
ITEM 1 – COVER PAGE

**Part 2A of Form ADV
Brochure for:**

ANGELES WEALTH MANAGEMENT, LLC

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This brochure provides information about the qualifications and business practices of Angeles Wealth Management, LLC. If you have any questions about the contents of this brochure, please contact us at (310) 393-6300 or info@angeleswealth.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Registration of an Investment Adviser does not imply any certain level of skill or training.

Additional information about Angeles Wealth Management, LLC also is available on the SEC's website at www.adviserinfo.sec.gov. The searchable IARD/CRD number for the advisor is 159952

ITEM 2 – MATERIAL CHANGES

There have been no amendments and no material changes since the previous filing of this brochure.

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ITEM 4 – ADVISORY BUSINESS

Angeles Wealth Management, LLC (“AWM” or the “Company”), a Delaware limited liability company, was formed in November 2011 by the principal owners Jonathan R Foster and Angeles Investment Advisors, LLC (“AIA”), an SEC registered investment advisor and the majority owner of AWM. The principal owners of AIA are Leslie B. Kautz, CFA, Howard D. Perlow, CFA, and Michael A. Rosen. AWM operates out of one office in Santa Monica, California, which it shares with AIA. AWM and AIA are both 100% employee-owned. For further information about AIA, please refer to AIA’s brochure available on the SEC’s website.

Discretionary Services

AWM provides personalized discretionary portfolio and wealth management services generally to high net worth individuals, families, trusts, estates, foundations, endowments, charitable organizations, corporations, and other business entities (“Clients”). AWM consults with each Client to identify goals, risk tolerances, tax considerations, personal and family concerns, etc. From this review, the Company recommends an investment allocation and weighting to AWM’s investment strategies. AWM generally acts as a “manager of managers”, allocating to asset managers with specific investment expertise to an asset class or marketplace to which AWM wishes to achieve Client exposure. The Company may also manage individual securities as well. Under certain circumstances, Clients may impose restrictions on investing in specific managers, securities or types of securities. The firm does not sponsor or participate in wrap fee programs.

Relationship with AIA

AWM has an advisory relationship with AIA wherein AIA creates and maintains the model portfolios utilized by AWM in allocating Client assets. AWM may also utilize AIA for certain additional advisory services as detailed below under “Selected AIA Services”. AWM Clients’ primary contact will be with AWM personnel. AWM will not compensate AIA for its services. All services described below are expected to be delivered by AWM.

Model Allocations

The risk profiles and investing guidelines for AWM clients will generally fall into the following categories:

- Fixed Income-Invest primarily in fixed income and cash reserves with immaterial to no allocation to equities or alternatives.
- Ultra Conservative Balanced- Invests primarily in equity and fixed income instruments, and cash reserves. Equity instrument positions generally between 10-30% of the portfolio
- Conservative Balanced- Invests primarily in equity and fixed income instruments, and cash reserves. Equity instrument positions generally between 30-50% of the portfolio.
- Balanced- Invests primarily in equity and fixed income instruments, and cash reserves. Equity instrument positions generally between 50-70% of the portfolio.
- Aggressive Balanced- Invests primarily in equity and fixed income instruments, and cash reserves. Equity instrument positions generally between 70-90% of the portfolio.
- Equity- Invests primarily in equity instruments and cash reserves with immaterial to no fixed income allocation.

In addition, AWM may utilize alternative investment vehicles (“Alternatives”) as part of the above asset mix. Alternatives include but are not limited to: hedge funds, private equity, and

venture capital vehicles. Investment in these vehicles is subject to Client qualification, and to the execution and acceptance of offering memorandums and other documentation provided by the offeror.

Selected AIA services

AWM may utilize certain services offered by AIA in addition to the Model Allocations discussed above. These services are available to AWM clients, but some or all of these services may not be used.

