Value Oriented MBS and ABS Management

STRATEGOS
CAPITAL MANAGEMENT

May 2014

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Executive Summary

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Strategos key facts:

- Philadelphia, PA based; established in 2004; became independent in 2011; SEC registered
- Deep Value MBS Composite AUM - $509mm; Intermediate Strategy AUM - $19mm (each as of May 31, 2014)
- Experienced team of 11, of which most of the investment professionals have worked together for at least 8+ years

Sector Focus:

- Credit sensitive Non-Agency residential mortgage backed securities (RMBS) and related securities
- Prime, Alt-A, Option ARM, Subprime, 2nd Lien, ABS CDO and CMBS
- All CUSIP bearing assets, no whole loans, real property or derivatives

Strategy Highlights:

- Bottom up, value oriented investment process driven by rigorous fundamental analysis
- Focus on securities collateralized primarily by pre-2006 loans with stronger underwriting and lower LTV
- Trade smaller lot sizes with less competition from large investors and less efficient pricing

Investment Results:

- 6 year track record with lower volatility and correlation compared to equities and most other credit sensitive sectors (see pages 13 – 15 for performance details and important footnotes)

Investment Philosophy, Opportunity, and Process

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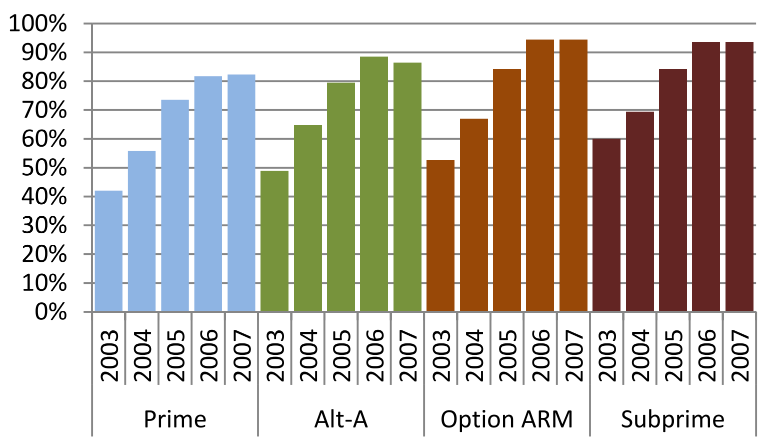
Quality of Underlying Loans Drives Fundamental Value in RMBS

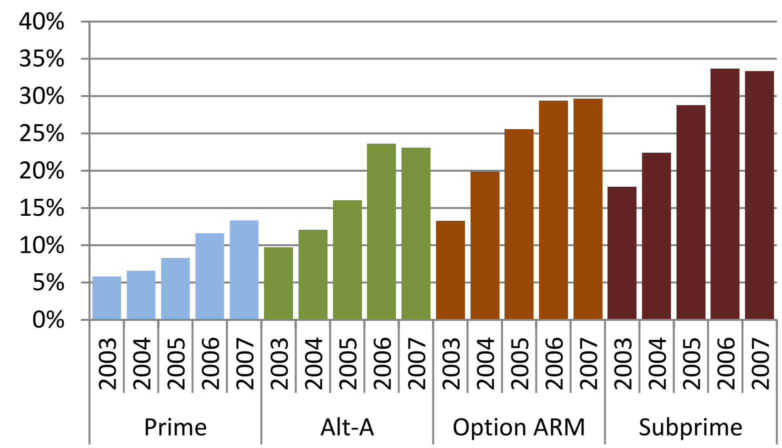
Strategos specializes primarily in pre-2006 (Seasoned) RMBS securities backed by loan pools:

- Created under generally more conservative original underwriting standards compared to later vintages
- With a positive survivor bias – many weaker borrowers have prepaid or defaulted out of pools
- Created in lower housing price environment resulting in lower current loan-to-value ratios (CLTVs)
- With long payment histories for remaining borrowers - a robust indicator of future payments
- With relatively small weightings in non-performing loans (NPLs) compared to later vintages

LTV by Asset Type



Serious Delinquencies by Asset Type



Graphs above are based on broad market data and are current as of May 31, 2014. Sourced from Morgan Stanley. Notes: LTV, or Loan-to-Value, is a ratio of the outstanding debt on a property to the market value of that property. Loans in serious delinquency are generally 90+ days past due and in danger of default.

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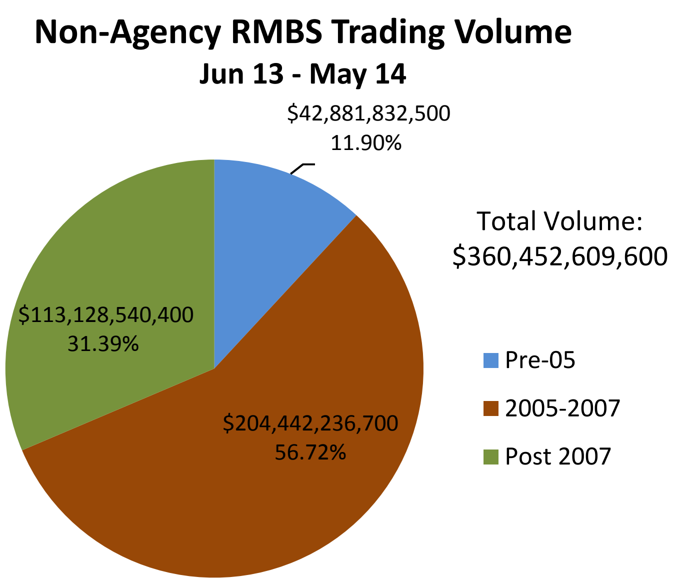
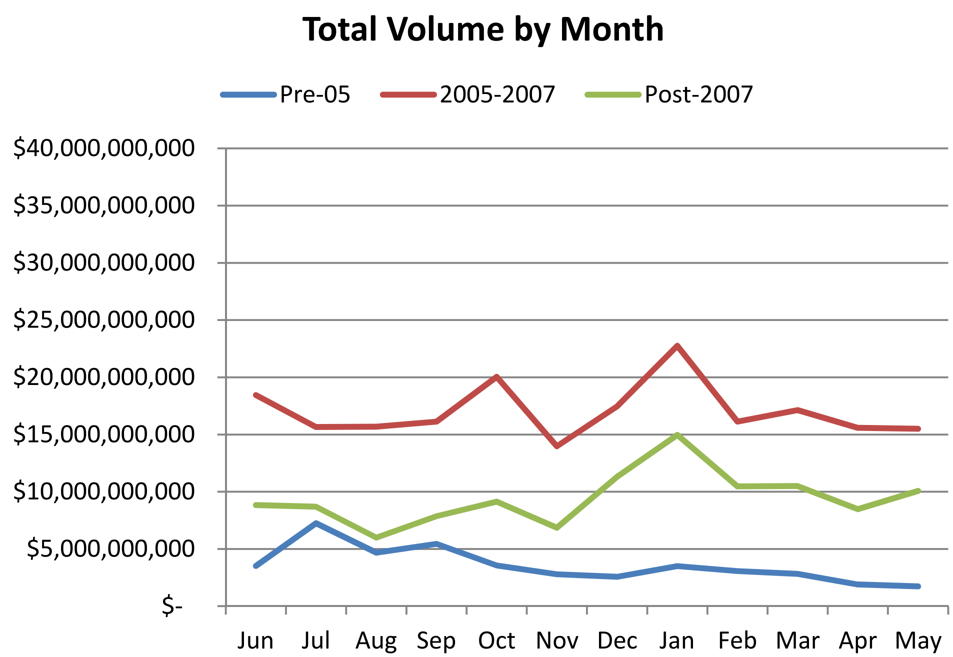
Active Secondary Market with Substantial Trading Volume Across Vintages

Market participants include a broad range of investors and institutions globally

- The majority of trading in the overall market is in bonds from later vintages
- Trading volume in 2005 - 2007 vintages can vary widely month to month
- Strategos is focused on earlier vintages with roughly 62% (based on market value) in pre-2005





Graphs above are based on broad market data and are expressed in current notional by deal vintage. Graphs reflect 12 trailing months (June 1, 2013 – May 31, 2014) of data. Sourced from Interactive Data (Vantage).

Investment Opportunity in Non-Agency RMBS

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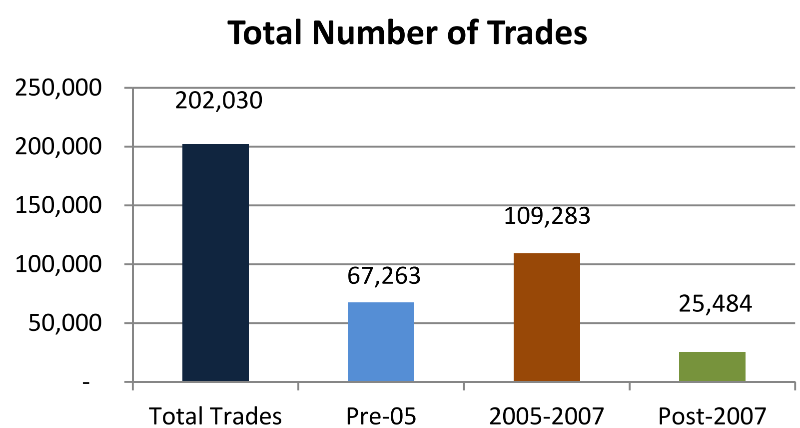
Inefficient Market with Limited Participation by Large Institutional Asset Managers

