

ARCHON CAPITAL MANAGEMENT LLC

March 18, 2011

This Brochure provides information about the qualifications and business practices of Archon Capital Management LLC ("Archon"). If you have any questions about the contents of this Brochure, please contact us at (206) 436-3600 or email info@StrategosFunds.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the "SEC") or by any state securities authority.

Archon is a registered investment adviser. Registration of an investment adviser with the SEC or with any state securities authority does not imply a certain level of skill or training. Additional information about Archon is also available on the SEC's website at www.adviserinfo.sec.gov.

Archon Capital Management LLC
1301 5th Avenue, Suite 3008
Seattle, WA 98101
Tel: (206) 436-3600
Fax: (206) 438-1863
Website: www.StrategosFunds.com

ITEM 3 -Table of Contents

ITEM 4 – Advisory Business	2
ITEM 5 – Fees and Compensation	2
ITEM 6 – Performance-Based Fees and Side-By-Side Management	3
ITEM 7 – Types of Clients.....	3
ITEM 8 – Methods of Analysis, Investment Strategies and Risk of Loss.....	4
ITEM 9 – Disciplinary Information	9
ITEM 10 – Other Financial Industry Activities and Affiliations.....	9
ITEM 11 – Code of Ethics.....	9
ITEM 12 – Brokerage Practices	11
ITEM 13 – Review of Accounts	13
ITEM 14 – Client Referral and Other Compensation.....	13
ITEM 15 – Custody	14
ITEM 16 – Investment Discretion.....	14
ITEM 17 – Voting Client Securities	15
ITEM 18 – Financial Information.....	16
Appendix: ITEM 2 – Material Changes	17

ITEM 4 – Advisory Business

Archon Capital Management LLC ("Archon") is an SEC-registered investment adviser founded in January 2004. Archon's principal place of business is in Seattle, Washington, and Constantinos Christofilis is Archon's managing member and sole owner.

Archon provides specialized discretionary advisory services to pooled investment vehicles Strategos Fund, L.P., Strategos Partners LLC, Strategos Offshore, Ltd. and Strategos Master Fund, L.P. (each, a "Fund" and collectively, the "Funds"). Archon may, in the future, also provide advisory services to separately managed accounts.

Archon provides advice to the Funds based on specific investment objectives and strategies. Archon does not currently tailor advisory services to the individual needs of investors in the Funds (collectively, "Investors"), although, as further discussed in Item 16 below, Funds that are typically managed on a pari passu basis may from time to time receive different allocations of securities based on total assets of each Fund eligible to participate in a particular investment (e.g., initial public offerings ("new issues")).

As of December 31, 2010, Archon had approximately \$248.3 million assets under discretionary management.

Archon does not participate in "wrap fee" programs (advisory programs with an all-inclusive fee for both investment advisory services and brokerage execution).

ITEM 5 – Fees and Compensation

Each Fund pays Archon an investment management fee ranging from 1.0% to 1.5% per annum (the "Management Fee"). The Management Fees are paid to Archon each month in advance based on the total market value of the assets in the Fund on the first day of the month. If a new fund or managed account is established during a month or an Investor makes an addition to a Fund during a month, the Management Fee will be charged as of the effective date of the investment management agreement or the date of the additional contribution/subscription based on the value of the assets as of the applicable date and will be prorated for the number of days remaining in the month.

Archon may agree with any Investor to apply a different Management Fee.

Archon deducts the Management Fee from each Fund monthly by instructing the Fund's custodian to deduct the Management Fee from the Funds' accounts.

Funds are required to pay Archon's Management Fees in advance. Pre-paid fees will be refunded based on the number of days remaining in the month if the investment management agreement is terminated before the end of a month.

In addition to the Management Fee, Archon is allocated an annual performance-based allocation, which is compensation that is based on a share of capital appreciation of the

assets of a Fund. This compensation rate is 20% and is subject to a loss carryforward provision.

Archon may agree with any Investor to apply a different performance-based allocation.

In addition to the Management Fee and performance-based allocation, Funds will also be subject to other investment expenses such as fees and expenses of administrators, brokerage and futures commissions, interest on margin and other borrowings, borrowing charges on securities sold short, custodial fees, legal, research, accounting and audit fees and expenses, tax-preparation fees, governmental fees and taxes, bookkeeping and other professional fees, costs of reporting, costs of governance activities (such as obtaining consents), and all other expenses related to the management and operation of each Fund and/or the purchase, sale or transmittal of assets. Fund assets may be invested in money market mutual funds, ETFs or other registered investment companies. In these cases, the Fund will bear its pro rata share of the investment management fee and other fees of the fund, which are in addition to the Management Fee and performance-based allocation paid and allocated to Archon.

