

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

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Name of Investment Adviser:

Absolute Investment Management LLC

Address: (Number and Street)

(City)

(State)

(Zip Code)

Area Code: Telephone Number:

6900 Wisconsin Avenue, Suite 706**Bethesda****MD****20815****(301) 907-6794**

**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 governmental authority.**

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(Schedules 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.**

FORM ADV**Part II - Page 2**

Applicant:

Absolute Investment Management LLC

SEC File Number:

801-

Date:

2/25/10**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 checked="" type="checkbox"/> | (1) | Provides investment supervisory services | <u>100</u> % |
| <input type="checkbox"/> | (2) | Manages investment advisory accounts not involving investment supervisory services | ___% |
| <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 checked="" type="checkbox"/> A. Individuals | <input type="checkbox"/> E. Trusts, estates, or charitable organizations |
| <input type="checkbox"/> B. Banks or thrift institutions | <input checked="" type="checkbox"/> F. Corporations or business entities other than those listed above |
| <input 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).

FORM ADV**Part II - Page 3**

Applicant:

Absolute Investment Management LLC

SEC File Number:

801-

Date:

3/20/09**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"/> (2) securities traded over-the-counter | I. Options contracts on: |
| <input checked="" type="checkbox"/> (3) foreign issues | |
| | <input checked="" type="checkbox"/> (1) securities |
| <input checked="" type="checkbox"/> B. Warrants | <input type="checkbox"/> (2) commodities |
| | J. Futures contracts on: |
| <input checked="" type="checkbox"/> C. Corporate debt securities
(other than commercial paper) | <input type="checkbox"/> (1) tangibles |
| | <input type="checkbox"/> (2) intangibles |
| <input checked="" type="checkbox"/> D. Commercial paper | K. Interests in partnerships investing in: |
| | <input type="checkbox"/> (1) real estate |
| <input checked="" type="checkbox"/> E. Certificates of deposit | <input type="checkbox"/> (2) oil and gas interests |
| <input checked="" type="checkbox"/> F. Municipal securities | <input type="checkbox"/> (3) other (explain on Schedule F) |
| G. Investment company securities: | <input type="checkbox"/> L. Other (explain on Schedule F) |
| <input type="checkbox"/> (1) variable life insurance | |
| <input type="checkbox"/> (2) variable annuities | |
| <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 checked="" type="checkbox"/> Charting | (4) <input checked="" type="checkbox"/> Cyclical |
| (2) <input checked="" type="checkbox"/> Fundamental | (5) <input 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 checked="" type="checkbox"/> Timing services |
| (2) <input checked="" type="checkbox"/> Inspections of corporate activities | (6) <input checked="" type="checkbox"/> Annual reports, prospectuses, filings with the
Securities and Exchange Commission |
| (3) <input checked="" type="checkbox"/> Research materials prepared by others | (7) <input checked="" type="checkbox"/> Company press releases |
| (4) <input checked="" type="checkbox"/> Corporate rating services | (8) <input 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 | |

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

FORM ADV**Part II - Page 4**

Applicant:

Absolute Investment Management LLC

SEC File Number:

801-

Date:

3/20/09**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, 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 given to 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 | • formal education after high school |
| • year of birth | • 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.)

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

FORM ADV**Part II - Page 5**

Applicant:

Absolute Investment Management LLC

SEC File Number:

801-

Date:

1/4/10**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 sells for itself securities that it also recommends 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 supervisory 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 conditions 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 accounts, 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.

Please refer to Schedule F for response.

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

Please refer to Schedule F for response.

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

FORM ADV**Part II - Page 6**

Applicant:

Absolute Investment Management, LLC

SEC File Number:

801-

Date:

4/28/09**12. Investment or Brokerage Discretion.**

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

(1) securities to be bought or sold?

Yes No

☒ ☐

(2) amount of the securities to be bought or sold ?

Yes No

☒ ☐

(3) broker or dealer to be used ?

Yes No

☒ ☐

(4) commission rates paid?

