

FORM ADV**Uniform Application for Investment Adviser Registration****Part II - Page 1****OMB APPROVAL**

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Name of Investment Adviser: Absolute Investment Advisers LLC						
Address:	(Number and Street)	(City)	(State)	(Zip Code)	Area Code:	Telephone Number:
	350 Lincoln Street, Suite 216	Hingham	MA	02043		781-740-1904

**This part of FORM ADV gives information about the investment adviser and its business for the use of clients.
The information has not been approved or verified by any government authority.**

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(Schedule A, B, C, D, and E are included with Part I of this Form, for the use of regulatory bodies, and are not distributed to clients.)

Potential persons who are to respond to the collection of information contained in this form
are not required to respond unless the form displays a currently valid OMB control number.

Applicant: Absolute Investment Advisers LLC

SEC File Number:

801- 63488

Date:

03/25/2010

1. A. Advisory Services and Fees. (check the applicable boxes)

For each type of service provided, state the approximate % of total advisory billings from that service. (See instruction below.)

Applicant:

- | | | |
|-------------------------------------|--|---------|
| <input type="checkbox"/> | (1) Provides investment supervisory services | _____ % |
| <input checked="" type="checkbox"/> | (2) Manages investment advisory accounts not involving investment supervisory services..... | 100 % |
| <input type="checkbox"/> | (3) Furnishes investment advice through consultations not included in either service described above... | _____ % |
| <input type="checkbox"/> | (4) Issues periodicals about securities by subscription | _____ % |
| <input type="checkbox"/> | (5) Issues special reports about securities not included in any service described above..... | _____ % |
| <input type="checkbox"/> | (6) Issues, not as part of any service described above, any charts, graphs, formulas, or other devices which clients may use to evaluate securities..... | _____ % |
| <input type="checkbox"/> | (7) On more than an occasional basis, furnishes advice to clients on matters not involving securities... | _____ % |
| <input type="checkbox"/> | (8) Provides a timing service | _____ % |
| <input type="checkbox"/> | (9) Furnishes advice about securities in any manner not described above..... | _____ % |

(Percentages should be based on applicant's last fiscal year. If applicant has not completed its first fiscal year, provide estimates of advisory billings for that year and state that the percentages are estimates.)

B. Does applicant call any of the services it checked above financial planning or some similar term? ☐ Yes ☒ No

C. Applicant offers investment advisory services for: (check all that apply)

- | | | | |
|-------------------------------------|--|--------------------------|-----------------------|
| <input checked="" type="checkbox"/> | (1) A percentage of assets under management | <input type="checkbox"/> | (4) Subscription fees |
| <input type="checkbox"/> | (2) Hourly charges | <input type="checkbox"/> | (5) Commissions |
| <input type="checkbox"/> | (3) Fixed fees (not including subscription fees) | <input type="checkbox"/> | (6) Other |

D. For each checked box in A above, describe on Schedule F:

- the services provided, including the name of any publication or report issued by the adviser on a subscription basis or for a fee
- applicant's basic fee schedule, how fees are charged and whether its fees are negotiable
- when compensation is payable, and if compensation is payable before service is provided, how a client may get a refund or may terminate an investment advisory contract before its expiration date

2. Types of clients - Applicant generally provides investment advice to: (check those that apply)

- | | | | |
|-------------------------------------|-------------------------------------|--------------------------|--|
| <input type="checkbox"/> | A. Individuals | <input type="checkbox"/> | E Trusts, estates, or charitable organizations |
| <input type="checkbox"/> | B. Banks or thrift institutions | <input type="checkbox"/> | F. Corporations or business entities other than those listed above |
| <input checked="" type="checkbox"/> | C. Investment companies | <input type="checkbox"/> | G. Other (describe on Schedule F) |
| <input type="checkbox"/> | D. Pension and profit sharing plans | | |

Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1)