- **Portfolio Structure Analysis:** Studies to determine the percentage policy allocation and the minimum and maximum ranges to sub-asset categories such as style, size, active, passive, quality, maturity, and market allocations are conducted.
- **Investment Manager Research and Selection:** Proprietary manager research is conducted on public and private category managers, funds and private placements are evaluated to determine success factors and suitability for clients. This manager research is used to conduct manager searches and selection for clients.
- **Manager Fiduciary Oversight:** AIA monitors investment managers for changes in organization, ownership, personnel, investment philosophy, investment process, historical performance, and policies and procedures on behalf of our clients. Return information supplied by the client or third party data vendor is analyzed and interpreted.
- **Performance Measurement and Evaluation:** With return information supplied by the client or third party data vendor, AIA performs performance measurement services and provides appropriate reporting to clients. As part of this service, AIA routinely monitors and evaluates the performance of client's money managers and the overall portfolio.

Fund of Funds

AWM may utilize the AIA Fund of Funds platform (the "Funds") to fill the Alternatives portion of a Client's portfolio.

- AIA acts as the investment adviser to the Angeles Absolute Return Fund LTD; a Cayman Islands exempted company, "(the Offshore Fund)", and the Angeles Absolute Return Fund LLC, a Delaware limited liability company (the "Domestic Fund") AIA also serves as the sole director of the Offshore Fund. The Funds rely on the exclusion to the definition of "Investment Company" provided by Section 3(c)(1) and Section 3(c)(7) of the Investment Company Act of 1940. The Funds are managed in reliance on the Commodity Futures Trading Commission Regulation 4.7(b), which requires that investors be limited to "qualified eligible persons" (including non-US persons).
- While AIA has complete discretion and authority to manage and direct the investment capital for the Funds, it does not invest the Funds' capital directly. Instead, AIA identifies third party managers ("Investment Managers") whose investment strategies and styles are suited to the investment objective, policies and restrictions of the Funds. AIA then allocates the capital of the Funds to the investment discretion of one or more Investment Managers and/or invests the Funds' capital in selected investment funds advised by the Investment Managers ("Sub-Funds"). This structure is commonly referred to as a Fund of Funds.

Assets Under Management

AWM has no current assets under management. AIA, the majority owner of the Company, as of December 31, 2011, had discretionary assets under management of \$1.3 billion for 32 clients, and consulting assets under advisement of \$38.6 billion for 22 non-discretionary clients.

ITEM 5 – FEES AND COMPENSATION

Fee Schedule

Equity, Balanced & Alternatives Investment Advisory Services*				
Annual Fee Rate		Assets Under Management		
1.00%	on assets from	\$ 0	to	\$ 2,000,000 plus
0.90%	on assets from	\$ 2,000,001	to	\$ 5,000,000 plus
0.75%	on assets from	\$ 5,000,001	to	\$ 25,000,000 plus
0.50%	on assets from	\$ 25,000,001		and above

Subject to a minimum annual fee of \$ 50,000

Fixed Income Investment Advisory Services*				
Annual Fee Rate		Assets Under Management		
0.60%	on assets from	\$ 0	to	\$ 2,500,000 plus
0.50%	on assets from	\$ 2,500,001	to	\$ 5,000,000 plus
0.40%	on assets from	\$ 5,000,001	to	\$ 10,000,000 plus
0.35%	on assets from	\$ 10,000,001		and above

Subject to a minimum annual fee of \$ 40,000

**Manager Fees are in addition to underlying manager fees and expenses, if any.*

In certain circumstances fees may be negotiated. Negotiated fees may be higher or lower than those delineated above. Generally, fees are payable on a quarterly basis in advance, based upon fair market appraisals of the Client's investments, as of the beginning of the quarter, to be provided to the Client by AWM. Clients will also receive a quarterly statement from their custodian. See item 12 for a more complete discussion of the custodian/broker relationship. Managed accounts will be automatically debited on a quarterly basis in accordance with the fee calculations described above unless other arrangements are made. The specific manner in which fees are calculated by AWM and paid by Client will be established in a client's written

Investment Advisory Agreement (the "Advisory Agreement"). AWM urges you to review the fee calculation prepared by AWM and compare it to the fee schedule in your Advisory Agreement; your custodian will not review this calculation. Lower fees for comparable services may be available from other sources. AWM does not solicit or require prepayment of more than \$600 in fees six months or more in advance.