Yes No

☐ ☒

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 products 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

☒ ☐

B. directly or indirectly compensates any person for client referrals?

Yes No

☒ ☐

(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

☐ ☒**Answer all items. 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:	SEC File Number:	Date:
Absolute Investment Management LLC	801-	6/1/10

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: Absolute Investment Management LLC		IRS Empl. Ident.No.: 26-4133685
Item of Form (identify)	Answer	
Item 1D	<p>Absolute Investment Management LLC (hereinafter referred to as "Advisor") offers personalized investment advisory services to clients. The Advisor's services and fee arrangements are described in the following pages.</p> <p>The Advisor is a limited liability corporation formed under the laws of the State of Maryland. This Schedule F narrative provides clients with information regarding the Advisor and the qualifications, business practices, and nature of advisory services that should be considered before becoming an advisory client of the advisor. The information in this Schedule F has not been approved or verified by the Securities and Exchange Commission (SEC), the State of Maryland, or by any state securities authority.</p> <p>Additional information about the advisor is available through the SEC's website at www.adviserinfo.sec.gov. Clients can search this site by using the advisor's name or by an identification number known as a CRD number. The CRD number for the advisor is 149621.</p> <p><u>Services and Fees</u></p> <p><u>Investment Management</u></p> <p>The Advisor provides continuous and ongoing investment management services to clients based on the individual needs of each client. Investment management services are provided on a discretionary basis upon receiving written authorization from the client. The Advisor generates investment strategies based on global/macro forecasts. After fully evaluating each client's desires as well as their goals, risk tolerances, liquidity needs, and other essential characteristics, the Advisor prepares an investment plan specific to the needs of the client.</p> <p>The Advisor assists the client in establishing an account with an outside custodian selected by the Advisor. Upon approval from the Advisor, the Advisor allows the client to direct the Advisor to use a particular broker/dealer or account custodian. The Advisor does not maintain custody of client funds or securities.</p> <p>The Advisor bills an annual percentage of assets under management. The maximum annual fee is 2.5%. Fees are negotiated and determined based on the amount of assets under management, the amount of assets in related accounts, relationships with the client, and the complexity of the client's situation and the services that the client is engaging the Advisor for. The exact percentage is agreed upon and disclosed in the agreement for services prior to services being provided. Fees are not based on a share of capital gains or appreciation.</p> <p>Investment management fees are billed monthly or quarterly, as agreed upon by the Advisor and the client, in arrears based on the net value of the account as determined by the account custodian on the last day of the billing period. Fees are prorated based on the number of days that services were provided if services are not provided for an entire billing period. When allowed by the account custodian and agreed upon by the client, fees are automatically deducted from by the account custodian who then pays the fees directly to the Advisor. Clients must provide the custodian with written authorization to have the fees deducted from the clients' accounts. Prior to fees being deducted from the account, the Advisor provides the client a fee billing notice that shows the exact fee charged, manner in which the fee was calculated, any adjustment to the fee and an explanation of such adjustment. When the custodian does not allow fee deduction from the client account or upon request from the client and approval from the Advisor, the Advisor bills the client directly for fees. In these instances, fees are due and payable upon receipt of a billing notice from the Advisor. The custodian sends client statements, at least quarterly, showing all disbursements for the account</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:	SEC File Number:	Date:
Absolute Investment Management LLC	801-	6/1/10

