokers in appropriate circumstances. It should be noted that in these situations Alden receives a benefit because it will receive additional compensation if it gains a new advisory client or the Funds accept new investments. However, Alden does not base its selection of brokers on the provision of these services.

3. Directed Brokerage.

Alden does not recommend, request, or require that a client direct Alden to execute transactions through a specified broker or dealer.

B. Order Aggregation.

If Alden executes purchases or sells of the same securities for several Funds at approximately the same time, Alden may, to the extent permitted by applicable law, but is not obligated to, combine such orders to obtain best execution, to negotiate more favorable commission rates, or to allocate equitably among Funds differences in prices and commissions or other transaction costs than might have been obtained had these orders been placed separately. This aggregation of orders would be expected, on average, to slightly reduce the costs of execution. In general, Alden will not aggregate orders if, in a particular instance, Alden believes that aggregation would cause a Fund's costs of execution to increase. If an order cannot be fully executed under prevailing market conditions, Alden may allocate the securities traded among different Fund accounts on a basis which Alden considers equitable. Situations may occur in which a Fund could be disadvantaged because of the execution activities conducted by Alden for other Funds.

C. Trade Errors.

Errors with respect to trades executed on behalf of the Funds may result in losses or gains for the Funds. Alden will seek to resolve any trade error on a fair and equitable basis, taking into consideration whether the error resulted from a breach of Alden's standard of care as set forth in the Fund's offering documentation. In general, none of Alden, its principals, officers, members, employees, or controlling persons will be liable to the Funds if such person acted in good faith, or in a manner which they believed to be in, or not opposed to the interests of the Fund, and such person's conduct did not constitute a breach of Alden's standard of care. Negative or positive results of trading errors generally will be borne by the Fund, rather than by Alden, so long as Alden adheres to the foregoing standard of care.

ITEM 13

REVIEW OF ACCOUNTS

A. Frequency and Nature of Review of Client Accounts or Financial Plans.

On a daily basis, each Fund's portfolio is reviewed by Alden's operations staff under the supervision of Alden's Managing Director of Operations to ensure that all transactions are properly posted. In addition, Alden's chief compliance officer, or his designee, monitors trading in the Funds' portfolios to ensure compliance with applicable investment guidelines and investment restrictions, among other things. Daily compliance reporting has been developed with Alden's outside compliance software provider to assist in such monitoring.

B. Factors Prompting Review of Client Accounts Other than a Periodic Review.

In addition to the periodic review described above, Fund portfolios will be reviewed if such portfolios encounter special circumstances.

C. Content and Frequency of Account Reports to Clients.

Generally, investors in the Funds will receive monthly unaudited performance reports and annual audited financial statements, as well as certain tax information for preparation of investors' tax returns. Certain investors in the Funds may receive additional information and reporting that other investors may not receive.

Should Alden manage and/or advise other investment funds or separately managed accounts in the future, the nature and frequency of reporting will be individually negotiated.

ITEM 14
CLIENT REFERRALS AND OTHER COMPENSATION

A. Economic Benefits for Providing Services to Clients.

Alden does not receive any economic benefits from persons who are not clients for providing investment advice or other advisory services to the Funds. From time to time, employees of Alden may serve as directors or advisory board members of certain companies held in the portfolios of the Funds. In connection with such services, Alden may receive directors fees or other similar compensation attributable to the employees' services. In the event such fees are received, they will be allocated to the relevant Funds in a fair and equitable manner.

B. Compensation to Non-Supervised Persons for Client Referrals.

Alden may enter into arrangements pursuant to which it compensates third parties for referrals of potential investors to the Funds. To the extent applicable, such arrangements will be made in compliance with Rule 206(4)-3 under the Advisers Act.

ITEM 15 CUSTODY

Alden is deemed to have custody of the assets of the Funds. Fund assets are held at a qualified custodian or are otherwise exempt from such requirement. Alden relies on the provisions of Rule 206(4)-2 of the Advisers Act with respect to the Funds. Each Fund is audited annually by an independent public accountant that is both registered and inspected by the Public Company Accounting Oversight Board. Audited financial statements of the Funds are distributed to investors in the Funds within 120 days of each Fund's fiscal year end.

Should Alden manage and/or advise a separately managed account in the future and be deemed to have custody of the assets of that separately managed account, Alden will request that the qualified custodian that holds and maintains the separate account assets send account statements directly to the client at least quarterly. Alden urges any such client to compare the account statements received from the qualified custodian to the account statements received from Alden.

ITEM 16
INVESTMENT DISCRETION

Alden acts as a non-discretionary sub-adviser to the Funds pursuant to sub-advisory agreements between Alden and Alden Jersey. Alden Jersey has discretionary authority to manage the Funds pursuant to investment management agreements between Alden Jersey and each Fund. Alden Jersey's discretionary authority is subject to the stated investment objectives, guidelines, and restrictions of a particular Fund as set forth in the investment management agreement.

Alden may, in the future, provide discretionary advisory services to other investment funds or separately managed accounts. Should it do so, it is anticipated that Alden will enter into an investment management agreement, or similar agreement, pursuant to which it will be granted discretionary authority.

ITEM 17
VOTING CLIENT SECURITIES

The Advisers Act generally requires investment advisers to vote all proxies within their authority. Alden has established written policies and procedures designed to ensure that shares owned by a Fund are voted in the best interest of such Fund (the “Proxy Voting Procedures”). Alden does not vote proxies where it does not have the authority to do so or where the cost of doing so, in the opinion of Alden, would exceed the expected benefits to a Fund. Alden generally votes most shares through and in accordance with the recommendations of an independent third party proxy voting service. Alden reviews selected material proxy matters for each Fund and determines whether the voting service recommendations appear to be in the best interest of the Fund. When Alden believes that a voting service recommendation may be contrary to the best interest of a Fund, Alden may consider an alternative vote. For the avoidance of doubt, Alden retains the authority to votes proxies, has not delegated such authority to any other party, and may vote against any voting service recommendation if it determines such recommendation is contrary to a Fund’s best interests.

Clients may contact Alden to obtain information on how proxies were voted and to request a copy of the Proxy Voting Procedures.

ITEM 18
FINANCIAL INFORMATION

Alden 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 the Funds, and has not been the subject of a bankruptcy petition at any time during the past ten years.

ITEM 19
REQUIREMENTS FOR STATE-REGISTERED ADVISERS

Not applicable.