Strategos Partners LLC and Strategos Offshore, Ltd. invest their assets in Strategos Master Fund, L.P. (the "Master Fund") through a master-feeder structure, and bear a pro rata share of the expenses associated with the Master Fund. In addition, Investors will incur brokerage and other transaction costs, including commission charges on cross trades made in connection with rebalancing transactions. Please refer to Item 12 of this Brochure for a discussion of Archon's brokerage practices.

Archon does not accept compensation for the sale of securities or other investment products.

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

Archon and its investment personnel provide investment management services to multiple Funds. Archon receives a performance-based allocation from the Funds. In addition, Archon's investment personnel may be compensated on a basis that includes a performance-based component. Because Archon manages more than one Fund, a potential exists for one Fund to be treated differently from another Fund. Funds are currently managed on a pari passu basis and participate in investment opportunities pro rata (based on asset size), except in certain rare circumstances (e.g., limited availability of a specific security, purchases or sales of securities made to rebalance Fund portfolios, etc.).

ITEM 7 – Types of Clients

Archon's clients consist of the Funds. The initial and additional subscription minimums are disclosed in the Funds' offering memoranda.

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

A. Methods of Analysis and Investment Strategies

The Funds' investment objective is to achieve superior risk-adjusted returns by investing in a long/short portfolio consisting primarily of small- and mid-capitalization securities while adhering to a focused risk management discipline. Current income is not an objective.

The Funds' assets are invested in a long/short portfolio focused on small- and mid-capitalization stocks (i.e., stocks with less than \$5.0 billion in market capitalization). Archon's basic philosophy is to identify a core portfolio of small- to mid-capitalization companies traded in the U.S. and foreign equity markets that are undervalued compared to their historical relative valuations and growth potential and which possess catalysts that will accelerate sales and/or earnings growth.

The Funds also employ short selling as a means to generate returns and manage and reduce market risk. Short sale candidates are companies with flawed business models that are not expected to generate meaningful free cash flow or profits and/or companies with high valuations whose business may be experiencing a deceleration in sales and earnings growth. Archon uses a disciplined, fundamental research, bottom-up investment approach to identify long and short investment opportunities. The investment style is oriented towards growth at a reasonable price ("GARP") with value, which implies the use of disciplined relative guidelines in both purchase and sale of securities. The Funds are non-diversified, employing both sector and company emphasis.

The decision to focus on small- and mid-capitalization stocks is based on what Archon believes is an area of the market that provides a high number of attractive investment opportunities on a valuation basis. This "inefficiency" in valuations is in part a result of the lack of attention small- and mid-capitalization stocks receive from the largest institutional investors and Wall Street analysts who generally focus only on the most liquid securities. In short, in Archon's opinion, the lack of available information and limited institutional interest make the sector attractive for funds focused on small- and mid-capitalization stocks. Archon expects to make company visits to help identify long and short investment opportunities. Archon believes that through its past experience of working for public corporations, it can identify both good and flawed business models. Company visits are expected to provide introductions to promising long and short investments.

Archon follows a disciplined investment process that it believes provides a road map to a consistent and repeatable portfolio selection process. First, Archon focuses on stocks in growing industries, primarily in technology, healthcare and consumer industries that have an established market presence and the strategic and financial resources to capitalize on their growth objectives. Second, Archon looks for stocks that are "out of favor" or "underfollowed" and which are trading at significant valuation discounts relative to their peers. Third, Archon identifies companies with growth catalysts that translate to accelerated sales and/or earnings growth. These catalysts may include one or several of the following: new management, introduction of new products, entering new markets,

acquisitions, new sales and marketing approaches and improved cost structures. Fourth, Archon performs disciplined fundamental research on those investment ideas that meet the first three criteria and that (for many additional reasons) appear to be attractive investment opportunities. The focus of this research is not only to verify the growth and appreciation potential of each investment, but also to define the level of risk. This research may include an analysis of company financials (balance sheet, cash flow and income statement), a review of analyst expectations, the creation of earnings models to assist in financial forecasting, and discussions with suppliers, competitors, ex-employees, industry experts, competitors and meetings or private discussions with management. Gathering incremental information from numerous related sources plays a critical role in Archon's portfolio selection process.

