

Part 2A of Form ADV: *Firm Brochure*

Artis Advisors, LLC

One Boston Place, 41st Floor
Boston, MA 02108

Telephone: 617-531-3100
Email: info@artisadvisors.com
Web Address: www.artisadvisors.com

January 17, 2012

This brochure provides information about the qualifications and business practices of Artis Advisors, LLC (hereinafter “Artis Advisors” or the “Firm”). If you have any questions about the contents of this brochure, please contact the Firm at 617-531-3100 or info@artisadvisors.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

Additional information about Artis Advisors is also available on the SEC’s website at www.adviserinfo.sec.gov. You can search this site by a unique identifying number, known as a CRD number. The firm's CRD number is 159997.

Item 2 Material Changes

The SEC adopted "Amendments to Form ADV" in July 2010 under the Investment Advisers Act of 1940 (the "Act"). This Firm Brochure, dated January 10, 2012, is the Firm's disclosure document prepared according to the SEC's new requirements and rules. As a new firm, this is the initial filing of Form ADV and the Firm Brochure for Artis Advisors.

After the initial filing of this Brochure, this Item will be used to provide clients of Artis Advisors ("Clients") and prospective clients with a summary of new and/or updated information. The Firm will inform Clients of Firm Brochure revisions based on the nature of the updated information.

Consistent with the new rules, Artis Advisors will ensure that Clients receive a summary of any material changes to this and subsequent Firm Brochures within 120 days of the close of the Firm's fiscal year, which is December 31 each year. Furthermore, the Firm will provide Clients with interim disclosures about material changes as necessary.

Item 3	Table of Contents	Page
Item 1	Cover Page	1
Item 2	Material Changes	2
Item 3	Table of Contents	3
Item 4	Advisory Business	4
Item 5	Fees and Compensation	8
Item 6	Performance-Based Fees and Side-By-Side Management	10
Item 7	Types of Clients	10
Item 8	Methods of Analysis, Investment Strategies and Risk of Loss	11
Item 9	Disciplinary Information	12
Item 10	Other Financial Industry Activities and Affiliations	12
Item 11	Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	14
Item 12	Brokerage Practices	15
Item 13	Review of Accounts	16
Item 14	Client Referrals and Other Compensation	16
Item 15	Custody	17
Item 16	Investment Discretion	17
Item 17	Voting Client Securities	18
Item 18	Financial Information	18

Item 4 Advisory Business

Artis Advisors is an SEC registered investment adviser with its principal place of business located in Boston, Massachusetts. The Firm began conducting its investment advisory business in early 2012.

Listed below are the firm's principal shareholders (i.e., those individuals and/or entities controlling 25% or more of this company).

- Wainwright Investment Counsel, LLC

Artis Advisors offers the following advisory services to its clients:

A. Selection and Monitoring of Asset Managers Using the Firm's Risk-Managed Account Approach

Artis Advisors offers advisory management services to Clients through the Firm's Risk-Managed Account Program (the "RMA Program"). This service is only available to investors that meet the definition of "qualified client" under Rule 205-3 of the Act.

After the Firm and the Client enter into the Artis Advisors Investment Management Agreement ("Client Agreement"), the Firm will gather additional information about the client's objectives, risk tolerance levels, and any unique circumstances through interviews and other means. Based on this information, the Firm will provide the Client with an asset allocation strategy. The Firm also works with each Client to identify the appropriate risk level that should be used in managing the Client's assets. These factors are then used to formulate the client's investment policy statement ("IPS").

Based on the Client's individual circumstances and needs, as exhibited in the Client's IPS, the Firm will then allocate the Client's assets among unaffiliated asset managers. Factors considered in making this determination include account size, risk tolerance, investment style, and philosophy of the manager. Clients should refer to the firm Brochure (Form ADV Part 2A) and other disclosure documents for a full description of each manager's investment offerings. Artis Advisors will have regular communications with each Client in order to provide information about the Client's accounts and their performance.

The Firm continuously monitors the Client accounts in the RMA Program and the performance of the selected managers. If Artis Advisors determines that a particular manager is not providing sufficient or appropriate management services to the Client, or is otherwise not managing the Client's portfolio in a manner consistent with the Client's IPS, Artis Advisors may terminate the manager of the applicable segment of the Client's portfolio and may replace the manager with a different manager. Under this scenario, the Firm may select a

new manager or managers, or reallocate the portfolio among existing managers, based on the Client's IPS. All decisions regarding the selection and removal of managers is solely at the discretion of Artis Advisors.