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: Absolute Investment Management LLC		IRS Empl. Ident.No.: 26-4133685
Item of Form (identify)	Answer	
Item 1D (cont.)	<p>including the amount of the advisory fee, if deducted directly from the account.</p> <p>Brokerage commissions and/or transaction ticket fees charged by the custodian are billed directly to the client. Advisor does not receive any portion of such commissions or fees from the custodian or client. In addition, clients may incur certain charges imposed by third parties other than the Advisor in connection with investments made through the account, including but not limited to, mutual fund sales loads, 12(b)-1 fees and surrender charges, variable annuity fees and surrender charges, and IRA and qualified retirement plan fees. Management fees charged by the Advisor are separate and distinct from the fees and expenses charged by investment company securities that may be recommended to clients. A description of these fees and expenses are available in each investment company security's prospectus.</p> <p>Either party may terminate services at anytime by providing notice to the other party. Termination is effective upon notice. If services are not provided for the entire billing period, the final fee is prorated based on the number of days that services were provided prior to receipt of billing notice.</p>	
Item 5	<p><u>Education and Business Standards</u></p> <p>Individuals that provide advice on the Advisor's behalf must have obtained a college degree or have at least five years business experience in a related field. Additionally, individuals must have and maintain and industry required examinations or professional designations.</p>	
Item 6	<p><u>Education and Business Background</u></p> <p>Michael Paul Lebowitz DOB: 04/20/1968</p> <p>Education: Miami University, Oxford, OH, BS in Finance – 1990</p> <p>Business Background: Absolute Investment Management LLC, Managing Member, Jan. 2009 to Present; Chief Compliance Officer, Jan. 2009 to Present; Investment Advisor Representative, Jan. 2009 to Present Fannie Mae, June 1994 to Jan. 2009- Director/Portfolio Manager, 2005 to 2009 Director Short-Term Funding- 1998 to 2005 Mortgage-Backed Securities Senior Trader- 1994 to 1998</p> <p>Daniel Jay Cohen DOB: 02/24/1963</p> <p>Education: University of Michigan, Bachelors Degree – 1980-1985 State University of NY (SUNY) at Buffalo, JD/MBA – 1985-1989</p> <p>Business Background: Absolute Investment Management, LLC, Investment Advisor Representative, Jan. 2010 to Present; Member, May 2010 to Present Chevy Chase Trust Company, Director, Oct. 2005 to Dec. 2009 Asset Management, Inc., Vice President, Jan. 2003 to Oct. 2005</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:	SEC File Number:	Date:
Absolute Investment Management LLC	801-	6/1/10

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: Absolute Investment Management LLC		IRS Empl. Ident.No.: 26-4133685
Item of Form (identify)	Answer	
Item 9E	<u>Participation or Interest in Client Transactions</u> Advisor and its associated persons can buy or sell securities that are also recommended to clients. In order to minimize this conflict of interest, securities recommended by Advisor are widely held and publicly traded. In addition, in accordance with its fiduciary duty to clients, Advisor and its associated persons place client interests ahead of their own interests.	
Item 9	Advisor has established a Code of Ethics that applies to all of its associated persons. An investment adviser is considered a fiduciary according to the <i>Investment Advisers Act of 1940</i> and similar state securities acts. As a fiduciary, it is an investment adviser's responsibility to provide fair and full disclosure of all material facts and to act solely in the best interest of each of our clients at all times. Advisor has a fiduciary duty to all clients. This fiduciary duty is considered the core underlying principle for the advisor's Code of Ethics which also covers its Insider Trading and Personal Securities Transactions Policies and Procedures. Advisor requires all of its supervised persons to conduct business with the highest level of ethical standards and to comply with all federal and state securities laws at all times. Upon employment or affiliation and when changes occur, all supervised persons sign an acknowledgement that they have read, understand and agree to comply with the Advisor's Code of Ethics. Advisor has the responsibility to make sure that the interests of all clients are placed ahead of the Advisor's or its supervised person's own investment interest. Full disclosure of all material facts and potential conflicts of interest are provided to clients prior to any services being conducted. Advisor and its supervised persons must conduct business in an honest, ethical and fair manner and avoid all circumstances that might negatively affect or appear to affect our duty of complete loyalty to all clients. This disclosure is provided to give all clients a summary of advisor's Code of Ethics. However, if a client or a potential client wishes to review advisor's Code of Ethics in its entirety, a copy is provided promptly upon request.	
Item 11A & 11B	<u>Account Reviews and Reports</u> Accounts are reviewed on a weekly basis and more often when appropriate. The underlying securities are continuously monitored. Changes in the market or in the individual stock can also trigger more frequent reviews. Michael Lebowitz, the Advisor's Managing Member, is responsible for all account reviews. During the review process, the Advisor checks performance and risk measures in relation to the clients' goals, objectives, and risk tolerances. Clients receive confirmations and statements from their account custodians at least quarterly. The Advisor does not provide any regular reports to clients.	
Item 12A(1), (2) & (3)	<u>Investment or Brokerage Discretion</u> Advisor provides investment management services on a discretionary basis. Advisor's discretionary authority is granted by the client in the written client agreement. When discretionary authority is granted, it is limited in that Advisor is only be given discretionary trading authority. This authority allows Advisor to determine the type of securities and the amount of securities that can be bought or sold for the client portfolio as well as the broker/dealer through whom the transactions are executed without obtaining the client's consent for each transaction. Advisor is given discretionary authority to withdraw funds and securities from client accounts.	