These methods, strategies and investments involve risk of loss to Investors and Investors must be prepared to bear the loss of their entire investment.

B. Material Risks Relating to Investment Strategies

Lack of Diversification. The Funds will not be diversified among a wide range of types of securities, countries or industry sectors. Accordingly, the Funds' portfolios are subject to more rapid change in value than would be the case if Archon were required to maintain a wider diversification among types of securities and other instruments.

Issuer-Specific Changes. Changes in the financial condition of an issuer or counterparty, changes in specific economic or political conditions that affect a particular type of security or issuer, and changes in general economic or political conditions can increase the risk of default by an issuer or counterparty, which can affect a security's or instrument's value. The value of securities of smaller, less well-known issuers can be more volatile than that of larger issuers. Smaller issuers can have more limited product lines, markets, or financial resources.

Leverage. Performance may be more volatile if a Fund employs leverage. The amount of leverage that a Fund may have outstanding at any time may be large relative to its capital.

Short Selling Risk. Archon's investment program includes short selling. Short selling transactions expose Archon to the risk of loss in an amount greater than the initial investment, and such losses can increase rapidly and without effective limit. There is the risk that the securities borrowed by Archon in connection with a short sale would need to be returned to the securities lender on short notice. If such request for return of securities occurs at a time when other short sellers of the subject security are receiving similar requests, a "short squeeze" can occur, wherein Archon might be compelled, at the most disadvantageous time, to replace the borrowed securities previously sold short with purchases on the open market, possibly at prices significantly in excess of the proceeds received earlier.

Relative Value Risk. In the event that the perceived mispricings underlying Archon's relative value trading positions were to fail to converge toward, or were to diverge further from, relationships expected by Archon, the Funds may incur a loss.

Hedging. There can be no assurances that a particular hedge is appropriate, or that certain risk is measured properly. Further, while Archon may enter into hedging transactions to seek to reduce risk, such transactions may result in poorer overall performance and increased (rather than reduced) risk for Archon's investment portfolios than if Archon did not engage in any such hedging transactions.

Frequent Trading. Archon's strategy uses frequent trading which may result in higher commissions and charges to the Funds due to increased brokerage transactions, which may offset the Funds' profits.

C. Risks Associated with Types of Securities that are Primarily Recommended

Small- and Mid-Capitalization Companies. Small- and mid-capitalization companies may be of a less seasoned nature than other companies or may trade in the over-the-counter market. These securities often involve greater risks than the securities of larger, better-known companies. In addition to being subject to the general market risk that common stock prices may decline over short or even extended periods, the securities may be issued by companies that are not well-known to the investing public, may not have significant institutional ownership and may have cyclical, static or only moderate growth prospects. The securities of such companies may be more volatile in price and have lower trading volumes than larger-capitalization stocks.

In addition, Archon may invest in small- and mid-capitalization securities that are followed by relatively few analysts, with the result that there tends to be less publicly available information concerning these securities compared to what is available for larger companies. The securities of these companies may have limited trading volumes and may be subject to more abrupt or erratic market movements than the securities of larger, more established companies or the market averages in general, and Archon may be required to deal with only a few market makers when purchasing and selling these securities. Transaction costs in small- and mid-capitalization stocks may be higher than those of larger capitalization companies. Companies in which Archon invests may have limited product lines, markets or financial resources, and may be developing or marketing new products or services for which markets are not yet established and may never become established. Further, such companies may lack management depth and may be more vulnerable to adverse business or market developments.

Equity Securities. The value of equity securities fluctuates in response to issuer, political, market, and economic developments. Fluctuations can be dramatic over the short as well as long term, and different parts of the market and different types of equity securities can react differently to these developments. For example, "growth" stocks can react differently from "value" stocks. Issuer, political, or economic developments can affect a single issuer,

issuers within an industry or economic sector or geographic region, or the market as a whole. Changes in the financial condition of a single issuer can impact the market as a whole. Terrorism and related geo-political risks have led, and may in the future lead, to increased short-term market volatility and may have adverse long-term effects on world economies and markets generally.

Options and other Derivatives. Archon may trade and invest in options as part of its investment activity. Options are financial instruments in which risk and return are related to changes in the value of other assets (such as stocks or stock indices). Archon's ability to profit or avoid risk through investment or trading in derivatives will depend on its ability to anticipate changes in the underlying assets, reference rates or indices.