B. Asset Management Consulting Services

Artis Advisors provides several advisory services separately or in combination to its Clients. The Firm provides asset management consulting services to individuals, high net worth individuals, pension and profit-sharing plans, employee benefit plans, charitable institutions, endowments, trusts, estates, corporations, and partnerships. Asset Management Consulting Services may be comprised of three (3) distinct services described below. Clients may contract with Artis Advisors to receive any combination or all of these services on a non-discretionary basis.

Artis Advisors can provide these services for a single engagement, for a specific time period, or ongoing. The scope and duration of a particular Client's Asset Management Consulting Services is covered in the written Client Agreement.

1. Investment Policy Statement Preparation

Representatives of the firm will meet with the Client to determine an appropriate investment strategy that reflects the client's stated investment objectives for management of the overall plan. The Firm then prepares a written IPS which details the Client's needs and goals, including an encompassing policy under which these goals are to be achieved. The IPS also lists the criteria for selection of investment vehicles as well as the procedures and timing intervals for monitoring of investment performance. Not every Asset Management Consulting Services Client receives this service.

2. Asset Allocation Study

This service provides the Client with an asset allocation strategy developed after goals and objectives are identified and established based on the Client's particular circumstances. If appropriate, this asset allocation strategy is drafted into the Client's IPS. Representatives of the Firm will then review various managers or funds in order to determine which investments are appropriate to implement the Client's IPS. The number and type of investments to be recommended will be determined by the Client. Not every Asset Management Consulting Services Client receives this service.

3. Manager Selection and Manager Monitoring

Artis Advisors also offers management consulting services to Clients through its selection and monitoring of investment managers. Based on the Client's individual circumstances and needs, the Firm will perform manager searches of various unaffiliated investment managers to identify

investment managers whose portfolio management style is appropriate for the Client. Factors considered in making this determination include account size, goals, risk tolerance, the opinion of each Client, and the investment philosophy of the selected manager. Depending on the needs of the Client, this service may result in the selection of a single or multiple managers. Clients should refer to each selected manager's firm Brochure (Form ADV Part 2A) and other disclosure documents for a full description of the services offered by each manager. Representatives of the Firm are available to meet with Clients on a regular basis, or as agreed to with the Client, to review the account. Not every Asset Management Consulting Services Client receives this service.

Artis Advisors monitors the performance of the selected manager(s). If the Firm determines that a particular selected manager is not providing adequate investment management services, the Firm may suggest that the Client consider limiting or curtailing its use of the manager or contract with a different manager. Under this scenario, Artis Advisors would select a new manager for its discretionary Clients and assist the Client in selecting a new manager for its non-discretionary Clients.

Performance Reporting

Artis Advisors monitors and reports Client investment performance regularly, based on the procedures and timing intervals delineated in the Client Agreement. Although the Firm is not generally involved in the purchase or sale of these investments, it will supervise the Client's portfolio and will make recommendations to the Client as market factors and Client needs dictate. Not every Asset Management Consulting Services Client receives this service.

C. Investment Supervisory Services and Individual Portfolio Management

Artis Advisors provides investment advice on Client accounts based on the individual needs of the Client. Depending on the Client Agreement, Clients may elect to have the Firm perform this service on a discretionary or non-discretionary basis.

Artis Advisors manages Client accounts on a "discretionary basis" when the Client has given the Firm written authority to make investments in and for the Client's accounts (based on the client's IPS or stated account or portfolio objectives) without obtaining the Client's consent for each transaction in advance of the transactions. For "non-discretionary" accounts, the Firm must obtain the Clients approve for transactions and hiring managers prior to their implementation.

Through discussions with the Client or a Client representative in which goals and objectives are identified and established, the Firm may develop a Client's IPS. The Firm creates and manages a portfolio based on that policy. During Artis Advisors' data-gathering process, the firm determines the Client's particular objectives, time horizons, risk tolerance, and liquidity needs. As appropriate, representatives of the Firm also review and discuss the Client's prior investment history, as well as other relevant information and circumstances.

Account supervision is guided by the Client's IPS or stated objectives (e.g., maximum capital appreciation, growth, income, or growth and income, etc.). Unless the Client Agreement provides for this service, the Client's portfolio is generally not managed for tax considerations.

Clients may impose reasonable restrictions on investing in certain securities, types of securities, or industry sectors. Any such restrictions must be agreed to in writing by the Client and the Firm.

Once the Client's portfolio has been established, Artis Advisors continuously monitors the Client's portfolio and as necessary makes changes to, or rebalance, the portfolio, based on the Client's individual needs as specified in the Client's IPS and Client Agreement.