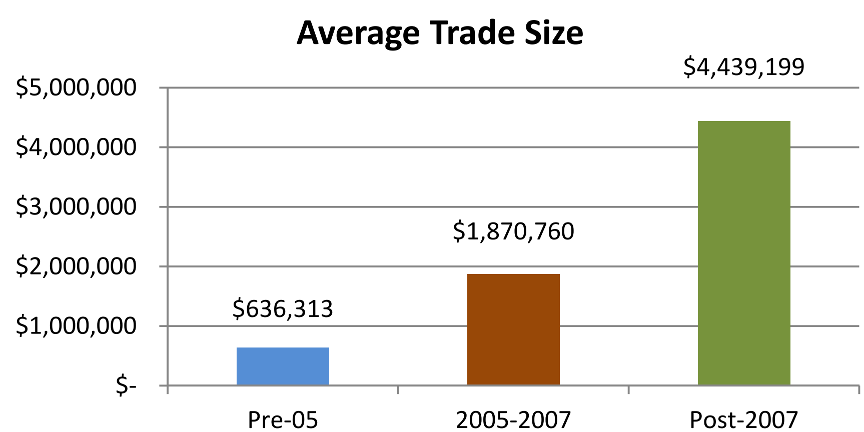
Sector continues to be out of favor relative to corporate credit and other alternatives

- Many investors avoid sector due to memories of the 2008 collapse of the Non-Agency RMBS market
- Complex and time consuming analysis requires specialized databases and analytic tools
- Overall trading volume, while substantial, is, we believe, small relative to the needs of many larger investors
- Logistically, we believe it is difficult for large managers to get meaningful exposure to pre-2006 Non-Agency RMBS

Fragmentation of secondary positions

- Amortization and splitting positions between accounts over time tends to fragment seasoned bonds
- High number of small trades results in relatively inefficient price discovery
- In some cases multiple pieces of the same bond can be accumulated over time to enhance liquidity



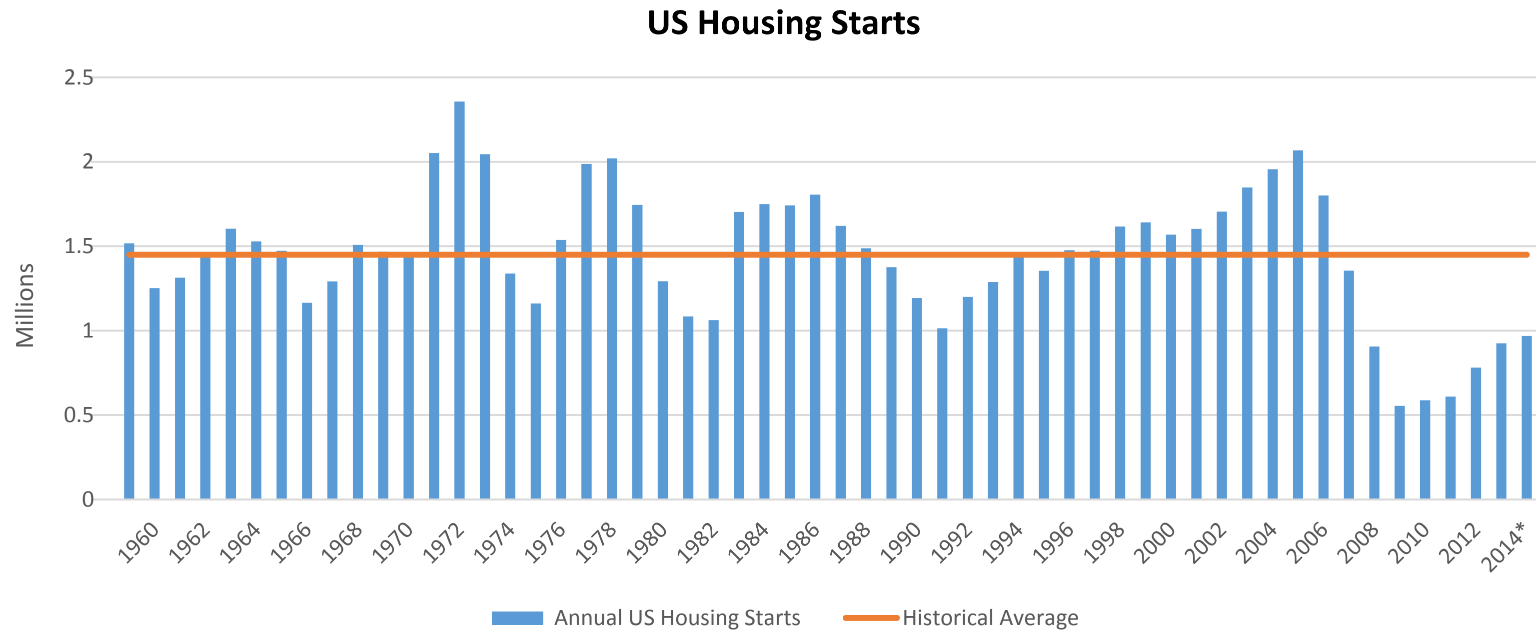


Graphs above are based on broad market data and are expressed in current notional by deal vintage. Graphs reflect 12 trailing months (June 1, 2013 – May 31, 2014) of data. Sourced from Interactive Data (Vantage).

Room for Returns to Historical Norms

US Housing Starts well below historical average

- 50 year U.S historical average roughly 1.5mm starts per year
- U.S housing starts hovering near 1mm annually for past 3 years
- 50% increase needed to return to historical 50 year average
- Housing starts typically above 2mm per year at market peaks



Graph reflects actual US Housing Starts from 1959 through 2013.
*2014 Starts are approximated by taking the average of the monthly Seasonally Adjusted Annual Rate, currently published through May 2014. Sourced from Bloomberg.

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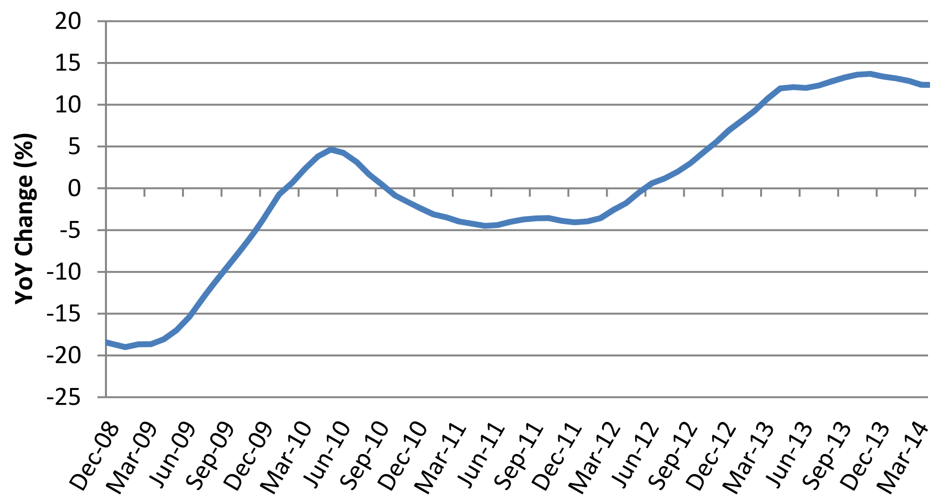
Significant Evidence of Improvement in Housing Sector

Home price stability should ultimately lead to lower losses, faster prepayments and spread compression

- A steadily declining inventory of unsold homes relative to sales is restoring stability to home values
- Overhang of foreclosed properties created an oversupply condition in housing which is now improving
- Home price to median income ratios remain below historical averages
- Pent up household formation should increase demand as mortgage lending standards normalize
- We believe these trends, if sustained, will lead to lower loss and faster prepayment metrics
- We believe our modeling assumptions are conservative leaving upside if fundamentals continue to improve

Existing Home Sales Months Supply

S&P/Case-Shiller Home Price Index



Source: National Association of Realtors, last update April 2014. Note: S&P/Case-Shiller Home Price Index data subject to 1 month lag.

Investment Process – Bottom Up Security Selection

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Source Bonds → Analyze Loans → Model Structure and Security → Bid Conservatively

Broad based sourcing – efficient execution

- Maintain relationships with over 40 dealers including the majors and many regionals and specialists
- Follow a wide range of security types, including those that are infrequently traded or out of favor
- Monitor BWICs and dealer inventory – assess what is likely to trade and where

Current Collateral Detail

- Evaluate loan level data through Bloomberg and Intex
- Review status of surviving loans – always performing, re-performing, and non-performing
- Monitor trend and impact of loan modifications

Dynamic Deal Structure Modeling

- Structural modeling – priority of payments, triggers, and diversions
- Calibrate using results of loan level analysis and understanding of current housing market dynamics

Multiple Scenario Analysis with focus on tail outcomes

- Focus on what could go wrong – not just what could go right
- Stress delinquency, prepayment, and loss severity beyond consensus views

Consensus Decision Making

- Independent analysis by multiple members of investment team
- Collegial culture encourages challenges and surfacing of alternative views

Security Selection Process

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Recognition and Control of Systematic Risks

Manage liquidity risk and volatility due to technical forces

- Underweight 2006 and 2007 vintages where supply shocks would most likely occur
- Overweight current pay securities which shed risk systematically through amortization
- Maintain broadly based and active trading relationships

Minimize impact of changing servicer behavior

- Avoid securities with a very high proportion of delinquencies where servicing is a major driver of value
- Use conservative assumptions for loan modifications and delinquent principal and interest advances
- Monitor the ongoing consolidation in the servicing industry and changes in servicing practices

Control exposure to interest rate changes and prepayments

- Overweight floating rate and discount securities where higher rates of prepayments increase cash flow
- Higher interest rates should generally be associated with a strong economy and credit spread compression
- Higher rates of housing price appreciation (HPA) will likely improve prepayment rates