3. Types of Investments. Applicant offers advice on the following: (check those that apply)

- | | |
|--|--|
| <input checked="" type="checkbox"/> A. Equity securities | <input checked="" type="checkbox"/> H. United States government securities |
| <input checked="" type="checkbox"/> (1) exchange-listed securities | <input checked="" type="checkbox"/> I. Options contracts on: |
| <input checked="" type="checkbox"/> (2) securities traded over-the-counter | <input checked="" type="checkbox"/> (1) securities |
| <input checked="" type="checkbox"/> (3) Foreign issuers | <input checked="" type="checkbox"/> (2) commodities |
| <input checked="" type="checkbox"/> B. Warrants | <input type="checkbox"/> J. Futures contracts on: |
| <input checked="" type="checkbox"/> C. Corporate debt securities (other than commercial paper) | <input type="checkbox"/> (1) tangibles |
| <input checked="" type="checkbox"/> D. Commercial paper | <input checked="" type="checkbox"/> (2) intangibles |
| <input checked="" type="checkbox"/> E. Certificates of deposit | <input type="checkbox"/> K. Interests in partnerships investing in: |
| <input checked="" type="checkbox"/> F. Municipal securities | <input checked="" type="checkbox"/> (1) real estate |
| <input type="checkbox"/> G. Investment company securities: | <input type="checkbox"/> (2) oil and gas interests |
| <input type="checkbox"/> (1) variable life insurance | <input type="checkbox"/> (3) other (explain on Schedule F) |
| <input type="checkbox"/> (2) variable annuities | <input type="checkbox"/> L. Other (explain on Schedule F) |
| <input checked="" type="checkbox"/> (3) mutual fund shares | |

4. Methods of Analysis, Sources of Information, and Investment Strategies.

A. Applicant's security analysis methods include: (check those that apply)

- | | |
|---|---|
| (1) <input type="checkbox"/> Charting | (4) <input type="checkbox"/> Cyclical |
| (2) <input checked="" type="checkbox"/> Fundamental | (5) <input checked="" type="checkbox"/> Other (explain on Schedule F) |
| (3) <input checked="" type="checkbox"/> Technical | |

B. The main sources of information applicant uses include: (check those that apply)

- | | |
|---|--|
| (1) <input checked="" type="checkbox"/> Financial newspapers and magazines | (5) <input type="checkbox"/> Timing services |
| (2) <input type="checkbox"/> Inspections of corporate activities | (6) <input checked="" type="checkbox"/> Annual reports, prospectuses, filings with the |
| (3) <input checked="" type="checkbox"/> Research materials prepared by others | Securities and Exchange Commission |
| (4) <input checked="" type="checkbox"/> Corporate rating services | (7) <input checked="" type="checkbox"/> Company press releases |
| | (8) <input checked="" type="checkbox"/> Other (explain on Schedule F) |

C. The investment strategies used to implement any investment advice given to clients include: (check those that apply)

- | | |
|--|---|
| (1) <input checked="" type="checkbox"/> Long term purchases
(securities held at least a year) | (5) <input checked="" type="checkbox"/> Margin transactions |
| (2) <input checked="" type="checkbox"/> Short term purchases
(securities sold within a year) | (6) <input checked="" type="checkbox"/> Option writing, including covered options,
uncovered options or spreading strategies |
| (3) <input checked="" type="checkbox"/> Trading (securities sold within 30 days) | (7) <input type="checkbox"/> Other (explain on Schedule F) |
| (4) <input checked="" type="checkbox"/> Short sales | |

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5. Education and Business Standards.

Are there any general standards of education or business experience that applicant requires of those involved in determining or giving investment advice to clients? ☒ Yes ☐ No

(If yes, please describe these standards on Schedule F)

6. Education and Business Background.

For:

- each member of the investment committee or group that determines general investment advice to be given to clients, or
- if the applicant has no investment committee or group, each individual who determines general investment advice clients (if more than five, respond only for their supervisors)
- each principal executive officer of applicant or each person with similar status or performing similar functions.

On Schedule F, give the:

- name
- year of birth
- formal education after high school
- business background for the preceding five years

7. Other Business Activities. (check those that apply)

- ☐ A. Applicant is actively engaged in a business other than giving investment advice.
- ☐ B. Applicant sells products or services other than investment advice to clients.
- ☐ C. The principal business of applicant or its principal executive officers involves something other than providing investment advice.

(For each checked box describe the other activities, including the time spent on them, on Schedule F.)