Artis Advisors' investment advice and selections are not limited to any specific product or service offered by an investment advisor, fund, or broker-dealer and may include advice regarding the following types of securities:

Exchange-listed securities	United States government securities
Securities traded over-the-counter	Options contracts on securities
Foreign issuers	Futures contracts on tangibles
Warrants	Futures contracts on intangibles
Corporate debt securities (other than commercial paper)	Interests in partnerships investing in real estate
Commercial paper	Interests in partnerships investing in private equity
Certificates of deposit	Interests in partnerships, hedge funds or fund of funds
Municipal securities	Investment Company Securities

At the Client's request, other alternative investments may be recommended, which could include, but are not limited to, private equity, venture capital, and leveraged buy out funds.

Because some types of investments involve additional degrees of risk, they will only be recommended or implemented when consistent with the Client's stated investment objectives, risk tolerance, liquidity, and other constraints.

AMOUNT OF MANAGED AND ADVISED ASSETS

As of December 31, 2011, Artis Advisors did not manage any Client accounts.

Item 5 Fees and Compensation

GENERAL INFORMATION

Artis Advisors Investment Advisory Fees: Under the terms of the Client Agreement, the Client will pay the Firm advisory fees on a quarterly basis in advance of the service being rendered to the Client. This means that the advisory fee for each calendar quarter will be debited from the Client's account (with a prime broker, broker, or custodian) and paid to Artis Advisors based on the closing balance of the last day of the previous calendar quarter. For Clients that open an account other than at the start of a new quarter, the fee will be pro-rated based on the number of days remaining in the quarter.

Termination of the Advisory Relationship: The Client Agreement may be canceled at any time, by either party, for any reason upon receipt of 30 days written notice. As disclosed above, certain fees are paid in advance of services provided. Upon termination of any account, any prepaid and unearned fees will be refunded promptly to the Client. In calculating a Client's reimbursement of fees, the Firm will pro-rate the reimbursement according to the number of days remaining in the quarterly billing period.

Other Manager Fees: Clients whose assets are managed by advisors other than Artis Advisors will be charged separate management fees by those managers. The Firm will review with Clients any separate management fees that may be charged to Clients.

Additional Fees and Expenses: In addition to the fees charged by Artis Advisors for its services, Clients are responsible for the fees and expenses charged by prime brokers, brokers and custodians, as well as all third-parties, such as vendors, accountants, attorneys, and any other parties that provide services to the Client. These fees include, but are not limited to, any transaction charges incurred by a manager that effects transactions for the Client's accounts. Please refer to the "Brokerage Practices" section (Item 12) of this Firm Brochure for additional information.

Advisory Fees in General: Clients should note that similar advisory services may or may not be available from other registered or unregistered investment advisers and asset managers for similar or lower fees. The Firm's advisory fees may be negotiated on a case by case basis.

Limited Prepayment of Fees: Under no circumstances does the Firm require or solicit payment of fees in excess of \$1200 more than six months in advance of services rendered.

FEES FOR SPECIFIC PROGRAMS AND SERVICES

A. Fees for Selection and Monitoring of Asset Managers Using the Firm's Risk-Managed Account Approach

Client Accounts that receive RMA Program services are subject to the following fee schedule:

- a. *Management fees:* these are fees charged for the ongoing service by the Firm of the assets under the management of Artis Advisors. Artis Advisors will charge an annual management fee equal to 2% of the Client assets it manages. This fee will be charged on a quarterly basis in advance.
- b. *Performance fees:* these fees are a percentage of the profits or capital gains in the account on an annual basis. Artis Advisors will be entitled to a performance fee equal to 25% of the capital gain in the Client account each year, net of applicable trading and related costs, and management fees.

Total fees for RMA Program Accounts: RMA Program Client accounts will be assessed a quarterly management fee and an annual performance fee. These fees are further detailed in the Client Agreement that each Client executes with Artis Advisors.

Please note that the RMA Program fees are the fees charged by Artis Advisors and include the management fees charged by the underlying managers. There may be other fees, not included in the RMA Program fees that the Client will pay in addition to the fees charged by Artis Advisors. These may include, but are not limited to, technology access, platform, and other fees charged to the Client by third-parties, including by prime brokers, brokers, custodians, and other service providers that may be necessary in order to achieve the full RMA Program functionality.

B. Fees for Asset Management Consulting Services: The annual compensation for the Firm's consulting services is based on a percentage of the Client's asset values. The asset values are calculated by the investment managers or custodians for the Client account(s). The Firm's fees are in addition to the investment management fees charged by the portfolio's underlying managers. The Firm's consulting fees reflect all time spent by the Firm gathering and compiling Client information, conferring with the Client, and/or any other activities directly associated with carrying out the Firm's obligations under the

Client Agreement.