This agreement may be terminated by either party with 30 days written notice. Upon termination of any account, any prepaid, unearned fees will be promptly refunded, and any earned, unpaid fees will be due and payable.

AWM may purchase for Clients certain NASDAQ securities where AWM does not have direct access to market makers. As a result, such orders may be placed with other financial institutions thus causing a Client to pay an agency commission. This cost may be in addition to the mark-up or mark-down assessed by the market maker. AWM's fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses, which may be incurred by the Client. Clients may incur certain charges imposed by custodians, brokers and other third parties such as fees charged by other managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Money market funds and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus. AWM and its investment adviser representatives do not share or otherwise participate in any of the above fees, commissions or charges.

The fees charged are not based a share of capital gains upon or capital appreciation of the funds or any portion of the funds of an advisory client (Section 205(a)(1) of the Investment Advisers Act of 1940, amended).

If an AWM client invests in the Funds and later terminates AWM's services, but wishes to remain in the Funds, the client will become subject to the Fund's fee schedule detailed in the allocation agreement immediately upon termination of the AWM's Investment Advisory Agreement, and may result in increased Fund fees.

All fees paid to AWM for investment advisory services, both through managed accounts and the Fund, are in addition to the fees and expenses charged by the mutual funds, commingled funds, hedge funds, separately managed accounts, custodians, brokers and Sub-Funds of the Fund. As discussed in item 4 above, when recommending mutual funds, AWM will typically use no load, or load-waived funds. Fees and expenses are described in the offering documents of each respective investment and will generally include a management fee, and other expenses. Commingled funds, separately managed accounts and Sub-Funds of the Fund could also charge a performance based fee. Custodian fees will vary by vendor, as will the related brokerage fees.

(Please see the section titled Brokerage Practices for further information on brokerage fees.) A client investing in the Fund will also pay an administrative fee they would otherwise not pay if that client invested directly with the Sub-Funds.

Therefore, a client could invest directly in any of the above mentioned products, without the services of AWM. In that case, the client would not receive the services provided by AWM which are designed, among other things, to assist the client in determining which investment is most appropriate to each client's financial condition and objectives. Accordingly, the client should understand the total fees paid to AWM and to the underlying managers and evaluate the advisory service being provided.

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

AWM does not charge any performance-based fees. Differences in AWM's compensation arrangements with its clients could create incentives for AWM to manage client portfolios so as to favor those portfolios of clients paying larger fees. Notwithstanding these conflicts, AWM will allocate transactions and opportunities among the various client accounts it manages in a manner it believes to be as equitable as possible, considering each account's objectives, programs, limitations and capital available for investment, but even accounts with similar objectives will often have different investment portfolios.

ITEM 7 – TYPES OF CLIENTS

AWM generally provides discretionary portfolio management services to high net worth individuals, families, trusts, estates, foundations, endowments, charitable organizations, corporations, and other business entities described in Item 4 above.

AWM's minimum account size is \$5,000,000, but AWM reserves the right to accept lesser amounts depending upon the circumstances.

ITEM 8 – METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

Methods of Analysis and Sources of Information

When selecting or monitoring investments without the services provided by AIA, AWM gathers information on investments from various sources including, but not limited to, financial newspapers, magazines, research materials prepared by others, corporate ratings services, annual reports, prospectuses, company press releases and various web services. Information may be analyzed based on fundamental, technical or cyclical criteria and periodic evaluations are made regarding what AWM believes will be the most efficient and effective strategy to accomplish a particular Client's goal. AWM will generally follow a long or short term buy strategy but may employ an occasional tactical short term trade, short sell or margin trade.