8. Other Financial Industry Activities or Affiliations. (check those that apply)

- ☐ A. Applicant is registered (or has an application pending) as a securities broker-dealer.
- ☐ B. Applicant is registered (or has an application pending) as a futures commission merchant, commodity pool operator or commodity trading adviser.
- ☐ C. Applicant has arrangements that are material to its advisory business or its clients with a related person who is a:
- | | |
|--|--|
| <input type="checkbox"/> (1) broker-dealer | <input type="checkbox"/> (7) accounting firm |
| <input type="checkbox"/> (2) investment company | <input type="checkbox"/> (8) law firm |
| <input type="checkbox"/> (3) other investment adviser | <input type="checkbox"/> (9) insurance company or agency |
| <input type="checkbox"/> (4) financial planning firm | <input type="checkbox"/> (10) pension consultant |
| <input type="checkbox"/> (5) commodity pool operator, commodity trading adviser or futures commission merchant | <input type="checkbox"/> (11) real estate broker or dealer |
| <input type="checkbox"/> (6) banking or thrift institution | <input type="checkbox"/> (12) entity that creates or packages limited partnerships |

(For each checked box in C, on Schedule F identify the related person and describe the relationship and the arrangements.)

- D. Is applicant or a related person a general partner in any partnership in which clients are solicited to invest?.. ☐ Yes ☐ No

(If yes, describe on Schedule F the partnerships and what they invest in.)

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9. Participation or Interest in Client Transactions.

Applicant or a related person: (check those that apply)

- ☐ A. As principal, buys securities for itself from or sells securities it owns to any client.
- ☐ B. As broker or agent effects securities transactions for compensation for any client.
- ☐ C. As broker or agent for any person other than a client effects transactions in which client securities are sold to or bought from a brokerage customer.
- ☐ D. Recommends to clients that they buy or sell securities or investment products in which the applicant or a related person has some financial interest.
- ☐ E. Buys or sell for itself securities it also recommended to clients.

(For each box checked, describe on Schedule F when the applicant or a related person engages in these transactions and what restrictions, internal procedures, or disclosures are used for conflicts of interest in those transactions.)

Describe, on Schedule F, your code of ethics, and state that you will provide a copy of your code of ethics to any client or prospective client upon request.

- 10. Conditions for Managing Accounts.** Does the applicant provide investment advisory services, manage investment advisory accounts or hold itself out as providing financial planning or some similarly termed services *and* impose a minimum dollar value of assets or other condition for starting or maintaining an account?

Yes ☐ No ☒

(If yes, describe on Schedule F)

- 11. Review of Accounts.** If applicant provides investment supervisory services, manages investment advisory account, or holds itself out as providing financial planning or some similarly termed services:

- A. Describe below the reviews and reviewers of the accounts. **For reviews**, include their frequency, different levels, and triggering factors. **For reviewers**, include the number of reviewers, their titles and functions, instructions they receive from applicant on performing reviews, and number of accounts assigned each.

Refer to Schedule F.

- B. Describe below the nature and frequency of regular reports to clients on their accounts.

Refer to Schedule F.

12. Investment or Brokerage Discretion.

A. Does applicant or any related person have authority to determine, without obtaining specific client consent, the:

- | | | |
|--|-------------------------------------|--------------------------|
| | Yes | No |
| (1) securities to be bought or sold? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| (2) amount of securities to be bought or sold? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| (3) broker or dealer to be used? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| (4) commission rates paid? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

B. Does applicant or a related person suggest brokers to clients? ☒ Yes ☐ No

For each yes answer to A describe on Schedule F any limitations on the authority. For each yes to A(3), A(4) or B, describe on Schedule F the factors considered in selecting brokers and determining the reasonableness of their commissions. If the value of products, research and services given to the applicant or a related person is a factor, describe:

- the products, research and services
- whether clients may pay commissions higher than those obtainable from other brokers in return for those products and services
- whether research is used to service all of applicant's accounts or just those accounts paying for it; and
- any procedures the applicant used during the last fiscal year to direct client transactions to a particular broker in return for product and research services received.