Historical Performance

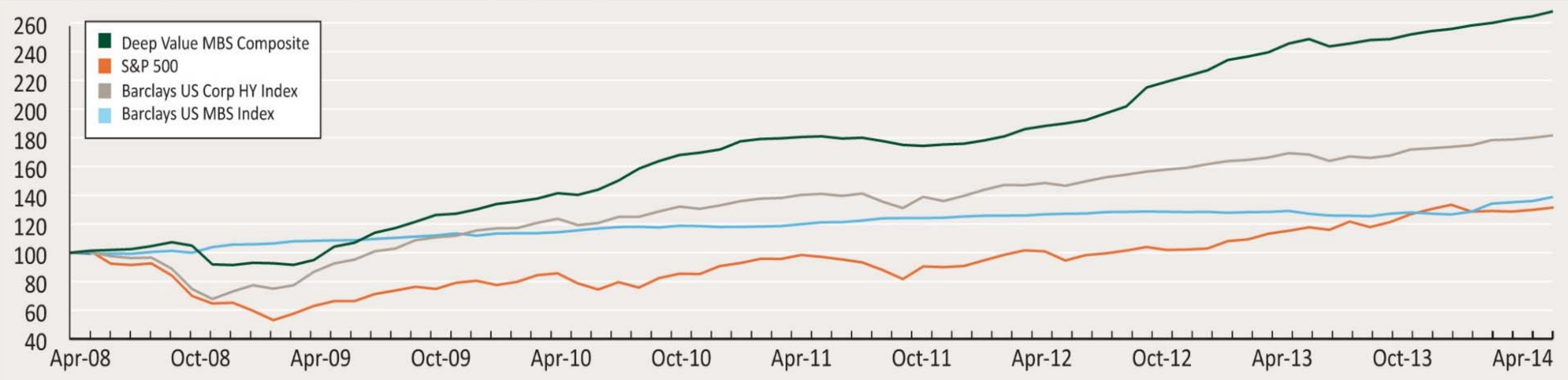
Deep Value Strategy Performance
Through May 31, 2014

STRATEGOS CAPITAL MANAGEMENT

Strategos Deep Value MBS Composite Return (Net)[1] Table

	JAN	FEB	MAR	Q1	APR	MAY	JUN	Q2	JUL	AUG	SEP	Q3	OCT	NOV	DEC	Q4	YTD
2014	0.96%	0.67%	1.02%	2.67%	0.76%	1.32%											4.81%
2013	3.17%	1.05%	1.23%	5.53%	2.54%	1.27%	-2.06%	1.70%	0.83%	0.99%	0.26%	2.09%	1.30%	0.92%	0.58%	2.83%	12.67%
2012	1.30%	1.59%	2.77%	5.77%	1.21%	0.95%	1.17%	3.36%	2.51%	2.40%	6.53%	11.82%	1.89%	1.79%	1.78%	5.57%	29.05%
2011	3.27%	0.95%	0.24%	4.50%	0.52%	0.25%	-0.83%	-0.07%	0.29%	-1.28%	-1.52%	-2.49%	-0.38%	0.55%	0.32%	0.49%	2.32%
2010	2.89%	1.26%	1.52%	5.78%	2.72%	-0.81%	2.62%	4.55%	4.40%	5.48%	3.38%	13.84%	2.56%	0.94%	1.34%	4.91%	32.08%
2009	1.71%	-0.38%	-1.19%	0.13%	3.71%	9.80%	2.63%	16.86%	6.51%	2.80%	3.75%	13.60%	3.91%	0.70%	2.34%	7.09%	42.35%
2008	NA	NA	NA	NA	NA	1.40%	0.52%	1.93%	0.55%	2.05%	2.61%	5.29%	-2.24%	-12.43%	-0.49%	-14.81%	-8.57%

Strategos Deep Value MBS Composite Return (Net)[1] vs. Indices[2]



[1] Composite represents time and asset weighted returns of all Funds (net of fees and expenses) and separate accounts (net of Strategos' fees) managed by Strategos in this strategy. Total returns include changes in market value and, until the particular fund or account enters the wind down phase, reinvestment of income and other distributions, if any. See "Explanation of Composite" on page 39 of these materials. See the returns of the individual components on page 29 of these materials. Past performance is not indicative of future results. Latest monthly performance preliminary.

[2] Please see the "Benchmark Disclaimer" located on page 39 of these materials. For purposes of this comparison inception date for benchmarks is April 30, 2008. Barclays US Corp HY Index and Barclays US MBS Index sourced from Barclays Capital.

Deep Value Strategy Performance
Through May 31, 2014

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Key Performance Statistics (Net)[2]

	Strategos Deep Value MBS Composite[1]	S&P 500	Barclays US Corp HY Index	Barclays US MBS Index
Since Inception (Annualized)	17.60%	5.54%	10.31%	4.59%
Standard Deviation (Annualized)	8.83%	17.57%	12.73%	2.77%
Sharpe Ratio	1.84	0.37	0.80	1.45
Sortino Ratio	1.35	0.46	0.73	2.51
Correlations	-	0.374	0.553	-0.315
Positive Months	84.93%	64.38%	76.71%	73.97%
Worst Month	-12.43%	-16.94%	-15.91%	-1.53%
Months to Recovery	7	18	7	10

[1] Composite represents time and asset weighted returns of all Funds (net of fees and expenses) and separate accounts (net of Strategos' fees) managed by Strategos in this strategy. See "Explanation of Composite" on page 39 of these materials. See the returns of the individual components on page 29 of these materials. Past performance is not indicative of future results. Latest monthly performance preliminary.

[2] Please see the "Benchmark Disclaimer" located on page 39 of these materials. For purposes of this comparison inception date for benchmarks is April 30, 2008 Barclays US Corp HY Index and Barclays US MBS Index sourced from Barclays Capital.

Note: USD 1MO LIBOR used as risk free rate in calculation of Sharpe and Sortino Ratios.

Historical Performance – Deep Value Strategy

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Strategos Deep Value MBS Composite Account Summary (Net)[1],[2]

	Fund 1	Fund 1-A/ MAP 3	Fund 2	SMAs[3]	SDVF (Offshore)[4]	Composite[5]	S&P 500	Barclays US Corp HY	Barclays US MBS
2008	-8.57%	n/a	n/a	n/a	n/a	-8.57%	-34.81%	-27.00%	5.66%
2009	39.61%	52.68%	-0.92%	n/a	n/a	42.35%	23.45%	58.21%	5.89%
2010	34.12%	29.27%	21.09%	20.73%	n/a	32.08%	12.78%	15.12%	5.37%
2011	n/a	2.12%	1.47%	4.79%	0.08%	2.32%	0.00%	4.98%	6.23%
2012	n/a	6.78%[9]	33.64%[10]	30.88%	20.83%	29.05%	13.41%	15.81%	2.59%
2013	n/a	n/a	n/a	13.63%	12.89%	12.67%	29.60%	7.44%	-1.41%
2014 YTD	n/a	n/a	n/a	4.75%	5.06%	4.81%	4.07%	4.59%	3.76%
3 Month	n/a	n/a	n/a	3.11%	3.22%	3.13%	3.45%	1.80%	1.81%
1 Year	n/a	n/a	n/a	7.16%	8.83%	7.77%	17.96%	7.90%	3.38%
3 Year (Annualized)	n/a	n/a	n/a	15.04%	n/a	13.98%	12.66%	8.83%	2.75%
5 Year (Annualized)	n/a	n/a	n/a	n/a	n/a	20.79%	15.92%	14.43%	3.89%
Since Inception (Annualized)	24.92%	27.39%	17.61%	16.60%	13.57%[4]	17.60%	5.54%	10.31%	4.59%
Standard Deviation (Annualized)	13.53%	8.99%	8.31%	5.55%	3.33%	8.83%	17.57%	12.73%	2.77%
Limited Partner IRR	22.75%[6]	34.15%[7]	17.30%[8]	n/a	n/a	n/a	n/a	n/a	n/a

[1] Net of: for Funds, fees and expenses; and for SMAs, Strategos' fees. Total returns include changes in market value and, until the particular fund or account enters the wind down phase, reinvestment of income and other distributions, if any. See "Explanation of Composite" on page 39 of these materials. See the returns of the individual components on page 29 of these materials. Past performance is not indicative of future results. Latest monthly performance preliminary.

[2] Please see the "Benchmark Disclaimer" located on page 39 of these materials. Barclays US Corp HY Index and Barclays US MBS Index sourced from Barclays Capital. For purposes of this comparison inception date for benchmarks is April 30, 2008.

[3] SMAs show combined returns for seven separately managed accounts, as further described in the "Explanation of Composite", of which two are currently wound down.

[4] Represents returns of all shares of SDVF Offshore Fund (although both SDVF Onshore and Offshore Fund returns are included in Composite). Class A Shares of SDVF Offshore Fund (the offered shares) have an annualized since inception return of 13.05% (Net).

[5] See "Explanation of Composite" on page 39 of these materials for important information about construction of the Composite.

[6] Realized cash-on-cash return to Fund 1 Limited Partner Investors.

[7] Realized cash-on-cash return to Fund 1-A Limited Partner Investors. MAP 3 performance not included in Fund 1-A IRR calculation.

[8] Realized cash-on-cash return to Fund 2 Limited Partner Investors.

[9] The 2012 return for Fund 1-A/MAP 3 represents only the 1st quarter of 2012 since such Fund was fully liquidated by March 31, 2012.

[10] The return for Fund 2 in September 2012 and the return for SMA-1 (as defined in the Explanation of Composite on page 39) in January 2013 (see page 33 for monthly returns) were substantially higher than the other components of the composite for the same time period primarily because in the final stages of each accounts' scheduled liquidation, the sale prices for certain of the accounts' remaining assets (particularly higher beta assets which were relatively heavily represented late in the liquidation process) secured through a competitive bidding process, were substantially higher than the previous marks. The 2012 return for Fund 2 represents only 11 months of the year since all investments were sold by November 2012.