When utilizing the investment services of AIA, certain of its methods of analysis and sources of information which may be applicable to Clients of AWM are as follows.

Methods of Analysis and Sources of Information

- AIA conducts proprietary fund/manager research to evaluate and find suitable investment management organizations to recommend to clients, to manage client assets on a discretionary basis, or to include as a Sub-Fund in the Funds. As part of its proprietary fund/manager research, AIA utilizes databases, industry contacts and other industry resources to find individual firms and their products available in the marketplace. AIA then conducts independent research by communicating in person or via conference call with the investment firm's management and portfolio managers, evaluating their investment ability and monitoring these firms over time.

Types of Investments, Generally

- AIA may utilize no-load mutual funds, load-waived mutual funds, separately managed accounts, ETFs, government securities, exchange listed closed end funds, limited partnerships, offshore corporations, and/or private placements, including

hedge funds. Investing in any of the above securities involves risk of loss, including the loss of principal, which clients should be prepared to bear. There are additional risks associated with private placements, and those risks are discussed below.

- Most AIA clients limit their exposure to private placements to less than 30% of their overall portfolio. These securities, however, can carry greater risk than an exchange-traded security for a number of reasons. Private placements are less liquid than exchange-traded securities, with withdrawals generally prohibited for one year from the date of purchase, sometimes longer. Managers can also invest in a wider range of securities, including synthetic positions known as derivatives. They can also employ margin to increase leverage, which in turn increases the risk of loss. AIA clients investing in these private securities will receive an offering memorandum that details the full range of risks present. Clients will be asked to sign a separate application to invest in these securities and attest to their having read and understood the offering memorandum.
- One such private placement is the Funds. The Sub-Funds AIA selects may employ a wide range of investment strategies including, but not limited to, investing in bank debt, convertible arbitrage, capital structure arbitrage, high yield debt, structured credit, merger arbitrage, special situations, distressed debt, and global long/short equity. The expected volatility of these sectors ranges from low to very high. The Sub-Funds may also utilize short-selling and leverage as discussed above. Clients investing in the Funds will be asked to sign a separate application and attest to their having read and understood the offering memorandum. The Funds offering memorandum is available upon request to accredited investors.

For tax-paying Clients of AWM, many of the above strategies are short-term in nature, and may result in the recognition of short-term capital gains or losses. Additionally, certain tax-exempt Clients in certain private investments may be subject to Unrelated Business Taxable Income.

Risk of Loss

These methods, strategies and investments described above involve risk of loss to the clients, which could be substantial.

The Company's principal strategies are subject to several risks, any of which could cause an investor to lose money. The principal risks of investing are as follows:

- **Stock Market Risk**, which is the chance that stock prices overall will decline. Stock markets tend to move in cycles, with periods of rising prices and periods of falling prices. When the stock market is subject to significant volatility, the risks associated with investing may increase.
- **Foreign Securities and Emerging Markets Risk** is the risk associated with investments in foreign countries and emerging markets. The following factors make foreign securities more volatile: political, economic, and social instability; foreign securities may be harder to sell, brokerage commissions and other fees may be higher for foreign securities; and foreign companies may not be subject to the same disclosure and reporting standards as U.S. companies.
- **Currency Risk** is the risk that the value of foreign securities may be affected by changes in currency exchange rates. Additionally, positions may be held in foreign currencies, which are affected by changes in exchange rates to the investor's home currency.