The trading of options is highly speculative and may entail risks that are greater than investing in other securities. To the extent Archon sells options and must deliver the underlying securities at the option price, Archon has an unlimited risk of loss if the price of the underlying security increases. To the extent Archon must buy the underlying securities, Archon risks the loss of the difference between the market price of the underlying securities and the option price. Any gain or loss derived from the sale or exercise of an option will be reduced or increased, respectively, by the amount of the premium paid. The expenses of option investing include commissions payable on the purchase and on the exercise or sale of an option.

When Archon writes options, it may do so on a "covered" or an "uncovered" basis. If Archon sells covered calls, it limits its opportunity to benefit from an increase in the value of the underlying security while continuing to bear the risk of decline in the value of that security.

Swaps, options and other custom derivative or synthetic instruments are subject to the risk of nonperformance by the counterparty to such instrument, including risks relating to the financial soundness and creditworthiness of the counterparty. In addition, investments in derivative instruments require a high degree of leverage, meaning the overall contract value (and, accordingly, the potential for profits or losses in that value) is much greater than the modest deposit used to buy the position in the derivative contract. Derivative securities can also be highly volatile. The prices of derivative instruments and the investments underlying the derivative instruments may fluctuate rapidly and over wide ranges and may reflect unforeseeable events or changes in conditions, none of which can be controlled by the Funds or Archon. Further, transactions in derivative instruments are not undertaken on recognized exchanges, and will expose the Funds to greater risks than regulated exchange transactions that provide greater liquidity and more accurate valuation of securities.

Interest Rate Risks. Generally, the value of fixed-income securities changes inversely with changes in interest rates. As interest rates rise, the market value of fixed-income securities tends to decrease. Conversely, as interest rates fall, the market value of fixed-income securities tends to increase. This risk is greater for long-term securities than for short-term securities.

Fixed-Income and Debt Securities. Investment in fixed-income and debt securities such as bonds, notes and asset-backed securities, subject a Fund's portfolio to the risk that the value of these securities overall will decline because of rising interest rates. Similarly, portfolios that hold such securities are subject to the risk that the portfolio's income will decline because of falling interest rates. Investments in these types of securities will also be subject to the credit risk created when a debt issuer fails to pay interest and principal in a timely manner, or that negative perceptions of the issuer's ability to make such payments will cause the price of that debt to decline. Lastly, investments in debt securities will also subject the investments to the risk that the securities may fluctuate more in price, and are less liquid than higher-rated securities because issuers of such lower-rated debt securities are not as strong financially, and are more likely to encounter financial difficulties and be more vulnerable to adverse changes in the economy.

Limited Liquidity. Some of the financial instruments in which Archon invests may be relatively illiquid because they are thinly traded or because they are subject to transfer restrictions. Archon may not be able to liquidate those investments quickly if the need should arise, and its ability to realize gains or to avoid losses in periods of rapid market activity may therefore be affected. Further, Archon's sales of thinly-traded securities could depress the value of such securities retained by Archon, thereby reducing Archon's profitability or increasing its unrealized losses. Archon may also invest in securities that are subject to restrictions on resale.

Trading opportunities are more limited for fixed-income securities that have not received any credit rating, have received a rating below investment grade or are not widely held. These features may make it more difficult to sell or buy a security at a favorable price or time. Consequently, Archon may have to accept a lower price to sell a security, sell other securities to raise cash, or give up an investment opportunity, any of which could have a negative effect on Archon's performance. Infrequent trading of securities may also lead to an increase in their price volatility.

Non-U.S. Securities. Foreign securities, foreign currencies, and securities issued by U.S. entities with substantial foreign operations can involve additional risks relating to political, economic, or regulatory conditions in foreign countries. These risks include fluctuations in foreign currencies; withholding or other taxes; trading, settlement, custodial, and other operational risks; and the less stringent investor protection and disclosure standards of some foreign markets. All of these factors can make foreign investments, especially those in emerging markets, more volatile and potentially less liquid than U.S. investments. In addition, foreign markets can perform differently from the U.S. market.

REITS. REITs in which Archon invests are affected by underlying real estate values, which may have an exaggerated effect to the extent that REITs in which Archon invests concentrate investments in particular geographic regions or property types. Investments in REITs are also subject to the risk of interest rate volatility. Further, rising interest rates will cause investors in REITs to demand a higher annual yield from future distributions, which will in turn decrease market prices for equity securities issued by REITs. REITs are subject to risks inherent in operating and financing a limited number of projects because

they are dependent upon specialized management skills, and have limited diversification. REITS depend generally on their ability to generate cash flow to make distributions to investors.