Fund Terms and Structure

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Strategos Deep Value Fund Terms

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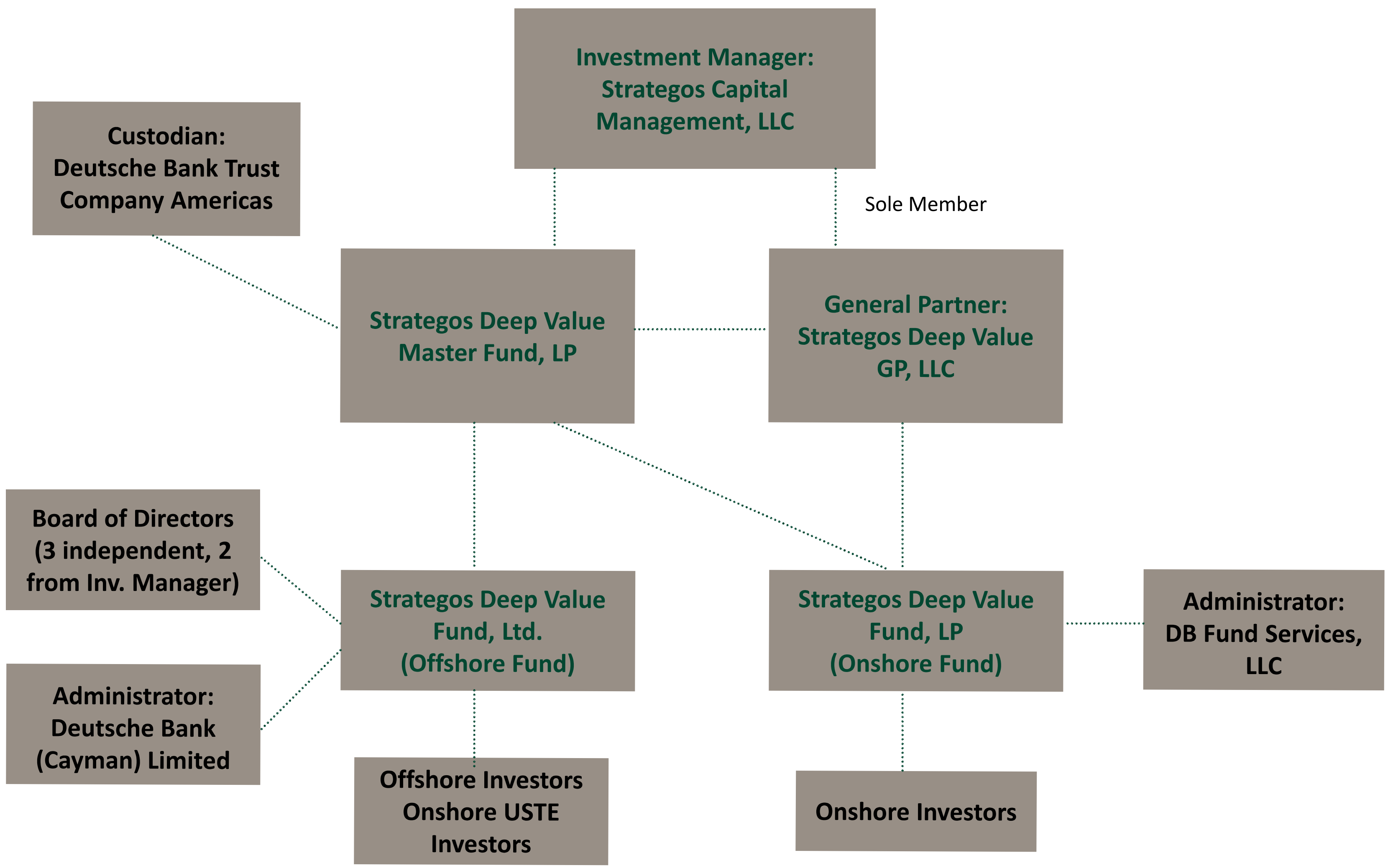
- AUM: $89mm as of May 31, 2014
- Cayman Islands master fund with onshore and offshore feeders
- Monthly subscriptions; $1mm minimum
- Quarterly liquidity with 60 days notice and 25% investor level gate (which may be waived by Directors/Manager)
- Soft Lock – redemptions subject to 5% redemption fee (to the Fund) in the first year of any contributed capital
- Up to 2% per quarter “income” distribution during first 12 months which is exempt from 5% redemption fee
- Maximum 2X leverage
- NAV calculated monthly by Administrator based on 3rd party pricing services and broker quotes
- Reporting: monthly statement from Administrator and year-end financials; monthly performance report and market commentary from Strategos
- Investment Management Fee (Class A Shares): 2% base
- Incentive Allocation (Class A Shares): 20% incentive (annually) with non-resetting high water mark
- Custodian/Administrator: Deutsche Bank AG
- Legal Counsel: Dechert LLP
- Auditor: Grant Thornton LLP

Strategos Deep Value Fund Structure



The Strategos Team

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Alex Cigolle

Mr. Cigolle is currently the Company's Chief Investment Officer and has served as a Managing Director of the Company since September 2004[1] with responsibility for portfolio management and trading. Along with David Gregory he is a Portfolio Manager of client assets. In addition, he serves on the Company's Investment Committee. From 2000 to 2004, Mr. Cigolle served as Vice President of Delaware Investments in the Structured Products Group. At Delaware Investments, Mr. Cigolle directed the trading and structuring of collateralized debt obligations (CDOs). In addition, Mr. Cigolle was responsible for credit analysis of various structured products including ABS, MBS, and CDOs. Prior to Delaware Investments, Mr. Cigolle was employed with Bank of America Securities where he was a structurer in the Structured Credit Products Group. Mr. Cigolle is a graduate of the Massachusetts Institute of Technology ('98) where he earned a bachelor's degree in economics. He is also a CFA Charterholder.

David Gregory

Mr. Gregory is currently a Director of the Company and has held various other titles with the Company since he was hired in June 2006[1]. Mr. Gregory has responsibility for portfolio management and trading, as well as credit analysis and portfolio pricing. Along with Alex Cigolle he is a Portfolio Manager of client assets. In addition, he serves on the Company's Investment Committee. During his employment with the Company, he has gained over eight years of credit analysis and trading experience in the securitized products market with a primary focus on Non-Agency RMBS. His previous employment includes Gulf Shore Development Partners, a Naples, Florida commercial real estate firm, where he served in the project management division. Mr. Gregory is a graduate of Bucknell University where he received a Bachelor of Science in Business Management.

Zineb Ramadane, PhD

Ms. Ramadane is currently a Director of the Company and has held various other titles with the Company since she was hired in March 2007[1]. Ms. Ramadane has responsibility for trading, as well as quantitative and credit analysis. In addition, she serves on the Company's Investment Committee. Prior to joining the Company, she worked for the Wharton Business group as an investment adviser for 5 years. Ms. Ramadane also worked for Delaware Investments for one year as a marketing associate in the International Marketing department. Before coming to the United States she worked for four years in France with ELF Atochem as a chemical engineer. Ms. Ramadane holds a BS degree in Chemical Engineering from "EMI" college in Morocco and a PhD in Chemical Engineering from "ENSIC" in France. She also holds an MBA degree in Finance from Villanova University and has passed level III of the CFA program. Ms. Ramadane is fluent in Arabic and French.

[1]On March 29th, 2011, Strategos spun out from Institutional Financial Markets, Inc. (f/k/a Cohen & Co.) and formed Strategos Capital Management, LLC, the investment manager of the various Funds and managed accounts described herein.

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Mark H. Burroughs

Mr. Burroughs joined the Company on October 9, 2013 as Chief Financial Officer with responsibility for all financial aspects of the business. Mr. Burroughs has 30 years of financial and operational experience including as Chief Financial Officer of public and private companies, vice president in charge of operating divisions and mergers and acquisitions. Previously, Mr. Burroughs was the Chief Financial Officer of Transcend United Technologies, LLC and Osteotech, Inc. and served in a variety of executive level capacities at MEDIQ/PRN Life Support Services, Inc. Mr. Burroughs started his profession career in the audit group at Deloitte serving clients across a broad spectrum of industries with a focus on public companies. Mr. Burroughs is a certified public accountant (inactive) and is a member of the American Institute of Certified Public Accountants.

John Longino

Mr. Longino joined the Company on March 1, 2012. He currently serves as the Chief Operating Officer having responsibility for all of the operations related activities of the Company. He brings over 30 years of financial and operations experience. Previously, he was the Chief Financial Officer and Treasurer of Alesco Financial Inc. (AFN), a publicly traded Specialty Finance REIT listed on the NYSE. Mr. Longino was with AFN from its initial 144A capital raise and through subsequent public equity and debt offerings. Prior to joining AFN in 2005, he worked in Public Accounting at Arthur Andersen LLP. From 1995 to 2000, he served as the Partner-in-charge of Administration and Chief Financial Officer for Andersen's Mid-Atlantic Market Circle, which included Washington, D.C., Philadelphia and four other offices. He is a certified public accountant and is a member in good standing of the American and Pennsylvania Institute of Certified Public Accountants.

Daniel Munley

Mr. Munley has served as General Counsel and Chief Compliance Officer of the Company since March 29, 2011. Mr. Munley has responsibility for all Company related legal and compliance matters. Prior to joining the Company, Mr. Munley was corporate in-house counsel at Institutional Financial Markets, Inc., an investment firm specializing in credit related fixed income products and investment securities. Prior to his position at IFMI, Mr. Munley was a securities law attorney at Hale & Dorr in Boston and Richards, Layton & Finger in Delaware. Mr. Munley is a member of the Delaware, Pennsylvania, Massachusetts, New Jersey and California bars.

Matthew Nannen

Mr. Nannen is currently a Director of the Company responsible for portfolio structuring and risk management, as well as credit and structural analysis for CDO investments and portfolio financing. Mr. Nannen has held various other titles with the Company since he was hired in April 2005[1] (including a one year (May 2012-June 2013) role as an independent (non-employee) member of the Company's Risk Committee). In addition, he currently serves on the Company's Risk Committee. Prior to joining the Company, Mr. Nannen worked for Delaware Investments for seven years as an Assistant Vice President in charge of CDO and Structured Products surveillance. Prior to that, Mr. Nannen was an Audit Manager in the Financial Services Industry of Ernst & Young LLP for six years. Mr. Nannen received a bachelor's degree from The Pennsylvania State University. Mr. Nannen is a Certified Public Accountant and CFA Charterholder.