- Interest Rate Risk is the chance that the value of debt securities overall will decline because of rising interest rates.
- Income Risk is the chance that income will decline because of falling interest rates.
- Credit Risk is the chance that a debt issuer will fail 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.
- Counterparty Risk is the risk that the other party to an agreement will default.
- Derivatives Risk is the risk that the greater complexity involved with the use of derivatives may expose the client to greater risks and result in poorer overall performance.
- Short Sale Risk is the risk that a client will incur a theoretically unlimited loss if the price of a security sold short increases between the time of the short sale and the time the account replaces the borrowed security.
- Smaller and Mid-Sized Companies Risk is the risk that the securities of such issuers may be comparatively more volatile in price than those of companies with larger capitalizations, and may lack the depth of management, diversity in products, and established markets for their products and/or services that may be associated with investments in larger issuers.

ITEM 9 – DISCIPLINARY INFORMATION

AWM has no disciplinary history to report for the firm, its owners, or its employees.

ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Michael Rosen, a Managing Member of AIA, is the sole owner and employee of MarketForce, LLC, a separate investment adviser with less than \$25 million in assets under management, and registered with the appropriate state regulatory authority. Mr. Rosen works full time at AIA and generally manages MarketForce after normal business hours. Mr. Rosen receives management fees earned by MarketForce. MarketForce provides investment advisory services to individuals, primarily friends and family of Mr. Rosen. The standard MarketForce fee schedule is expected to be generally higher than AWM's standard fee schedule given the smaller, more retail nature of the client accounts. Mr. Rosen recommends friends, family, and other prospects that fail to meet the account profile of AWM, become investment advisory clients of MarketForce.

MarketForce clients, including Michael Rosen, may trade in some of the same securities as AWM' clients and may receive pricing and execution on those trades that is better or worse than the pricing and execution AIA' clients will receive. In addition, there is a potential conflict in that Mr. Rosen might refer clients to MarketForce instead of AWM because of the higher fees available.

This potential conflict is mitigated in a number of ways. First, AWM clients are anticipated to be large, high net worth individuals with a minimum account size of \$5 million, whereas MarketForce clients are generally smaller with an average account size of under \$1 million. MarketForce does not have the infrastructure to successfully attract or retain a sophisticated high net worth client base. Secondly, Mr. Rosen does not represent MarketForce as an institutional high net worth investment adviser. In fact, he does not represent MarketForce at all publicly, nor does he generate any marketing material for this firm. Business is entirely generated by referrals.

Finally, AWM periodically will review MarketForce trading and clients added/lost to determine overlap, and will resolve any questions directly with Mr. Rosen.

Neither AWM nor any of its principals are registered or have an application pending to register as:

- a broker-dealer or a registered representative of a broker-dealer; or
- a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entity.

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

AWM has adopted a Code of Ethics (“Code”) that describes the standards of business conduct that it requires of employees and accounts owned predominantly by persons associated with AWM, and establishes procedures intended to prevent AWM, and its personnel and certain of their relatives, from inappropriately benefiting from AWM’s relationships with its clients.

The Code provides that (i) AWM’s clients’ interests come before AWM’s or employees’ interests; (ii) AWM must disclose to clients all material facts about conflicts of which it is aware between AWM’s and its employees’ interests on the one hand and clients’ interests on the other; (iii) employees must operate on AWM’s and their own behalf consistently with AWM’s disclosures to and arrangements with clients regarding conflicts and its efforts to manage the impacts of those conflicts; (iv) AWM and its employees must not take inappropriate advantage of AWM’s clients or their positions of trust with or responsibility to clients; and (v) AWM and its employees must comply with all applicable securities laws.

The Code generally prohibits employees from trading in any securities held by client accounts and requires employees to report personal securities holdings on an annual basis. In addition, AWM monitors all employees’ securities transactions: employees must arrange for duplicate copies of their brokerage statements and trade confirmations to be sent to the Chief Compliance Officer.