ITEM 9 – Disciplinary Information

Archon and its management have not had any legal or disciplinary events.

ITEM 10 – Other Financial Industry Activities and Affiliations

This Item is not applicable.

ITEM 11 – Code of Ethics

Archon has adopted a Code of Ethics that obligates all partners, officers, members and employees (collectively, “Covered Persons”) to comply with all applicable federal securities laws, to put the interests of Archon’s Funds before their own personal interests, and to act honestly and fairly in all respects in their dealings with the Funds and Investors. The Code of Ethics includes provisions relating to the confidentiality of Investor information, a prohibition on insider trading, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All supervised persons at Archon must acknowledge the terms of the Code of Ethics annually or when amended. Investors may request a copy of Archon's Code of Ethics by contacting Kristie A. Garrett, Investor Relations/Chief Compliance Officer at (206) 436-3600 or by emailing info@StrategosFunds.com.

Archon or its related persons, in the course of their investment management and other activities (e.g., board service), may come into possession of confidential or material nonpublic information about issuers, including issuers in which Archon or its related persons have invested or seek to invest on behalf of the Funds. Archon is prohibited from improperly disclosing or using such information for its own benefit or for the benefit of any other person, regardless of whether such other person is a Fund. Archon maintains and enforces written policies and procedures that prohibit the communication of such information to persons who do not have a legitimate need to know such information and to ensure that Archon is meeting its obligations to the Funds and remains in compliance with applicable law. In certain circumstances, Archon may possess certain confidential or material, nonpublic information that, if disclosed, might be material to a decision to buy, sell or hold a security, but Archon will be prohibited from communicating such information to the Funds or Investors or using such information for the Funds' benefit. In such circumstances, Archon will have no responsibility or liability to the Funds for not disclosing such information to the Funds (or the fact that Archon possesses such information), or not using such information for the Funds' benefit, as a result of following Archon’s policies and procedures designed to provide reasonable assurances that it is complying with applicable law.

Archon has a strict personal trading policy. Archon's Code of Ethics prohibits all Covered Persons from executing personal securities transactions, including new issues. Notwithstanding the foregoing, Archon permits personal securities transactions with respect to (1) securities held in accounts over which the Covered Person has no direct or indirect influence or control, (2) an automatic reinvestment plan (e.g. dividend reinvestment plan) and (3) exempt securities (including money market instruments such as certificates of deposit, commercial paper, high quality short-term debt instruments, shares of money market funds, transactions and holdings in shares of other mutual funds not advised by Archon (including ETFs), unit investment trusts and holdings in direct obligations of the Government of the United States). Further, purchases of securities in private placements by Covered Persons for covered accounts must be cleared in advance by Archon's Chief Compliance Officer who considers, among other factors, whether the investment opportunity should be reserved for the Funds and whether the investment opportunity is being offered to the covered account by virtue of the Covered Person's position with Archon. A Covered Person who has acquired a beneficial interest in securities in a private placement must notify the Chief Compliance Officer if, later, he or she is to participate in consideration of an investment by the Funds in securities of the same issuer. In such circumstances, a decision to acquire securities of that issuer for the Funds must be reviewed independently by an officer, member or employee of Archon with no personal interest in that issuer prior to placing an order. If no such employee exists, the transaction will not be effected for the Funds without specific approval.

Covered Persons who own securities upon commencing employment are not required to sell such securities before commencing employment, which presents a conflict where, because of the information Archon has, Archon's Covered Person is in a position to trade in a manner that could adversely affect the Funds (e.g., place their own trades before or after Fund trades are executed in order to benefit from any price movements due to the Funds' trades). In addition to affecting such Covered Person's objectivity, such practices may harm the Funds by adversely affecting the price at which the Funds' trades are executed. To minimize such a conflict, a Covered Person may only sell such securities upon receipt of written clearance from the Chief Compliance Officer prior to the transaction. All Covered Persons are also required to provide quarterly and annual certifications of such transactions. Trading in employee accounts will be reviewed by the Chief Compliance Officer and compared with transactions for the Funds. The Chief Operating Officer monitors the Chief Compliance Officer's personal securities transactions.