13. Additional Compensation.

Does the applicant or a related person have any arrangements, oral or in writing, where it:

- | | | |
|---|--------------------------|-------------------------------------|
| A. is paid cash by or receives some economic benefit (including commissions, equipment or non-research services) from a non-client in connection with giving advice to clients? | Yes | No |
| | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| B. directly or indirectly compensates any person for client referrals? | Yes | No |
| | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

(For each yes, describe the arrangements on Schedule F.)

14. Balance Sheet. Applicant must provide a balance sheet for the most recent fiscal year on Schedule G if applicant:

- has custody of client funds or securities (unless applicant is registered or registering only with the Securities and Exchange Commission); or
- requires prepayment of more than \$500 in fees per client and 6 or more months in advance

Has applicant provided a Schedule G balance sheet?..... ☐ Yes ☒ No

**Schedule F of
FORM ADV
Continuation Sheet for Form ADV Part II**

Applicant:
Absolute Investment Advisers
LLC

SEC File Number:
801- 63488

Date:
03/25/2010

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other Schedules)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV:		IRS Empl. Ident. No.:
Item of Form (identify)	Answer	
	<p><u>ADVISORY SERVICES AND FEES</u></p> <p>Absolute Investment Advisers LLC ("AIA") provides discretionary investment management to two registered mutual funds.</p> <p>Our fee is based upon the average net assets of each fund and is outlined below. AIA may agree to limit or reimburse our fees to the extent required to maintain the funds' general expenses at a specified percentage of average net assets. The fees are computed daily and payable monthly during which, or part of which, the services are rendered.</p> <p>AIA believes there are important benefits that come from investing through skilled money managers whose strategies when combined, seek to provide enhanced risk-adjusted returns, lower volatility and lower sensitivity to financial market indices. Generally, AIA allocates Fund assets to a carefully chosen group of such skilled money managers (the "Sub-Advisers") who employ a wide range of specialized investment strategies that we believe offer the potential for attractive long-term risk-adjusted investment returns. The strategies utilized by the Funds include absolute return strategies as well as strategies aimed at enhanced risk-adjusted returns. The strategies and investment techniques employed by the Sub-Advisers aim to produce attractive returns over a full market cycle while managing risk exposure. They are common among hedge funds and may exploit disparities or inefficiencies; take advantage of security mis-pricings or anticipated price movements, and/or benefit from cyclical themes and relationships or special situations and events (such as spinoffs or reorganizations). Such strategies may have low correlation to traditional markets because they seek asymmetric investment opportunities and risks that are unrelated to traditional markets.</p> <p>Absolute Strategies Fund</p> <p>The Fund seeks to achieve long-term capital appreciation with an emphasis on absolute returns and low correlation to traditional financial market indices such as the S&P Index. The Fund's investment objective may be changed by the Board of Trustees of the Fund without a shareholder vote.</p> <p>The annual fee schedule for the Absolute Strategies Fund is 1.60% and is not negotiable.</p> <p>Absolute Opportunities Fund</p> <p>The Fund seeks to achieve long-term capital appreciation with an emphasis on risk-adjusted returns and lower volatility than traditional equity market indices such as the S&P Index. The Fund's investment objective may be changed by the Board of Trustees of the Fund without a shareholder vote.</p> <p>The annual fee schedule for the Absolute Opportunities Fund is 2.75% and is not negotiable.</p> <p>Both funds are manager of managers' mutual funds. As such, AIA primarily delegates the investment management responsibilities for the funds to the respective sub-advisers. The fees set forth above include fees paid to the sub-advisers for which AIA is responsible. Sub-adviser fees generally range between .35% to 1.00% for the Absolute Strategies Fund and .35% to 2.5% for the Absolute Opportunities Fund. Certain sub-adviser</p>	

(Complete amended pages in full, circle amended items and file with execution page (page 1).)