The Code includes procedures for and restrictions on employee trading intended to prevent employees from benefiting from, or appearing to benefit from, any price movement that may be caused by client transactions or AWM’s recommendations regarding securities. Among other things, these include requirements that employees make a written request for and receive pre-clearance from AWM’s Chief Compliance Officer (or designee) before they buy or sell any security managed on a discretionary basis by AWM (other than certain government securities, shares of mutual funds, and certain other types of securities that AWM does not believe create a potential for conflicts of interest). Pre-cleared transactions must be completed within a specified time frame.

The Code also contains restrictions on and procedures to prevent inappropriate trading while AWM is in possession of material nonpublic information.

AWM will provide a copy of its Code of Ethics to any client or prospective client upon written request. Such a request may be sent to the address on the cover page to this brochure.

ITEM 12 – BROKERAGE PRACTICES

AWM will recommend one or several FINRA-registered SIPC-member broker-dealers, commercial bank or trust company ("BD" or "BDs") to Clients to act as custodian. AWM intends to participate in the institutional services programs offered to independent investment advisers by these BD's. As part of these BD programs, AWM receives benefits that it would not receive if it did not offer investment advice. These benefits are more fully described below under "Other Benefits".

In evaluating whether to recommend that clients custody their assets at a BD, AWM may take into account the availability of some of those other benefits as part of the total mix of factors it considers and not solely the nature, cost or quality of custody and brokerage services provided by the BD, which will create a conflict of interest. However, AWM believes this conflict is mitigated by the following facts. The client must decide to use the BD and sign a separate account opening document with full disclosure of fees and expenses. In recommending BDs, AWM considers the following factors: the products offered, the level of service, commission rates, and the ability to meet client needs. In assessing the reasonableness of their commissions, AWM compares various brokerage firm rates and will advise clients if AWM believes a BD is no longer a reasonable choice.

AWM urges you to compare the balances reported by the third party custodians to those reported by AWM.

Other Benefits

As discussed above, AWM will recommend that clients establish brokerage accounts with BDs to maintain custody of clients' assets and to effect trades for their accounts. Although AWM will recommend a number of BDs, it is the client's decision to choose which custodian. AWM is independently owned and operated and not affiliated with any BD.

The BDs provide AWM with access to their institutional trading and custody services which are typically not available to retail investors. These services generally are available to independent investment advisors on an unsolicited basis, at no charge to them so long as they maintain a minimum amount of advisor's clients' assets at the individual BD. BD brokerage services include the execution of securities transactions, prime brokerage, custody, research, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

For AWM client accounts maintained in its custody, a BD generally does not charge separately for custody services but is compensated by account holders through commissions and other transaction-related or asset-based fees for securities trades that are executed through the BD or that settle into BD accounts.

BDs also make available to AWM other products and services that benefit AWM but may not directly benefit its clients' accounts. Many of these products and services may be used to service all or some substantial number of AWM accounts, including employee accounts, and accounts not maintained at that particular BD.

BD products and services that assist AWM in managing and administering clients' accounts may include software and other technology that (i) provide access to client account data (such as trade confirmations and account statements); (ii) facilitate trade execution and allocate aggregated trade orders for multiple client accounts; (iii) provide research, pricing and other market data; (iv)

facilitate payment of AWM' fees from its clients' accounts; and (v) assist with back-office functions, record-keeping and client reporting.

BDs also offer other services intended to help AWM manage and further develop its business enterprise. These services may include: (i) compliance, legal and business consulting; (ii) publications and conferences on practice management and business succession; and (iii) access to employee benefits providers, human capital consultants and insurance providers. AWM may make available, arrange and/or pay third-party vendors for the types of services rendered to AWM. BDs may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to AWM. BDs may also provide other benefits such as educational events or occasional business entertainment of AWM personnel.

Other Brokerage Practices

Clients may incur transaction costs in addition to any commission charges by the broker-dealer when fixed income securities or securities traded over-the counter are effected on their behalf through the custodial broker-dealer on an agency basis.