No employee may serve as a director of a publicly held company without prior approval by Archon's Chief Compliance Officer (or another employee, if the Chief Compliance Officer is the proposed board member) based upon a determination that service as a director would be in the best interests of any fund or client and its shareholders. In the limited instances in which such service is authorized or requested, employees serving as directors are isolated from other employees who are involved in making decisions as to the securities of that company.

Except for the limited circumstances described herein, Archon and its Covered Persons do not recommend to Funds, or buy or sell for Funds, securities in which Archon or its Covered Persons have a material financial interest.

ITEM 12 – Brokerage Practices

Archon considers a number of factors in selecting a broker-dealer to execute transactions (or series of transactions) and determining the reasonableness of the broker-dealer's compensation. Such factors include net price, reputation, financial strength and stability, efficiency of execution and error resolution and offering to Archon on-line access to computerized data regarding a Fund's accounts. In selecting a broker-dealer to execute transactions (or series of transactions) and determining the reasonableness of the broker-dealer's compensation, Archon need not solicit competitive bids and does not have an obligation to seek the lowest available commission cost. It is not Archon's practice to negotiate "execution only" commission rates, thus a Fund may be deemed to be paying for research, brokerage or other services provided by a broker-dealer which are included in the commission rate. Archon's Brokerage Execution Committee meets periodically to evaluate the broker-dealers used by Archon to execute Fund trades using the foregoing factors.

Archon receives research or other products or services other than execution from a broker-dealer in connection with securities transactions. This is known as a "soft dollar" relationship. Archon will limit the use of "soft dollars" to obtain research and brokerage to services that constitute research and brokerage within the meaning of Section 28(e) of the Securities Exchange Act of 1934 ("Section 28(e)"). Research services within Section 28(e) may include, but are not limited to, research reports (including market research); certain financial newsletters and trade journals; software providing analysis of securities portfolios; corporate governance research and rating services; attendance at certain seminars and conferences; discussions with research analysts; meetings with corporate executives; consultants' advice on portfolio strategy; data services (including services providing market data, company financial data and economic data); advice from broker-dealers on order execution; and certain proxy services. In the case of research, both proprietary research (created or developed by the broker-dealer) and research created or developed by a third party may be purchased with soft dollars. Brokerage services within Section 28(e) may include, but are not limited to, services related to the execution, clearing and settlement of securities transactions and functions incidental thereto (i.e., connectivity services between an adviser and a broker-dealer and other relevant parties such as custodians); trading software operated by a broker-dealer to route orders; software that provides trade analytics and trading strategies; software used to transmit orders; clearance and settlement in connection with a trade; electronic communication of allocation instructions; routing settlement instructions; post trade matching of trade information; and services required by the SEC or a self regulatory organization such as comparison services, electronic confirms or trade affirmations.

When Archon uses commissions to obtain Section 28(e) eligible research and brokerage products and services, Archon's Brokerage Execution Committee meets periodically to

review and evaluate its soft dollar practices and to determine in good faith whether, with respect to any research or other products or services received from a broker-dealer, the commissions used to obtain those products and services were reasonable in relation to the value of the brokerage, research or other products or services provided by the broker-dealer. This determination will be viewed in terms of either the specific transaction or Archon's overall responsibilities to the accounts or portfolios over which Archon exercises investment discretion.

The use of commissions (or markups or markdowns) to obtain research and brokerage products and services raises conflicts of interest. For example, Archon will not have to pay for the products and services itself. This creates an incentive for Archon to select or recommend a broker-dealer based on its interest in receiving those products and services.

Research and brokerage services obtained by the use of commissions arising from a Fund's portfolio transactions may be used by Archon in its other investment activities, including for the benefit of other Funds. However, because the Funds are managed on a *pari passu* basis, each Fund generally benefits from soft dollars proportionately to the soft dollar credits it generates.

During Archon's last fiscal year, as a result of Fund brokerage commissions (or markups or markdowns), Archon and/or its related persons acquired research reports (including market research); certain financial newsletters and trade journals; software providing analysis of securities portfolios; attendance at certain seminars and conferences; discussions with research analysts; meetings with corporate executives; consultants' advice on portfolio strategy; data services (including services providing market data, company financial data and economic data); certain proxy services; trading software; software that provides trade analytics and trading strategies; software used to transmit orders, clearance and settlement in connection with a trade; electronic communication of allocation instructions; and post trade matching of trade information.