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Applicant:
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Date:
03/25/2010

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other Schedules)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV:		IRS Empl. Ident. No.:
Item of Form (identify)	Answer	
	<p>fees include breakpoints at which the percentage charged is reduced if the assets allocated to the sub-adviser exceed a specified amount.</p> <p>Termination Either party may terminate management services upon sixty (60) days' advance written notice. In the event of termination, fees would be charged pro-rata based on the number of calendar days of the month during which services were provided.</p> <p><u>METHODS OF ANALYSIS, SOURCES OF INFORMATION, AND INVESTMENT STRATEGIES</u></p> <p>Methods of Analysis</p> <p>AIA allocates assets of the Funds among their respective Sub-Advisers to create a non-correlating, low volatility asset-class model among the chosen managers. AIA reviews a wide range of factors in evaluating each Sub-Adviser's asset allocation including, but not limited to, past investment performance during various market conditions, investment strategies and processes used, structures of portfolios and risk management procedures, and correlation of results with other Sub-Advisers. AIA seeks to allocate Fund assets in a manner that attempts to diversify the portfolios across multiple strategies and investment styles that AIA believes are complementary and, when combined, will produce enhanced risk-adjusted returns.</p> <p>AIA may invest in shares of mutual funds (ETFs, money market, open end and closed end funds) that charge an asset management fee in addition to the advisory fee charged by AIA.</p> <p>Sources of Information</p> <p>AIA obtains information on financial index composition, historical security returns, and real-time security prices from various outside vendors.</p> <p><u>EDUCATION AND BUSINESS STANDARDS</u></p> <p>For those individuals involved in determining or giving investment advice, AIA requires the successful completion and attainment of a Bachelor's degree and/or suitable experience in, or qualifications for, analyzing securities investments.</p>	

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Date:

03/25/2010

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other Schedules)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV:		IRS Empl. Ident. No.:
Item of Form (identify)	Answer	
	<p>EDUCATION AND BUSINESS BACKGROUND</p> <p>Christian E. Aymond (year of birth 1966) Mr. Aymond received his BS degree in Economics from Denison University, Granville, Ohio (1988).</p> <p>Mr. Aymond has his Series 6, 7, 24, 63 and 65 securities licenses. Mr. Aymond is a co-founder of AIA (2004) and serves as Principal, Manager, and Director of Sales and Marketing.</p> <p>Prior to joining AIA, Mr. Aymond was Senior Vice-President, Senior Regional Marketing Director at Putnam Investments, Boston, MA, (from 1995 to 2004). Prior to Putnam, Mr. Aymond held various sales positions at Federated Securities Corp., Pittsburgh, PA (from 1988-1995). He was Mid-Atlantic Sales Manager (from 1994 to 1995) and (1988-1994) held various roles as a wholesaler to broker dealers and financial advisors.</p> <p>Anthony R. Bosch (year of birth 1965) Mr. Bosch received a B.A. in Chemistry from Miami University in Oxford, Ohio (1987), and a J.D. from the University of Toledo, College of Law in Toledo, Ohio (1990).</p> <p>Mr. Bosch is a co-founder of AIA (2004) and serves as Principal, Manager, and General Counsel.</p> <p>Prior to joining AIA, Mr. Bosch served as Vice President, Chief Legal Officer, and Chief Compliance Officer of Berger Financial Group LLC ("Berger") (2000-2003). He joined Berger's predecessor, Berger Associates, Inc. (in 1999). Mr. Bosch also served as Vice President of the Berger Funds (2000-2003), Vice President (2001-2003) and Chief Compliance Officer (2001-2003) of Berger Distributors LLC, Vice President and Chief Legal Officer of Berger/Bay Isle LLC (2001-2003) and Vice President of Bay Isle Financial LLC (2002-2003). Berger/Bay Isle LLC and Bay Isle Financial LLC were affiliated advisers of Berger. Prior to joining Berger, Mr. Bosch was an attorney and Assistant Vice President with Federated Investors (1996-1999) and an attorney and Senior Counsel with the U.S. Securities and Exchange Commission (1990-1996).</p> <p>Brian D. Hlidek (year of birth: 1968) Mr. Hlidek received his BA degree from Denison University in 1990 and has his series 7 securities license.</p> <p>Mr. Hlidek is a co-founder of AIA (2004) and serves as Principal, Manager, and Director of Sales and Marketing.</p> <p>Prior to joining AIA, Mr. Hlidek served as Vice President and Financial Consultant at Coburn & Meredith (1996 to 2004). Prior to joining Coburn, Mr. Hlidek worked as a Financial Consultant for Dunhill Equities (1991-1996).</p>	