The Firm will charge annual consulting fees that range from 0.20% to 0.75% of assets for accounts greater than \$50 million. Accounts less than \$50 million will be accepted on a case by case basis and the annual consulting fees will be negotiated. The Firm's consultant fees are to be paid quarterly in advance through direct debiting of an account, unless an invoice billing process is specifically agreed to with the Client.

C. Fees for Investment Supervisory Services and Individual Portfolio

Management: Fees for Investment Supervisory Services and Individual Portfolio Management are quoted as a fixed percentage and quoted on an annual basis, but calculated and assessed in advance on a quarterly basis. The fixed advisory fee is generally 1.5% on all portfolio assets. These fees may be negotiated on a case by case basis.

Item 6 Performance-Based Fees and Side-By-Side Management

PERFORMANCE-BASED FEES

As disclosed in Item 5 of this Firm Brochure, Artis Advisors may accept a performance-based fee from the Client under certain circumstances. Performance-based fees are calculated based on a share of capital gains or capital appreciation of the Client account. The fee is calculated and assessed on an annual basis. To qualify for a performance-based fee arrangement, a Client must meet the definition of "qualified client" under Rule 205-3 of the Act and demonstrate a net worth of at least \$2 million or must have at least \$1 million under management with Artis Advisors immediately after entering into the Client Agreement and investing with Artis Advisors.

Clients should be aware that performance-based fee arrangements may create an incentive for the Firm to recommend investments which may be riskier or more speculative than those which would be recommended under a different fee arrangement. Furthermore, as the Firm also has Clients that do not pay performance-based fees, the Firm has a possible incentive to favor Clients that pay such fees because the compensation that the Firm may receive from these Clients is more directly tied to the performance of their accounts.

Item 7 Types of Clients

Artis Advisors provides advisory services to the following types of clients:

- High net worth individuals
- Qualified clients (Rule 205-3 under the Act)

- Pension and profit sharing plans (other than plan participants)
- Other pooled investment vehicles (e.g., hedge funds)
- Charitable organizations
- Corporations or other businesses not listed above

Item 8 Methods of Analysis, Investment Strategies and Risk of Loss

METHODS OF ANALYSIS

Artis Advisors uses the following methods of analysis in formulating its investment programs and selecting appropriate managers for its Clients:

Investment Manager Analysis. The Firm examines the experience, expertise, investment philosophies, and past performance of independent third-party investment managers in an attempt to determine if the manager has demonstrated an ability to invest over a period of time and in different economic conditions. The Firm monitors various aspects of the manager, including underlying holdings, strategies, concentrations, and leverage as part of the Firm's overall on-going risk assessment. Additionally, as part of its due-diligence process, the Firm surveys the manager's compliance and business enterprise risks.

Asset Allocation. Rather than focusing primarily on securities selection, the Firm attempts to identify an appropriate allocation of alternative and/or traditional asset classes that are appropriate for the Client's investment goals and risk tolerance.

A risk of asset allocation is that the Client may not participate in sharp market movements. Another risk is that the portfolio is not rebalanced on a timely basis and, if not corrected, will no longer be appropriate for the Client.

Risks. Artis Advisors develops investment strategies aimed at meeting client-specific objectives and constraints through third-party managers. All investments involve some degree of risk. While the Firm's investment approach seeks to manage losses, no approach, including the Firm's, can eliminate it. Artis Advisors manages risk according to each Client's IPS and objectives by: (1) diversifying portfolios in terms of managers and strategies; (2) knowing and understanding the investments made; and (3) closely monitoring Clients' investments. The Firm in no way guarantees performance or results. Investors should always be aware of the following risks:

Market Risk: The potential for decline in the value of investments over time due to economic changes that impact large portions of the market.

Inflation Risk: The potential decrease in value and/or purchasing power of an

investment due to general upward price movement of goods and services.

Interest Rate Risk: The potential reduction in value of an asset – particularly a bond – resulting from a rise in interest rates.

Currency Risk: The possibility that a business' operations or an investment's value will be affected by changes in exchange rates.

Business Risk: The potential loss in value of a company due to events and conditions associated with a particular industry or the issuer itself.

Liquidity Risk: The potential difficulty in liquidating a third-party manager's portfolio.

Operational Risk of the Firm: As a newly formed investment advisor, Artis Advisors has limited operating experience and the RMA Program, although believed to be a sound investment platform, has limited operations and market experience with Clients.