AWM seeks to correct all trade errors directly through the clients' custodian account where applicable. If there is a loss, AWM will review the facts and circumstances surrounding the trade and, based upon that review, will determine the source(s) of the error and most appropriate resolution. Conversely, if there is a gain due to a trade error, the custodian may net out any gain before losses are calculated. Therefore, AWM may receive a benefit from this arrangement if AWM reimburses a client for a net loss incurred.

AWM considers rebalancing accounts when a defined portfolio varies by certain amounts from its target weights. Rebalancing may not take place for all accounts at the same time, and it is possible that two clients could buy or sell the same security during the same rebalance and receive different prices for that security based on the timing of trades executed.

AWM's policy is to aggregate all eligible Client accounts, if possible, when trading securities that may have price movement throughout the day, such as ETF's, then allocate an average price to those Clients. In this way, no Client receives a price advantage at the expense of another client. Clients may have differing commission schedules with their custodian, and this schedule may not be impacted by AWM's aggregation of trades. Mutual funds have one price per trading day, so aggregation is not necessary when multiple clients trade the same mutual fund at the same time.

AWM may direct execution of agency transactions in over-the-counter debt securities to certain market-makers. In these situations, the Client may pay an agency commission in addition to the mark-up or mark-down assessed by the market maker. AWM aggregates or bunches Clients' trade orders from time to time and its method for allocating bunched trades and partially-filled bunched orders is as follows: for trades which are fully executed, each Client receives the number of shares originally intended for his account; for trades which are only partially executed, a random allocation sequence is adopted by AWM. For aggregated orders that are executed in more than one transaction, a Client's portion of such order may be deemed to have been at the weighted average of the prices at which all of such transactions were executed.

From time to time, AWM may "cross" fixed income securities between Client accounts. AWM generally utilizes cross trades for fixed income securities when it specifically deems the practice to be advantageous for each participant. These transactions are affected if AWM independently determines that the cross transaction is in accordance with the investment objectives of all Clients involved. Generally, due to lower transaction costs and a narrowing of the dealer spread, both the

buyer and the seller of the fixed income security involved in the cross transaction may receive a better execution. By written notice, a Client may elect not to be involved in cross transactions.

AWM acting as advisor and fiduciary to both buyer and seller may effect cross trades only if it is consistent with AWM's policies and procedures. Pursuant to current regulations, ERISA accounts will not be provided the opportunity to effect cross trades with any other AWM advisory Client.

On occasion, employees of AWM may buy or sell securities or other instruments for their own accounts that AWM has recommended to Clients and may engage in transactions for their own accounts in a manner that is inconsistent with AWM's recommendations to a Client. Personal securities transactions by employees may raise potential conflicts of interest when such persons trade in a security that is owned by, or considered for purchase or sale for, a Client. AWM has adopted policies and procedures designed to detect and prevent such conflicts of interest and when they do arise, to ensure that it effects transactions for Clients in a manner that is consistent with its fiduciary duty to its Clients and in accordance with applicable law. Employees are required to report personal securities transactions to AWM's Chief Compliance Officer, (AWM's Chief Compliance Officer's personal securities transactions are reviewed for conflicts of interest by AWM's President, or their designate), on no less than a quarterly basis.

ITEM 13 – REVIEW OF ACCOUNTS

Client accounts are monitored by the Client's advisor no less than weekly. Client accounts will be formally reviewed as least quarterly, and a quarterly review is distributed to Clients. The review will provide a written report discussing general market conditions, possibly specific performance, and any other relevant client specific information. More frequent monitoring may be triggered by material change in variables such as the Client's individual circumstances, or the market, political or economic environment.

Each AWM client advisor is assigned specified Client accounts for which he/she has review responsibility. AWM has the following general guidelines in connection with reviews: (i) provide objective advice and avoid personal bias; (ii) adopt the point of view of the fiduciary or co-trustees of the Client; (iii) when advising a Client, keep the client's objective foremost in mind; and (iv) use common sense.