Biographies (continued)

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Edward Barlow

Mr. Barlow is currently a Vice President of the Company and was previously an Associate with the Company when he was hired in May 2007[1]. Mr. Barlow is responsible for various duties at the Company which include credit surveillance, investment operations, and new marketing initiatives. Prior to joining the Company in May 2007, Mr. Barlow was an analyst in the Investment Manager Services group of SEI Investments and an analyst in a commercial lending unit of GMAC. Mr. Barlow is a graduate of Villanova University where he earned a Bachelor of Science in Business Administration with focuses in Finance and Entrepreneurship.

Grisha Maziya

Mr. Maziya is currently a Vice President of the Company in Investor Relations and was previously an Associate with the Company when he was hired in July 2012. Mr. Maziya is responsible for communicating with prospective and existing clients of the Company as well as for new marketing initiatives. Prior to joining the Company, from August, 2011 through June, 2012, Mr. Maziya was a marketing associate at JP Morgan. While at JP Morgan, Mr. Maziya was responsible for outreach to prospective high net worth and institutional investors. From August 2007 to August 2011, Mr. Maziya held various roles at Brighton House Associates as well as subsidiary company Parker Point Capital. He is a graduate of the University of Massachusetts at Amherst where he earned a Bachelor of Business Administration.

Christopher Lake

Mr. Lake joined the Company as of September 30, 2013 to serve as an Analyst. Mr. Lake is a graduate of Lafayette College ('13) where he earned a Bachelor's Degrees in Economics and Spanish, and was inducted into the national honor societies of both majors. While at Lafayette he completed many econometric research projects including an honors thesis his senior year.

Reid Hurley

Mr. Hurley joined the Company in January 2014 as an Associate in Investor Relations. Mr. Hurley is responsible for communicating with prospective and existing clients of the Company as well as for new marketing initiatives. Prior to joining the Company, from February, 2012 to January, 2014, Mr. Hurley was a registered associate at Wells Fargo Advisors. While at Wells Fargo Advisors, Mr. Hurley was responsible for relationship management of existing high net worth clients and outreach to prospective clients. From December 2010 through January 2012, Mr. Hurley was a registered associate at The Vanguard Group in the institutional investors group. He is a graduate of Florida Atlantic University where he earned a Bachelor’s degree in Economics.

[1]On March 29th, 2011, Strategos spun out from Institutional Financial Markets, Inc. (f/k/a Cohen & Co.) and formed Strategos Capital Management, LLC, the investment manager of the various Funds and managed accounts described herein.

Constantine Boyadjiev (Independent Chairman of the Company's Risk Committee)
Mr. Boyadjiev is the President of Calibra Consulting LLC, an independent specialty risk management advisory firm, and is the Chairman of the Company's Risk Committee. From 2006 to 2011 Mr. Boyadjiev was the Chief Risk Officer and Head of Enterprise Risk Management of Cohen & Company/IFMI, covering all aspects of the firm's risk management process, including the identification, aggregation, quantification, monitoring, and reporting of market, credit, operational and various other risks. Prior to joining Cohen & Company, from 2003 to 2006 Mr. Boyadjiev was a Senior Vice President and CRO for North America at KBC Financial Products with responsibility for the risk management oversight of the firm's US trading operations. Previously, from 2000 to 2003 Mr. Boyadjiev was a Vice President with JP Morgan Chase, responsible for the risk coverage of the bank's Global Structured Finance business. From 1995 to 2000 Mr. Boyadjiev was a Senior Manager at Arthur Andersen LLP's Financial & Commodity Risk Consulting Practice. Mr. Boyadjiev holds a BS degree from SUNY Stony Brook, double majoring in Economics and Applied Mathematics & Statistics, and holds a MBA in Finance degree from NYU's Stern School of Business.

Barry Dennis (Independent Member of the Company's Risk Committee)
Mr. Dennis has 25 years experience in the Fixed Income Credit markets at bulge bracket, regional and boutique firms. Since August 2013, he has been Head, US Structured Products, at Canaccord Genuity in New York City. Before joining Canaccord, he was a Senior MD and Head of Structured Products at Sterne Agee, where he built an 8 person team. Prior to that he was a founding partner and member of the Management Committee at Chapdelaine Credit Partners. Barry also spent nine years at Merrill Lynch (Managing Director, Strategic Solutions Group) where he was a senior structuring and solutions representative covering hedge funds, insurance companies and pension funds for Derivative and Structured Products. Prior to that, he spent three years at TD Securities, Credit Derivatives Structuring (New York and London) and four years as an illiquid asset swap trader at BMO Nesbitt Burns in London. He also spent three years as an investment analyst at Great-West Life Assurance Company, Canada. Barry holds an MBA from Ivey Business School, University of Western Ontario, a Bachelor of Commerce (Finance) from the University of British Columbia, and is a holder of the Charter of Financial Analysts designation (CFA).

Appendix A: Current Portfolio Attributes for Strategos Deep Value Fund

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Stratification by Origination Year

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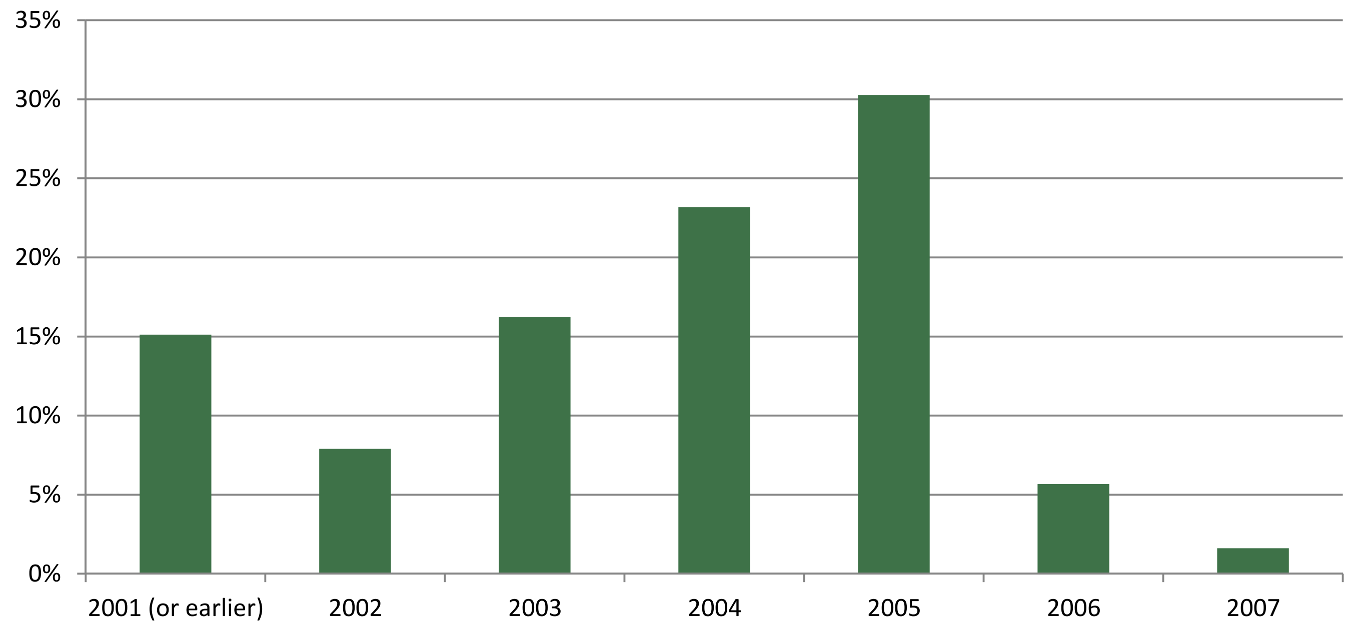
- Origination vintage is a critical determinant of credit performance in RMBS
- Earlier vintages tend to have longer payment histories, lower LTV ratios, and more conservative original loan underwriting standards
- Seasoned bonds are generally backed by a higher proportion of performing loans than ‘06 and ‘07 vintages
- Generally less servicing risk in pre-2006 origination due to higher percentage of performing collateral

Underlying Weighted Average Loan Age (WALA)