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1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV:		IRS Empl. Ident. No.:
Item of Form (identify)	Answer	
	<p>James P. Compson (year of birth 1970) Mr. Compson received his BA degree from Franklin & Marshall College in 1992 and his MBA in Finance and Management at NYU's Stern School of Business in 1998.</p> <p>Mr. Compson is a co-founder of AIA 92004) and serves as Principal, Manager, and Portfolio Manager of the Absolute Funds.</p> <p>Prior to joining AIA, Mr. Compson was a Portfolio Manager and Partner at Abington Capital L.P., Boston MA (2002-2004). Prior to Abington Capital, Mr. Compson served Senior Associate in the corporate finance and strategic planning group of Tucker Anthony Sutro (1999-2002) and as Senior Associate in the Financial Planning and Analysis Group of Lehman Brothers (1998-1999). Prior to receiving an MBA in finance and management, Mr. Compson began his career as a relationship manager and marketing manager with the Chubb Group (1992-1995).</p> <p><u>PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS</u></p> <p>AIA has adopted a Code of Ethics. The Code establishes standards and procedures for the detection and prevention of inappropriate personal securities transactions by persons having knowledge of the investments of the Absolute Funds and addresses other situations involving a potential conflict of interest.</p> <p>The Code is intended to ensure that the employee conduct and personal securities transactions of access persons subject to the Code are conducted in accordance with the following principles and business conduct:</p> <ol style="list-style-type: none"> 1) The duty at all times to place first the interests of Clients; 2) The requirement that all personal securities transactions be conducted consistent with the Code and in such a manner as to avoid any actual or potential conflict of interest or any abuse of an individual's responsibility and position of trust; 3) The fundamental standard that AIA personnel not take inappropriate advantage of their positions; and 4) The fundamental standard that AIA and its associated persons have a fiduciary obligation to its clients. <p>Generally, AIA prohibits transactions involving covered securities unless exempted by the Code. Also, the Code subjects access persons to various trading restrictions and reporting obligations. All reportable transactions are reviewed for compliance with the Code and under certain circumstances access persons may be required to forfeit their profits made from personal trading.</p>	

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1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV:		IRS Empl. Ident. No.:
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	<p><u>REVIEW OF ACCOUNTS</u></p> <p>ITEM 11.A As indicated above, AIA allocates the funds' assets to various sub-advisers who exercise full discretion over any assets allocated to them. Each sub-adviser has implemented their own policies and procedures with respect to reviewing the funds' portfolios on an ongoing basis to determine compliance with the funds' registration statement and applicable regulatory requirements.</p> <p>AIA, in its role as Adviser, provides additional oversight. The Portfolio Manager monitors the funds' portfolios on an ongoing basis, focusing on short and long range parameters of risk, performance and diversification. The Vice President of Operations reviews various post-trade and compliance monitoring reports on a daily basis and maintains ongoing dialog with the sub-advisers. He also reviews the compliance checklists and questionnaires that are completed by each sub-adviser on a quarterly basis.</p> <p>ITEM 11.B AIA provides quarterly reports to the Funds' trustees. Information provided includes, but is not limited to, investment management updates from the Portfolio Manager, a brokerage summary report, general updates regarding the sub-advisers and compliance updates with respect to AIA or the sub-advisers.</p> <p><u>INVESTMENT OR BROKERAGE DISCRETION</u></p> <p>The sub-advisers are responsible for making all decisions with respect to fund investments and brokerage. Absent instructions of the Adviser to the contrary, the sub-advisers shall, in the name of the Funds, place orders for the execution of portfolio transactions with or through such brokers, dealers or other financial institutions as they may select. In addition, the sub-advisers may exercise authority with respect to all other things necessary or incidental to the furtherance or conduct of such purchases, sales or other transactions, including voting of proxies with respect to securities owned by the Funds, subject to such proxy voting policies as approved by the Funds' Board.</p> <p>AIA retains the discretion to invest the Funds' assets in securities and other instruments directly. We may exercise this discretion in order to invest the Funds' assets pending allocation to a Sub-Adviser, to hedge against overall Fund exposures created by the Sub-advisers, or to increase or reduce the exposure to a particular issuer, sector or industry. AIA may exercise its discretion over unallocated assets or may reallocate to itself assets previously allocated to a Sub-Adviser.</p> <p>Generally, AIA only trades futures for the Funds. These are derivative financial instruments which may be used to adjust the risks associated with an investment in a portfolio of securities. One use of such financial instruments by the Funds is to limit portfolio risk by hedging. To "hedge" means to enter into a transaction with the aim of reducing market risk due to market movements. AIA will hedge to seek to reduce the risk that market movements may adversely affect the value of the Funds' portfolio securities or to reduce potential credit risk.</p>	