Archon may participate in "client commission arrangements" pursuant to which Archon may execute transactions through a broker-dealer and request that the broker-dealer allocate a portion of the commissions or commission credits to another firm that provides research and other products to Archon. Archon excludes from use under these arrangements those products and services that are not eligible under Section 28(e) and applicable regulatory interpretations.

In some instances, Archon obtains a product or service that is used, in part, by Archon for Section 28(e) eligible purposes and, in part, for other purposes. In such instances, Archon will make a good faith effort to determine the relative proportion of the product or service used to assist Archon in carrying out its investment decision-making responsibilities and the relative proportion used for administrative or other purposes outside Section 28(e). Such determination will be made based on the actual use of the product or service by Archon's personnel. The proportion of the product or service attributable to assisting Archon in carrying out its investment decision-making responsibilities will be paid through brokerage commissions generated by Fund transactions and the proportion attributable to

administrative or other purposes outside Section 28(e) will be paid for by Archon from its own resources. The determination of the appropriate allocation of “mixed use” products and services creates a potential conflict of interest between Archon and the Funds.

From time to time, Archon may participate in capital introduction programs arranged by broker-dealers, including firms that serve as prime brokers to the Funds or recommend the Funds as an investment to potential Investors. Archon may place Fund portfolio transactions with firms who have made such recommendations or provided capital introduction opportunities, if Archon determines that it is otherwise consistent with seeking best execution. In no event will Archon select a broker-dealer as a means of remuneration for recommending Archon or any other product managed by Archon (or an affiliate) or affording Archon with the opportunity to participate in capital introduction programs.

The Funds may trade in the same securities on an aggregated basis when consistent with Archon’s obligation of best execution. In such circumstances, the affiliated Funds will share commission costs proportionately and receive securities at a total average price. Archon will retain records of the trade order (specifying each participating Fund) and its allocation, which will be completed prior to the entry of the aggregated order. Completed orders will be allocated as specified in the initial trade order. Partially filled orders will be allocated on a pro rata basis. Any exceptions will be explained on the order.

Archon does not permit Investors to direct brokerage.

ITEM 13 – Review of Accounts

Each Fund is reviewed by Constantinos Christofilis, Archon's managing member and the portfolio manager, on an ongoing basis (i.e., at least daily) to verify prior trading and to determine whether securities positions should be maintained in view of current market conditions. Matters generally reviewed include specific securities held, adherence to investment guidelines and the performance of each Fund. Significant market events affecting the prices of one or more securities in a Fund, changes in the investment objectives or guidelines of a particular Fund or specific arrangements with particular Funds may trigger reviews of Funds on other than a daily basis.

Investors receive reports from the Fund pursuant to the terms of each Fund’s offering memorandum.

ITEM 14 – Client Referral and Other Compensation

Archon receives certain research or other products or services from broker-dealers through “soft-dollar” arrangements. These “soft-dollar” arrangements create an incentive for Archon to select or recommend broker-dealers based on Archon’s interest in receiving the research or other products or services and may result in the selection of a broker-dealer on the basis of considerations that are not limited to the lowest commission rates and may result in higher transaction costs than would otherwise be obtainable by Archon

on behalf of the Funds. Please see Item 12 for further information on Archon's "soft-dollar" practices, including Archon's procedures for addressing conflicts of interest that arise from such practices.

Archon does not make cash payments to third-party solicitors for referrals.

ITEM 15 – Custody

This Item is not applicable.

ITEM 16 – Investment Discretion

Archon provides investment advisory services on a discretionary basis to the Funds. Prior to assuming full discretion in managing a Fund's assets, Archon enters into an investment management agreement or other agreement that sets forth the scope of Archon's discretion.

Archon has the authority to determine (i) the securities to be purchased and sold for the Fund (subject to restrictions on its activities set forth in the applicable investment management agreement and any written investment guidelines) and (ii) the amount of securities to be purchased or sold for the Fund. The portfolio manager is responsible for directing the trading desk and the allocation of securities to (or from) Funds for each trade/order submitted. The portfolio manager may consider the following factors, among others, in allocating securities among the Funds: (i) investment objectives and strategies; (ii) risk profiles; (iii) tax status and restrictions placed on a Fund's portfolio or by applicable law; (iv) size of the Fund account; (v) nature and liquidity of the security to be allocated; (vi) size of available position; (vii) current market conditions; and (viii) account liquidity, account requirements for liquidity and timing of cash flows. Although it is Archon's policy to allocate investment opportunities to eligible Funds on a pro rata basis (based on the value of the assets of each participating account relative to value of the assets of all participating accounts), these factors may lead Archon to allocate securities to Funds in varying amounts. Even Funds that are typically managed on a pari passu basis may from time to time receive differing allocations of securities based on total assets of each account eligible to invest in the particular investment (e.g., new issues) divided by the total assets of all accounts eligible to invest in the particular investment.