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:	SEC File Number:	Date:
Absolute Investment Management LLC	801-	6/1/10

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV:

Absolute Investment Management LLC

IRS Empl. Ident.No.:

26-4133685

Item of Form (identify)	Answer
Item 12B	<p>When establishing an account for investment management services, the Advisor recommends one or more of the broker/dealers or custodians that it has established a relationship with. The Advisor currently has relationships with Charles Schwab & Co. and Fidelity. The Advisor discusses both options and recommends the broker/dealer and account custodian that it believes is the best fit for the client. The final determination and selection of the broker/dealer account custodian is left to the client.</p> <p>Recommendations are based on past experiences, minimizing commissions and other costs as well as offerings or services the broker/dealer provides that Advisor or client requires or finds valuable such as online access. While the Advisor does not charge commissions to clients, the broker/dealers or custodians used by clients may charge transaction fee and commissions. Clients may pay expenses and commissions that are higher than those obtainable from other broker/dealers in return for those products and services. Commission and fee structures of various broker/dealers are periodically reviewed to ensure clients are receiving best execution. Accordingly, while Advisor considers competitive rates, it may not necessarily obtain the lowest possible commission rates or transaction fee for client account transactions. Therefore, the overall services provided by the broker/dealer are evaluated to determine best execution. Recommendations of broker/dealers by Advisor are not influenced by any soft dollar arrangements.</p> <p>The recommended broker/dealer(s) also makes available to Advisor other products and services that benefit Advisor but do not necessarily directly benefit its clients' accounts. Some of these other products and services assist Advisor in managing and administering clients' accounts. These include software and other technology that provide access to client account data (such as trade confirmation and account statements); facilitate trade execution (and allocation of aggregated trade orders from multiple client accounts); provide research, pricing information and other market data; facilitate payment of Advisor's fees from its clients' accounts; and assist with back-office functions; recordkeeping and client reporting. Many of these services can be used to service all or a substantial number of Advisor's accounts, which can include accounts not maintained at the broker/dealer providing the services. The broker/dealer(s) can also make available to the Advisor other services intended to help Advisor manage and further develop its business enterprise. These additional services can include consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance and marketing. In addition, the broker/dealer(s) selected by the Advisor can make available, arrange and/or pay for these types of services rendered to Advisor by independent third party providing these services to Advisor. While as a fiduciary, Advisor endeavors to act in its clients' best interests, and Advisor's recommendation that clients maintain their assets in accounts at a specific broker/dealer or custodian can be based in part on the benefit to Advisor of the availability of some of the foregoing products and services and not solely on the nature, cost or quality of custody and brokerage services provided, which creates a potential conflict of interest.</p> <p>Upon approval of the Advisor, clients are allowed to direct the Advisor to use a particular broker/dealer or custodian that is not one typically recommended by the Advisor. When a client directs the use of a particular broker/dealer or other custodian, Advisor may not be able to obtain the best prices and execution for the transaction. Clients who direct the use of a particular broker/dealer or custodian may receive less favorable prices than would otherwise be the case if clients had not designated a particular broker/dealer or custodian. Further, clients with directed brokerage arrangements are not able to participate in aggregate trades (i.e. block trades) and directed trades may be placed by Advisor after effecting non-directed trades.</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:	SEC File Number:	Date:
Absolute Investment Management LLC	801-	6/1/10