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1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV:		IRS Empl. Ident. No.:
Item of Form (identify)	Answer	
	<p>In placing orders for securities transactions not otherwise delegated to a sub-adviser, our primary consideration in executing transactions on behalf of the Funds is prompt execution of orders in an effective manner and at the most favorable price available. To achieve best execution, we consider several factors, including but not limited to the size of the order, overall trading volume, the difficulty of execution, etc. In recognition of the value of the foregoing factors, AIA may place portfolio transactions through a broker or dealer with whom we have negotiated a commission that is in excess of the commission another broker would have charged for effecting that transaction.</p> <p>ADDITIONAL COMPENSATION</p> <p>AIA may compensate financial institutions for providing marketing or client support services, including third party marketing support services, program service payments, finders fees, business planning assistance, advertising, education, providing placement on the financial institution's list of offered funds, counseling on the preparation of sales material and presentations and arranging access to sales meetings, and to sales representatives and management representatives of the Financial Institutions.</p> <p>These payments are generally based on one or more of the following factors: average net assets of the Fund shares, gross or net sales of Fund shares, reimbursement of ticket charges (including fees that a dealer firm charges its representatives for effecting transactions in fund shares and payments for processing transactions via National Securities Clearing Corporation ("NSCC")) or a negotiated lump sum payment for services rendered. In addition, program servicing payments may be paid in some instances to third parties in connection with investments in the Funds by retirement plans and other investment programs. AIA may make one-time or annual payments to select financial institutions receiving program servicing payments in reimbursement of printing costs for literature for participants, account maintenance fees or fees for establishment of AIA's mutual funds on the financial institution's system.</p> <p>AIA, at its expense, may provide additional compensation to financial institutions which sell or arrange for the sale of shares of the Funds to the extent not prohibited by laws or the rules of the NASD. Such compensation provided by AIA may include financial assistance to financial institutions that enable AIA to participate in and/or present at conferences or seminars, sales or training programs for invited registered representatives and other dealer employees, dealer entertainment, and other dealer-sponsored events, and travel expenses, including lodging incurred by registered representatives and other employees in connection with prospecting, retention and due diligence trips.</p> <p>AIA may, at its own expense, compensate the financial institutions in connection with the sale or expected sale of Fund shares and it may sponsor various promotional activities held by the financial institutions to promote sales of the funds. Certain financial institutions may provide administrative services (such as sub-transfer agency, record-keeping or shareholder communications services) to investors purchasing shares of the Funds through retirement plans and other investment programs. A financial institution may perform program services itself or may arrange with a third party to perform program services. In addition to participant recordkeeping, reporting, or transaction processing, program services may include services rendered in connection with fund/investment</p>	

(Complete amended pages in full, circle amended items and file with execution page (page 1).)

**Schedule F of
FORM ADV
Continuation Sheet for Form ADV Part II**

Applicant:
**Absolute Investment
Advisers LLC**

SEC File Number:
801- 63488

Date:
03/25/2010

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other Schedules)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV:		IRS Empl. Ident. No.:
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	<p>selection and monitoring, employee enrollment and education, plan balance rollover or separation, or other similar services. AIA or the Funds (if approved by the Trustees) may pay fees to these financial institutions for their services.</p> <p>AIA may compensate financial institutions differently depending upon, among other factors, the level and/or type of marketing support provided by the institution. Such payments will create an incentive for the financial institutions to recommend that investors purchase Fund shares.</p>	

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**Schedule F of
FORM ADV
Continuation Sheet for Form ADV Part II**

Applicant:
Absolute Investment Advisers
LLC

SEC File Number:
801- 63488

Date:
03/25/2010

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Item of Form
(identify)

Answer

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Applicant:
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LLC

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