Fund of Funds

AIA, the parent of AWM, monitors the performance of the Sub-Funds in which the Fund invests. AIA periodically contacts the Investment Managers of the Sub-Funds regarding their performance and for analysis of significant events as they relate to their investment strategies and influence their investment decisions. AIA may also visit the offices of the Investment Managers to review their activities. If a Sub-Fund's relative performance is poor or if significant changes occur in an Investment Manager's approach or investments, the capital allocation of a Funds to such Sub-Fund may be reduced or withdrawn.

In addition to the at least quarterly statements and confirmations of transactions that Clients receive from their custodian, AIA will provide to AWM Clients invested in the Funds, a written analysis of performance versus appropriate benchmarks. AIA will also provide Clients with a monthly inventory of assets. AIA or its designated agent will provide each investor in the Funds with periodic reports in accordance with the terms of the Offering Memorandum. Such reports generally include a monthly report summarizing the Funds' performance, a quarterly investor specific account statement, and audited financial statements within 180 days of the Funds' year end.

AWM urges you to compare the balances reported by the third party custodians, both for the Funds and for individual investors, to those reported by AWM.

ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION

AWM may pay other parties for Client referrals. To the extent that AWM pays cash referral fees to such solicitors, solicitor agreements will exist that are, and activities will be conducted, in compliance with Rule 206(4)-3 under the Investment Advisers Act of 1940. In addition, all applicable federal and state laws will also be observed.

Because the solicitor will be paid a referral fee, a conflict exists because the solicitor could refer business to AWM to receive this fee. However, AWM mitigates this conflict by ensuring that all Clients procured by unaffiliated solicitors will be given full written disclosures describing the terms and fee arrangements between AWM and solicitor.

Fees charged by AWM to Clients who were introduced by a solicitor will not, as a result of the solicitation, be any higher than those charged to similar Clients who were not introduced by a solicitor.

ITEM 15 – CUSTODY

The Funds are currently custodied at State Street Global Services. At the end of each Fiscal Year, the Funds have their financial statements examined and certified by an independent certified public accountant. Copies of the audited financial statements are furnished to each limited partner or investor in the Funds as soon as practicable after the end of each year. Unaudited quarterly performance reports also will be provided to each limited partner or investor in the Funds.

If you are invested in the Funds, you should carefully review the custodian statement when received, and we urge you to compare the account statement received from AWM to that custodian statement.

Clients will have their choice of custodian as outlined in Item 12 above for those assets not held in custody for that Client's Fund investment.

ITEM 16 – INVESTMENT DISCRETION

AWM usually receives discretionary authority, in the form of a limited power of attorney, from the Client at the outset of an advisory relationship to select the identity and amount of securities to be bought or sold. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account. AWM uses its best judgment, together with any investment objectives, guidelines, policies and limitations as the Client may from time to time furnish to AWM pursuant to Client's Investment Advisory Agreement.

ITEM 17 – VOTING CLIENT SECURITIES

AWM does not typically exercise any authority to and does not usually vote proxies on behalf of advisory clients. Clients retain the responsibility for receiving and voting proxies for any and all

securities maintained in client portfolios. AWM may provide advice to clients regarding the clients' voting of proxies. In certain circumstances AWM will accept responsibility to, and will exercise authority to, vote proxies on behalf of certain advisory client accounts. In those cases, AWM's policy is to vote Client security proxies in the best interest of Clients. In cases where a material conflict of interest arises between AWM's or any of its management's, representative's and employee's interests, and those of the Client, AWM's policy is to vote Client security proxies in the best interest of Clients.

Applicable Clients may obtain a copy of AWM's complete proxy voting policies and procedures upon request. Such Clients may also obtain information from AWM about how AWM voted any proxies on behalf of their account(s).

ITEM 18 – FINANCIAL INFORMATION

AWM has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients. AWM has not been the subject of a bankruptcy petition.