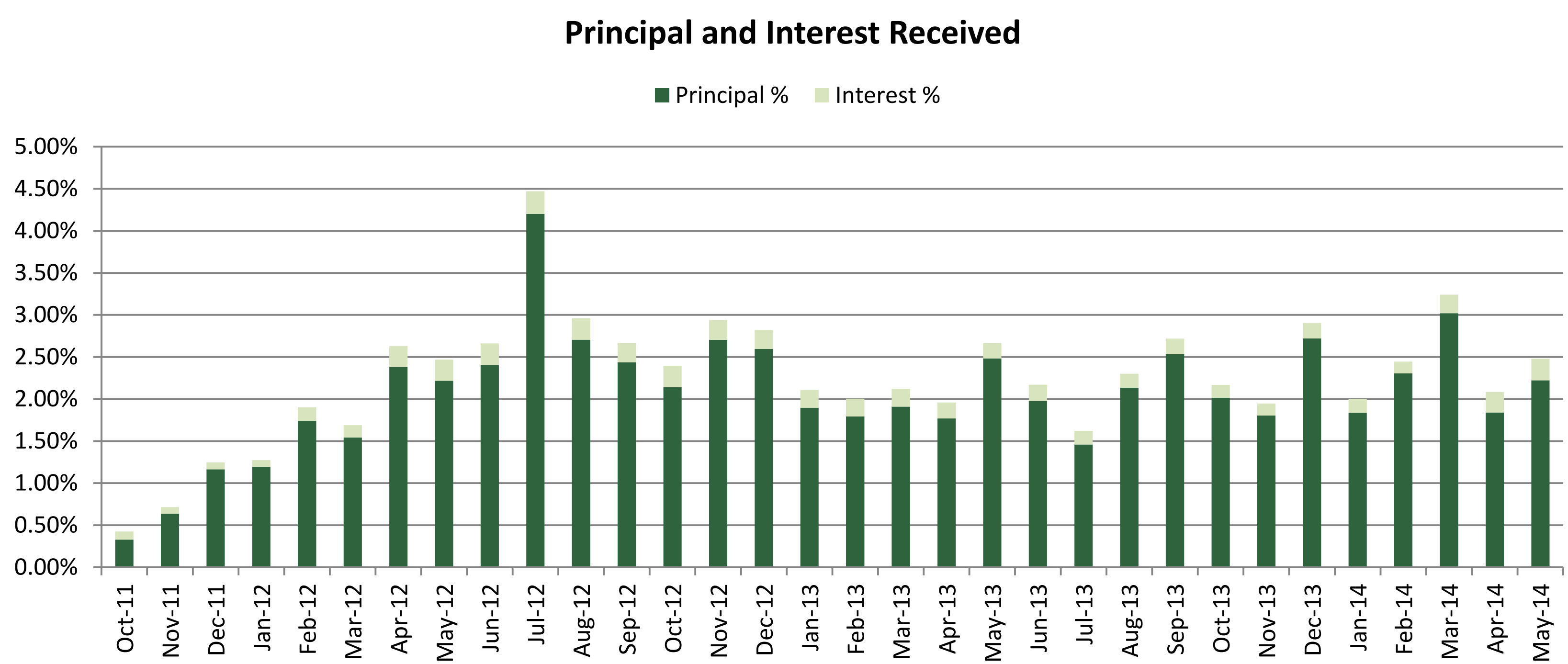


As of May 31, 2014 - Graph above shown as a percentage of market value of investments for SDVF.
Note: Origination year determined by Weighted Average Loan Age (“WALA”) of each security in SDVF.

Principal and Interest Received

STRATEGOS CAPITAL MANAGEMENT

- Cash flow (illustrated below) in the SDVF portfolio since inception from amortization of bonds and interest payments averages 2.40% per month, or 23.80% annualized.
- Trailing twelve months cash flow in the SDVF portfolio from amortization of bonds and interest payments averages 2.32% per month, or 27.86% annually.
- Interest payments are small due to low LIBOR based floating rate coupons



As of May 31, 2014 - Graph and numbers above shown as a percentage of market value (includes cash) for SDVF.
Note: From October 2011 through March 2012 the SDVF portfolio was being ramped up and held relatively high cash balances.

Purchase Price Distribution

STRATEGOS CAPITAL MANAGEMENT

- Current market offers what we believe to be fundamentally cheap bonds throughout the capital structure at a range of prices
- Pricing inefficiency is greatest towards the middle to bottom part of the capital structure creating opportunities

As of May 31, 2014 - Graph above shown as a percentage of market value of investments for SDVF.

Payment Type

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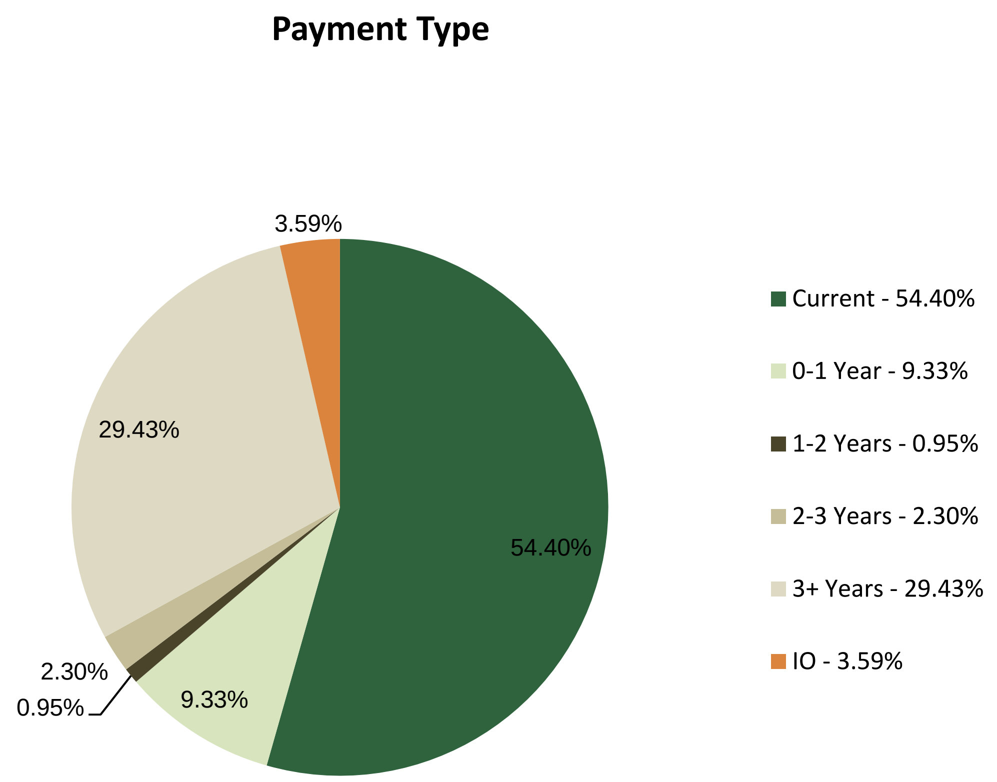
- Roughly 54% of the portfolio is currently amortizing and returning principal cash flow
- Securities often experience a price increase when they begin to pay principal



As of May 31, 2014 - Graph above shown as a percentage of market value of investments for SDVF.
Note: Legend shows payment of principal timing. Current Pay securities are currently receiving principal. Year ranges show expected timing of principal prepayments. Expected payment type is based on assumptions in model of prepayment, redemption and other assumptions believed to be reasonable, but schedule does not reflect stated maturities of bonds; actual performance likely to vary from model.

Sector Breakdown

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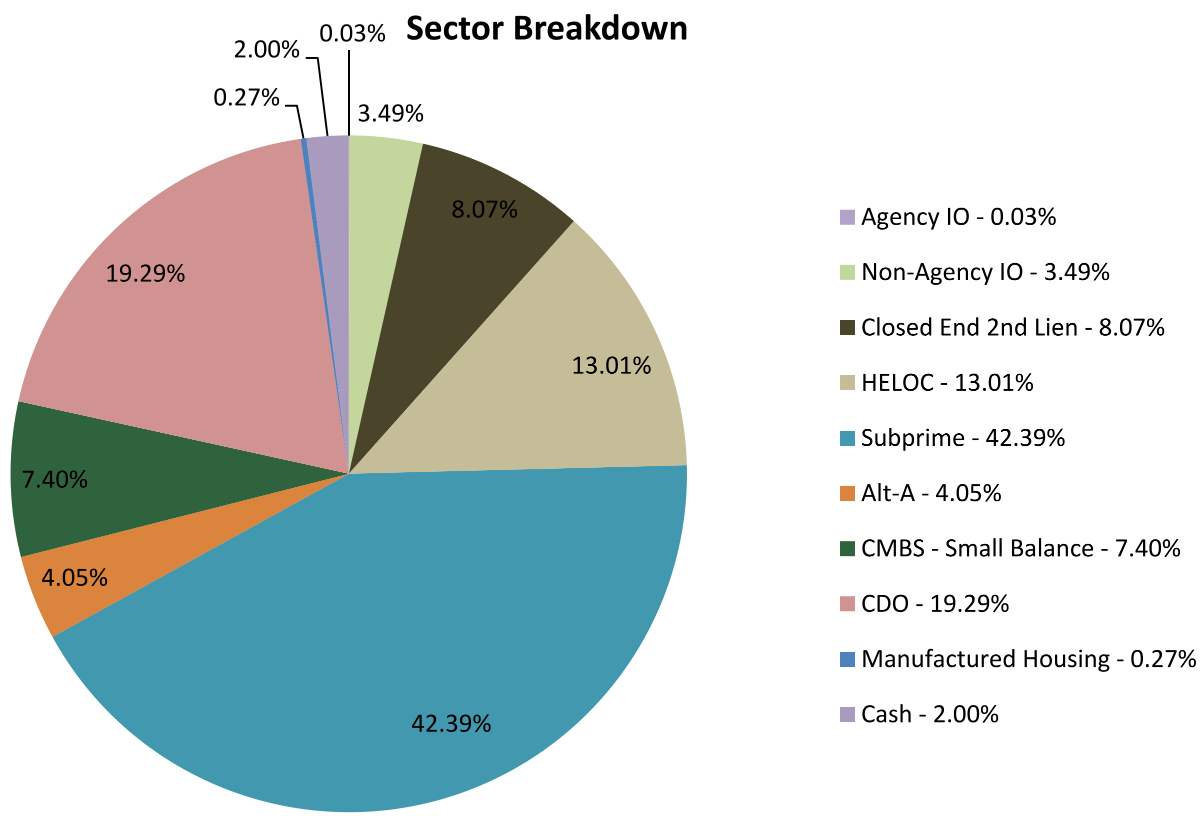
- Focus on residential mortgage market with high concentration in the subprime sector
- Subprime bonds at the top of the capital structure tend to benefit from high levels of credit support
- As of May 31, 2014 the Fund's portfolio consisted of 112 line items with an average position size of roughly $1,000,000



As of May 31, 2014 - Graph above shown as a percentage of gross assets for SDVF. Borrowings are currently equal to 33% of SDVF's NAV.