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: Absolute Investment Management LLC		IRS Empl. Ident.No.: 26-4133685
Item of Form (identify)	Answer	
Item 12B (cont.)	<p>Block Trading</p> <p>Transactions implemented by Advisor for client accounts are effected independently, unless Advisor decides to purchase or sell the same securities for several clients at approximately the same time. This process is referred to as aggregating orders, batch trading or block trading and is used by Advisor when Advisor believes such action may prove advantageous to clients. When Advisor aggregates client orders, the allocation of securities among client accounts is done on a fair and equitable basis. Typically, the process of aggregating client orders is done in order to achieve better execution, to negotiate more favorable commission rates or to allocate orders among clients on a more equitable basis in order to avoid differences in prices and transaction fees or other transaction costs that might be obtained when orders are placed independently. Under this procedure, transactions are averaged as to price and are allocated among Advisor's clients in proportion to the purchase and sale orders placed for each client account on any given day. When Advisor determines to aggregate client orders for the purchase or sale of securities, including securities in which the associated person of Advisor may invest, Advisor does so in accordance with the parameters set forth in the SEC No-Action Letter, <i>SMC Capital, Inc.</i> It should be noted, Advisor does not receive any additional compensation or remuneration as a result of aggregation.</p>	
Item 13A	<p>Additional Compensation</p> <p>Advisor has established relationships with custodians and clearing broker-dealers. Currently, these relationships are with Charles Schwab & Co., Fidelity and Fiduciary Trust. While there is not any direct linkage between the investment advice and these relationships, economic benefits are received that would not be received if Advisor did not use these services to implement the investment advice provided. These benefits include, but not necessarily be limited to: receipt of duplicate client confirmations and bundled duplicate statements; access to a trading desk; access to block trading which provides the ability to aggregate securities transactions and allocate the appropriate the shares to client accounts; the ability to have investment advisory fees deducted directly from client accounts; access to an electronic communications network for client order entry and account information; receipt of compliance publications; and access to mutual funds that generally require significantly higher minimum initial investments or are generally only available to institutional investors.</p>	
Item 13B	<p>Aftershock Advisors, LLC (Aftershock) is a minority member of Advisor and therefore an affiliated person of Advisor. Aftershock is not a registered investment advisor, but it does provide consulting services and issues publications on the economy and financial markets. When clients of Aftershock inquire about advisory services, they are referred to Advisor but are not obligated to use Advisor's services. However, if they do elect to enter into an agreement with Advisor to receive services, Advisor will earn advisory fees. Advisor does not compensate Aftershock on a per referral basis or by paying a portion of the client's advisory fee to Aftershock. However, Aftershock has an economic incentive to refer clients to Advisor as a result of its partial ownership in Advisor. This creates a conflict of interest.</p> <p>Proxy Voting</p> <p>The Advisor does not perform proxy-voting services on a client's behalf. Clients are instructed to read through the information provided with the proxy-voting documents and to make a determination based on the information provided.</p> <p>Privacy Policy</p> <p>Regulation S-P, Privacy of Consumer Financial Information, requires financial institutions,</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:	SEC File Number:	Date:
Absolute Investment Management LLC	801-	6/1/10

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: Absolute Investment Management LLC		IRS Empl. Ident.No.: 26-4133685
Item of Form (identify)	Answer	
	<p>including Advisor, to provide notice to current clients and prospective clients about their policies and practices concerning the collection and use of customer, non-public information. This privacy policy notice is given to all prospective clients of Advisor upon entering into a contract with Advisor and annually thereafter.</p> <p>Privacy Disclosure Statement. A primary goal of Advisor is to protect the privacy of its clients. Advisor does not sell the personal information of clients to anyone.</p> <p>To conduct regular business, Advisor collects nonpublic personal information from clients. This information is provided by clients to Advisor on applications and other forms provided by clients to Advisor as well as transactions with the firm, our affiliates, or others.</p> <p>Advisor enters into contracts with outside third parties so that Advisor can assist its clients in servicing their accounts. In order to do this, Advisor discloses personal information to companies that help Advisor process transactions for client accounts (for example, executing client trades at through a broker/dealer). However, Advisor does not share or disclose any nonpublic customer information except as allowed or required by law. In addition to sharing information in order to provide financial services to clients, Advisor may be required to disclose personal information to cooperate with regulators or law enforcement authorities, to resolve customer disputes, or for risk control.</p> <p>Information Safeguarding. Advisor has implemented strict policies and procedures aimed at protecting the sensitive nature of client information. Advisor restricts access to client information to only those members of Advisor that must provide products and services to clients in order to service client accounts. Advisor has implemented physical, electronic, and procedural safeguards aimed at meeting Advisor's duty to protect nonpublic client information.</p> <p>If you have any questions concerning Advisor's customer privacy policy or concerns about your personal information please feel free to contact, Michael Lebowitz.</p>	

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