Allocations will be made among Funds eligible to participate in new issues and secondary offerings on a pro rata basis, except when Archon determines in its discretion that a pro rata allocation is not appropriate, which may include an Investor's investment guidelines explicitly prohibiting participation in new issues or secondary offerings and an Investor's status as a "restricted person" under applicable regulations.

In certain limited circumstances, Archon may effect cross transactions between the Funds. Cross transactions enable Archon to effect a trade between two Funds for the same security at a set price, thereby possibly saving commission costs for both accounts and avoiding an unfavorable price movement that may be created through entrance into the market. Cross transactions include rebalancing transactions that are undertaken so that, after

withdrawals/redemptions or contributions/subscriptions have occurred, the portfolio compositions of similarly managed accounts remain substantially similar. Archon has a potentially conflicting division of loyalties and responsibilities regarding both parties to cross transactions. Funds may pay commission charges on cross trades made in connection with rebalancing transactions, although Archon generally expects commission charges per share for rebalancing cross trades will be lower than those for Archon's other trades.

To the extent that any trade errors occur, Archon will correct them as soon as practicable and scrutinize them carefully with a view toward implementing procedures to prevent or reduce future errors, if necessary. The majority of instances in which Archon will correct or amend certain trades result from reconciliation errors between Archon's broker-dealers and custodians. Archon monitors such "trade breaks" in the manner discussed below:

- (a) After market close, the trader reviews each trade for accuracy against the broker-dealers' trade confirmations to detect possible trade errors.
- (b) If there is any discrepancy or error between the order and the broker-dealers' trade confirmations, as soon as practical, the trader contacts the broker-dealer to resolve the matter.
- (c) On trade date +1, the prime broker updates and affirms the trade.
- (d) All documentation related to an error is maintained on file with trade records.

ITEM 17 – Voting Client Securities

As a matter of policy and as a fiduciary to its Funds and Investors, Archon has responsibility for voting proxies for the Funds' portfolio securities consistent with the best economic interests of the Funds. Archon maintains written policies and procedures as to the handling, research, voting and reporting of proxy voting and makes appropriate disclosures about Archon's proxy policies and practices. Archon's policy and practice includes the responsibility to monitor corporate actions, receive and vote proxies and disclose any potential conflicts of interest as well as to make information available to Investors about the voting of proxies for their portfolio securities and maintaining relevant and required records.

Voting Guidelines:

- (a) In the absence of specific voting guidelines, Archon will vote proxies in the best interests of each particular Fund. Archon's policy is to vote all proxies from a specific issuer the same way for each Fund absent qualifying restrictions from a Fund;
- (b) Archon will generally vote in favor of routine corporate housekeeping proposals such as the election of directors and selection of auditors absent conflicts of interest raised by an auditor's non-audit services;
- (c) Archon will generally vote against proposals that cause board members to become entrenched or cause unequal voting rights; and

- (d) In reviewing proposals, Archon will further consider the opinion of management, the effect on management, and the effect on shareholder value and the issuer's business practices.

Archon will identify any conflicts that exist between its interests and the interests of the Funds by reviewing its relationship with the issuer of each security to determine if it or any of its employees has any financial, business or personal relationship with the issuer. If a material conflict of interest exists, a determination will be made whether it is appropriate to disclose the conflict to the affected Funds and their Investors so as to give the Funds and Investors an opportunity to vote the proxies themselves, or to address the voting issue through other objective means such as voting in a manner consistent with a predetermined voting policy or receiving an independent third party voting recommendation, and Archon will maintain a record of the voting resolution of any conflict of interest.

Investors may obtain a copy of Archon's complete proxy voting policies and procedures upon request. Investors may also obtain information from Kristie A. Garrett, Investor Relations/Chief Compliance Officer at (206) 436-3600 or info@StrategosFunds.com about how Archon voted any proxies on behalf of the Funds.

ITEM 18 – Financial Information

This Item is not applicable.

Appendix: ITEM 2 – Material Changes

This Item is not applicable.