Appendix B: Performance Details

STRATEGOS
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Deep Value Strategy Monthly Performance

STRATEGOS CAPITAL MANAGEMENT

Strategos Deep Value MBS Composite Accounts (Net)[1]						
Date	Fund 1	Fund 1-A/ MAP 3	Fund 2	SMAs[2]	SDVF (Offshore)[3]	Composite[4]
5/30/2008	1.40%					1.40%
6/30/2008	0.52%					0.52%
7/31/2008	0.55%					0.55%
8/31/2008	2.05%					2.05%
9/30/2008	2.61%					2.61%
10/31/2008	-2.24%					-2.24%
11/30/2008	-12.43%					-12.43%
12/31/2008	-0.49%					-0.49%
1/31/2009	1.71%					1.71%
2/28/2009	-0.48%	0.09%				-0.38%
3/31/2009	-1.65%	0.87%				-1.19%
4/30/2009	3.29%	5.55%				3.71%
5/31/2009	9.06%	12.98%				9.80%
6/30/2009	2.44%	3.39%				2.63%
7/31/2009	6.70%	5.72%				6.51%
8/31/2009	2.49%	3.89%				2.80%
9/30/2009	3.75%	3.75%				3.75%
10/31/2009	3.93%	3.87%				3.78%
11/30/2009	0.42%	1.50%				0.70%
12/31/2009	2.62%	2.10%	-0.92%			2.34%

Performance Summary continued on the next page. See Footnotes on page 34.

Deep Value Strategy Monthly Performance (cont.)

STRATEGOS CAPITAL MANAGEMENT

Strategos Deep Value MBS Composite Accounts (Net)[1]						
Date	Fund 1	Fund 1-A/ MAP 3	Fund 2	SMAs[2]	SDVF (Offshore)[3]	Composite[4]
1/31/2010	2.72%	3.89%	0.59%	-0.14%		2.89%
2/28/2010	1.42%	0.98%	0.89%	0.60%		1.26%
3/31/2010	1.53%	1.75%	1.02%	1.09%		1.52%
4/30/2010	2.61%	3.29%	2.25%	2.47%		2.72%
5/31/2010	-0.54%	-1.26%	-1.05%	-1.45%		-0.81%
6/30/2010	3.09%	1.93%	2.06%	3.51%		2.62%
7/31/2010	4.82%	4.07%	3.78%	4.50%		4.40%
8/31/2010	9.94%	3.86%	1.65%	1.56%		5.48%
9/30/2010	4.58%	2.55%	3.42%	3.25%		3.38%
10/31/2010	n/a	2.70%	2.41%	2.11%		2.56%
11/30/2010	n/a	1.07%	0.86%	0.54%		0.94%
12/31/2010	n/a	1.26%	1.51%	1.09%		1.34%
1/31/2011	n/a	3.15%	3.30%	3.91%		3.27%
2/28/2011	n/a	0.52%	1.38%	1.94%		0.95%
3/31/2011	n/a	0.56%	-0.36%	0.44%		0.24%
4/29/2011	n/a	0.51%	0.56%	0.45%		0.52%
5/31/2011	n/a	0.31%	0.07%	0.33%		0.25%
6/30/2011	n/a	-0.52%	-1.33%	-1.42%		-0.83%
7/31/2011	n/a	0.15%	0.16%	1.63%		0.29%
8/31/2011	n/a	-1.54%	-0.83%	-1.03%	-0.50%	-1.28%
9/30/2011	n/a	-1.65%	-1.15%	-2.07%	-0.17%	-1.52%
10/31/2011	n/a	-0.53%	-0.06%	-0.40%	-0.17%	-0.38%
11/30/2011	n/a	0.83%	-0.26%	0.80%	0.55%	0.55%
12/31/2011	n/a	0.41%	0.08%	0.24%	0.37%	0.32%

Performance Summary continued on the next page. See Footnotes on page 34.

Deep Value Strategy Monthly Performance

STRATEGOS CAPITAL MANAGEMENT

Strategos Deep Value MBS Composite Accounts (Net)[1] (Cont.)						
Date	Fund 1	Fund 1-A/MAP 3	Fund 2	SMAs[3]	SDVF (Offshore)[4]	Composite[5]
1/31/2012	n/a	1.51%	1.29%	1.07%	0.56%	1.30%
2/28/2012	n/a	1.96%	1.27%	1.81%	0.57%	1.59%
3/31/2012	n/a	3.17%	3.09%	3.97%	1.03%	2.77%
4/30/2012	n/a	n/a	1.13%	0.97%	1.36%	1.21%
5/31/2012	n/a	n/a	1.07%	0.57%	1.03%	0.95%
6/30/2012	n/a	n/a	0.66%	1.68%	1.31%	1.17%
7/31/2012	n/a	n/a	2.72%	2.50%	2.34%	2.51%
8/31/2012	n/a	n/a	2.01%	3.26%	2.23%	2.40%
9/30/2012	n/a	n/a	12.98%[10]	4.72%	3.72%	6.53%
10/31/2012	n/a	n/a	2.03%	1.92%	1.83%	1.89%
11/30/2012	n/a	n/a	1.69%	3.04%	1.36%	1.79%
12/31/2012	n/a	n/a	n/a	1.81%	1.77%	1.78%
1/31/2013	n/a	n/a	n/a	5.32%[10]	2.20%	3.17%
2/28/2013	n/a	n/a	n/a	0.95%	1.09%	1.05%
3/31/2013	n/a	n/a	n/a	0.99%	1.32%	1.23%
4/30/2013	n/a	n/a	n/a	2.28%	2.65%	2.54%
5/31/2013	n/a	n/a	n/a	1.13%	1.43%	1.27%
6/30/2013	n/a	n/a	n/a	-2.50%	-1.42%	-2.06%
7/31/2013	n/a	n/a	n/a	0.76%	0.99%	0.83%
8/31/2013	n/a	n/a	n/a	1.02%	0.87%	0.99%
9/30/2013	n/a	n/a	n/a	0.24%	0.36%	0.26%
10/31/2013	n/a	n/a	n/a	1.13%	1.91%	1.30%
11/30/2013	n/a	n/a	n/a	1.03%	0.54%	0.93%
12/31/2013	n/a	n/a	n/a	0.65%	0.31%	0.58%

See Footnotes on page 34.

Deep Value Strategy Monthly Performance & Performance Footnotes

STRATEGOS CAPITAL MANAGEMENT

Strategos Deep Value MBS Composite Accounts (Net)[1] (Cont.)

Date	Fund 1	Fund 1-A/MAP 3	Fund 2	SMAs[3]	SDVF (Offshore)[4]	Composite[5]
1/31/2014	n/a	n/a	n/a	0.96%	0.96%	0.96%
2/28/2014	n/a	n/a	n/a	0.63%	0.81%	0.67%
3/31/2014	n/a	n/a	n/a	1.04%	0.95%	1.02%
4/30/2014	n/a	n/a	n/a	0.72%	0.94%	0.76%
5/31/2014	n/a	n/a	n/a	1.32%	1.31%	1.32%

[1] Net of: for Funds, fees and expenses; and for SMAs, Strategos' fees. Total returns include changes in market value and, until the particular fund or account enters the wind down phase, reinvestment of income and other distributions, if any.
[2] SMAs show combined returns for seven separately managed accounts, as further described in the "Explanation of Composite", of which two are currently wound down.
[3] Represents returns of all shares of SDVF Offshore Fund (although both SDVF Onshore and Offshore Fund returns are included in Composite). Class A Shares of SDVF Offshore Fund (the offered shares) have an annualized since inception return of 13.05% (Net).
[4] See "Explanation of Composite" on page 39 of these materials for important information about construction of the Composite.
Latest monthly performance preliminary.
[5] The return for Fund 2 in September 2012 and the return for SMA-1 (as defined in the Explanation of Composite on page 39) in January 2013 were substantially higher than the other components of the composite for the same time period primarily because in the final stages of each accounts' scheduled liquidation, the sale prices for certain of the accounts' remaining assets (particularly higher beta assets which were relatively heavily represented late in the liquidation process) secured through a competitive bidding process, were substantially higher than the previous marks. The 2012 return for Fund 2 represents only 11 months of the year since all investments were sold by November 2012.

Appendix C: Risk Management

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Risk Management Process

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Risk Committee* – Responsible for:

Monitoring ongoing trading activity:

- Maintain fluid interaction between Risk Committee members and traders throughout the day
- Monitor trading oriented communications over Bloomberg
- Review trade allocation and settlement process

Detailed analysis of portfolio structure and holdings:

- Examine key Portfolio Stats and Parameters: (e.g. Issuer/Collateral Type/Originator/Servicer/Credit Enhancement/Vintage/Rating/Counterparty, etc.)
- Scrutinize pertinent Collateral Performance metrics (e,g. CRR/CDR/Severity)
- Confirm compliance with stated strategies, limits, and relevant guidelines

Identify and evaluate macro risks to the portfolio stemming from:

- Regulatory or policy shifts that could directly or indirectly impact sector
- Servicer behavior and related risks
- Potential market dislocations or disruption

Risk Management Meetings:

- Review trading activity, portfolio breakdown, fund liquidity and capital deployment
- Analyze portfolio positioning in light of market conditions and developments
- Discuss performance on the asset- and portfolio-level and explain outliers
- Document any areas of concern, and specific steps taken with prescribed responsibilities and timeline

*Consisting of Constantine Boyadjiev (Independent Chairman), Barry Dennis (Independent), Mark Burroughs, John Longino, Daniel Munley, and Matt Nannen

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Disclaimer and Explanation of Composite

STRATEGOS CAPITAL MANAGEMENT

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These materials do not constitute an offer to sell, solicitation of an offer to buy, or an offer or solicitation of an offer to exchange, any security (including without limitation interests in Strategos Deep Value Fund ("SDVF")) of SCM or any other entity in the United States or any other jurisdiction nor do these materials constitute investment advice. Any such offer or solicitation may be made only by the delivery to a prospective investor of a definitive confidential offering memorandum ("Memorandum") and Agreement of Limited Partnership or Articles of Association ("Agreement"). An investment in SDVF will entail a number of risks and before investing prospective investors should carefully consider the risks described in the Memorandum.

The description of certain aspects of SDVF is a condensed summary only. A number of factors material to a decision whether to invest in SDVF have been presented herein in summary or outline form only, in reliance on the financial sophistication of the potential investors. Any information contained herein is subject to change and is qualified in its entirety by reference to the Memorandum and Agreement. There is no obligation to update these materials. The delivery of these materials does not imply, under any circumstances, that the information contained herein is correct as of any time subsequent to May 2014. In SCM's discretion, it may, but is not required, supplement, modify or update the information provided herein from time to time.

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Hedge funds pose greater risks than more traditional investments. Investors may lose all or a substantial portion of their investment. Investors should consider the risks inherent in investing in hedge funds, which include, but are not limited to: leveraged and speculative investments, limited liquidity, higher fees and expenses, complex tax structures and limited reporting capabilities. In addition to these general risks, there are specific risks that apply to each of the funds that are outlined in each fund's offering memorandum. Any investment decision with respect to an investment in a fund should be made based upon the information contained in the Memorandum, and investors should carefully read such the Memorandum and related documents, in consultation with their advisors, prior to making any such investment decision. The information contained herein is not intended to be complete and is qualified in its entirety by the Memorandum.

Nothing herein should be construed as investment, legal, tax or ERISA advice. Each prospective investor is urged to consult with its independent financial advisor, lawyer or accountant as to legal, tax and related matters to which it may be subject under the laws of the country of residence or domicile concerning the acquisition, holding or disposition of any investment in any fund.

It is the responsibility of each prospective investor reading this document to satisfy himself or herself as to the full observance of the laws of any relevant country, including obtaining any government or other consent which may be required or observing any other formality which needs to be observed in that country.

There can be no assurance that professionals employed by SCM will continue to be employed by SCM or that the past performance or success of any such professional is indicative of such professional's future performance or success.

Benchmark Disclaimer: The S&P 500 Index is designed as a broad indicator of the performance of the US equities market. The index consists of 500 stocks selected on the basis of a variety of criteria, including market capitalization, liquidity and industry group representation. The Barclays U.S. Mortgage-Backed Securities (MBS) Index covers Agency mortgage-backed pass-through securities (both fixed-rate and hybrid ARM) issued by Ginnie Mae (GNMA), Fannie Mae (FNMA), and Freddie Mac (FHLMC). The Barclays U.S. Corporate High-Yield Index measures the market of $US denominated, non-investment grade, fixed-rate, taxable corporate bonds. Securities are classified as high yield if the middle rating of Moody's, Fitch, and S&P is Ba1/BB+/BB+ or below. These benchmarks are not being used to show the relative under performance or out performance of the Composite components' results. Rather, the performance of the Indexes is presented to show comparative rates of return of a widely followed asset classes during the same time period as the Composite components. The comparison of the Composite components' performance to the performance of certain market indicators or indexes may not be meaningful since the correlation of returns, amount of diversification and risks associated with the funds' portfolio may be significantly different than those of any other market indicator or Index.

Explanation of Composite

The Composite consists of time and asset weighted returns (of Strategos Deep Value Mortgage Master Fund, launched May, 2008 ("Fund 1"), Strategos Deep Value Mortgage (Offshore) Fund 1-A, launched February, 2009 ("Fund 1-A"), Strategos Deep Value Mortgage Master Fund II, launched December, 2009 ("Fund 2"), a fund (previously managed by Strategos) that was, until March 31, 2012, on an Ireland based managed account platform (which fund was the result of a transfer in kind of all assets from Fund 1-A) ("MAP 3"), and seven separately managed accounts launched from January 2010 through July 2013 (sequentially by time, "SMA-1", "SMA-2", "SMA-3", "SMA- 4", "SMA-5","SMA-6" and "SMA-7", collectively, the "SMAs") and the Strategos Deep Value Fund (which includes both Onshore and Offshore feeders), launched August 2011 ("SDVF"). We structured Fund 1, Fund 1-A, and Fund 2, in a closed-end drawdown style which we believed was appropriate for the highly dislocated market at the time they were launched. Given the sustained improvement in liquidity and price transparency in our sector at the time of launch, we launched SDVF in 2011 as a traditional evergreen hedge fund with quarterly liquidity (subject to redemption fees in first four quarters, gates and other protective limitations). All of these portfolios have been managed under substantially similar investment guidelines and restrictions, return objective, risk profile, target universe and purchase and sale discipline as fully described in our marketing materials and PPMs (the "Investment Strategy") and trades are and were allocated to such Funds and SMAs in accordance with our allocation policy (which is generally to allocate pro-rata based on NAV, taking into account the size of the accounts and certain constraints and other factors).

The main differences between the draw down Funds and the SMAs relative to the currently offered fund (SDVF) relate to liquidity terms, fees, ability to leverage, hedging terms and vintage. Leverage was not permitted in Fund 1, Fund 2 or in Fund 1-A nor was hedging permitted in Fund 1 or Fund 2, but leverage and hedging are permitted (with a 2x limit) in SDVF. Other than leverage currently employed for SDVF (first deployed in April 2012 and as of May 31, 2014, borrowings are currently equal to 33% of SDVF's NAV) no leverage was ever employed for any other fund (all of which have now been wound down) nor has any leverage been employed for any past or existing SMA, other than leverage (borrowings equal to 17% of NAV as of May 31, 2014) for SMA-4 and leverage (borrowings equal to 16% of NAV as of May 31, 2014) for SMA-5.

Due to what we saw as uncertain market liquidity conditions in 2008 and 2009, our first three funds, Fund 1, Fund 1-A and Fund 2, were organized as closed-end draw down funds with a limited offering period, no redemption rights for investors, a 1 year investment and reinvestment period followed by a 2 year wind down period during which all cash flow from interest, principal amortization, and sales proceeds were distributed. Fund 1 reached the end of its reinvestment period in October 2009 and was wound down over the summer of 2010 with the final bond sold in September 2010 at which time it was no longer included in the Composite. Fund 1-A had a single investor who made additional contributions of capital and extended the reinvestment period twice and, in June 2011, closed the account and transferred all of the assets to MAP 3. MAP 3 was wound down in the first Quarter of 2012 with the final bond sold at the end of March 2012 at which time it was no longer included in the Composite. Fund 2 reached the end of its reinvestment period in December 2010 and was wound down over the last quarter of 2012 and, after November 2012, was no longer included in the Composite. Returns for Fund 1, Fund 1-A and Fund 2 are reported net of 1.5% base management fees, expenses and a provision for an implied 20% over (i) for Fund 1 and Fund 1-A, a 10% hurdle, and (ii) for Fund 2, a 8% hurdle, of a GP carried interest payout as if the respective fund had hypothetically been liquidated at each month end at the NAV and proceeds distributed. We note with respect to Fund 1, Fund 2, and SDVF, certain shares issued to insiders and founders pay or paid lesser or no management and/or incentive fees but this has been factored into the performance of the Composite Returns. In January 2010, Strategos entered into a managed account relationship, SMA-1, managed under the Investment Strategy which was invested and reinvested through August 2011 and was wound down following such date with the final bond sold in March 2013. In October 2011, Strategos entered into a second managed account relationship, SMA-2, managed under the Investment Strategy which was invested and reinvested through October 2012 and was wound down following such date with the final bond sold in October 2013. In July 2012, Strategos entered into a third managed account relationship, SMA-3, managed under the Investment Strategy in which capital has been fully drawn and is currently being reinvested. In January 2013, Strategos entered into a fourth and fifth managed account relationship, SMA-4 and SMA-5, managed under the Investment Strategy in which capital has been fully drawn and is currently being reinvested.

Disclaimer and Explanation of Composite (cont.)

STRATEGOS CAPITAL MANAGEMENT

Finally, In May 2013 and July 2013, Strategos entered into a sixth and seventh managed account relationship, SMA-6 and SMA-7, managed under the Investment Strategy in which capital has been fully drawn and is currently being reinvested. For SMAs 1-5, returns are reported net of 1.5% management fees, and a provision for an implied 20% over a 8% hurdle of a manager incentive fee payout as if each SMA had hypothetically been liquidated at each month end at their respective NAV and proceeds distributed. For SMA-6 and SMA-7, returns are reported net of a .75% management fee, and a provision for an implied incentive fee payout amount equal to 17.5% of all gains above an annual 5% return determined by treating SMA-6 and SMA-7 as if each had hypothetically been liquidated at each month end at its NAV and its proceeds distributed. In August 2011, Strategos launched Strategos Deep Value Fund (SDVF), which is an open-end fund with quarterly liquidity, provided that during the first 12 months of an investment, redemptions (other than the first 2% of NAV per quarter) require payment to SDVF of a 5% redemption fee, subject to the right of the manager to impose a 25% investor level gate, with the ability to leverage up to 2X and to use hedges and charges, for the Class A shares, a base management fee of 2% plus 20% of gains allocated annually subject to a high water mark. Returns for SDVF are net of all fees and expenses on all share classes outstanding including Class A shares and other lower fee paying classes of shares. Only SDVF (open to new investors) and SMA-3, SMA-4, SMA-5, SMA-6 and SMA-7 are currently being invested and/or reinvested with full discretion under the Investment Strategy.

Strategos was a wholly owned subsidiary of Institutional Financial Markets Inc. (IFMI) (f.k.a. Cohen & Co.) until March 29, 2011 when it became an independent company. The same portfolio manager has been responsible for management of the Funds and SMAs in the Composite continuously since inception.

Forward-looking Statements. These materials contain certain statements that are “forward-looking statements”. In some cases, forward-looking statements can be identified by the use of forward-looking terminology such as “may,” “might,” “will,” “should,” “expect,” “plan,” “anticipate,” “believe,” “estimate,” “predict,” “potential” or “continue” or the negatives thereof or variations thereon or similar terminology. All statements other than statements of historical fact included in these materials are forward–looking statements and are based on various underlying assumptions and expectations and are subject to known and unknown risks, uncertainties and assumptions. Forward-looking statements are not guarantees and speak only as of the date on which they are made. SCM does not undertake any obligation to update any forward-looking statements to reflect events or circumstances after the date hereof.