Operational Risk of Managers Selected by the Firm: The potential loss in value of a Client's portfolio due to events and conditions associated with an investment manager that the Firm selects to manage a portion or all of the Client's portfolio.

Item 9 Disciplinary Information

The Firm is required to disclose any legal or disciplinary events that are material to a Client's or prospective client's evaluation of our advisory business or the integrity of the management of Artis Advisors. Neither the Firm nor its management personnel have any reportable disciplinary events to disclose.

Item 10 Other Financial Industry Activities and Affiliations

Wainwright Investment Counsel, LLC ("WIC") is the majority owner of Artis Advisors and is also an SEC registered investment advisor. In addition to their affiliation with WIC, certain management personnel of Artis Advisors are separately licensed as registered representatives of WFS, LLC ("WFS"), an SEC registered broker-dealer and FINRA member firm. WFS is a wholly owned subsidiary of Wainwright Investment Counsel, LLC. These individuals, in their separate capacity, can effect securities transactions for which they may receive separate, yet customary compensation. WFS will not provide any services to Artis Advisors or its Clients.

Under a separate agreement between Artis Advisors and WIC, WIC provides investment manager screening and due diligence services to Artis Advisors and its business partners in order to assist Artis Advisors in evaluating investment

managers.

While Artis Advisors and its managers endeavor at all times to put the interest of Clients of Artis Advisors first, as part of the fiduciary duty owed to Clients, Clients should be aware that the receipt of additional compensation itself creates a conflict of interest, and may affect the judgment of individuals when making investment recommendations.

Other pooled investment vehicles:

Management personnel of Artis Advisors may also be managing member(s) of limited liability companies (LLCs) and/or general partner(s) of limited partnerships (LPs) formed for investment purposes. These include:

Wainwright Capital Partners, LLC

Wainwright Capital Partners, LLC is the general partner of the Wainwright Renaissance Fund 1, L.P. Wainwright Capital Partners, LLC is a “related person” of WIC and Artis Advisors due to WIC’s total ownership of these entities. Clients of Artis Advisors may be solicited to invest in the Wainwright Renaissance Fund 1, L.P. Wainwright Capital Partners, LLC is the administrative manager of the Wainwright Renaissance Fund 1. WIC is paid a fee for administrative management services it provides to this hedge fund. These services include management of the fund’s operations, including supervising the administrator, analyzing and reporting on the fund’s performance to shareholders, and performing various administrative and back office services for the fund.

Wainwright- SOAM Opportunity Fund L.P.

WIC owns an interest in Wainwright-SOAM Holdings, LLC, the general partner of Wainwright-SOAM Opportunity Fund L.P., a hedge fund, and it also owns an interest in Wainwright-SOAM Capital Management, LLC, the management company of the fund. As a member of the General Partner and the Management Company, WIC provides the fund’s investment team with advice with respect to the fund, on certain hedging opportunities and insight on general macro-economic trends and developments. In addition, WIC provides certain risk management services with respect to the fund, including periodically monitoring the fund’s portfolio for compliance with the applicable investment restrictions. WFS is compensated for acting as a placement agent for the fund.

If appropriate, Clients of Artis Advisors may be solicited to invest in such LLCs and/or LPs. Artis Advisors does not receive investment advisory compensation in relation to these investments, but as a related person, the Firm has a potential conflict of interest in soliciting Client investments.

Because investment in these types of entities may involve certain additional degrees of risk, they will only be recommended when consistent with the Client's stated investment objectives, tolerance for risk, and liquidity and other requirements. Related persons of the Firm may spend as much as 30% of their time on these related activities.

A list of these affiliated entities is specifically disclosed on Schedule D of Form ADV, Part 1 at Item 7.B. Part 1 of our the Firm's Form ADV can be accessed by following the directions provided on the Cover Page of this Firm Brochure.

Clients interested in investing in the partnership/company should refer to the partnership's/ company's private placement memorandum for more information specific to the partnership/ company.

A member of the management team of Artis Advisors, Saro J. Picciotto, is also a manager and supervised person of Wainwright Investment Counsel, LLC ("WIC"). In that capacity, Mr. Picciotto provides advisory services through WIC. The advisory services delivered by WIC are separate and distinct from those provided by Artis Advisors and are provided for separate compensation. WIC's advisory services may be recommended to Artis Advisors Clients for whom it is appropriate. There are no referral fee arrangements between Artis Advisors and WIC. However, a conflict of interest is created by this arrangement to the extent that this individual recommends that an Artis Advisors Client open an account through WIC, under which this individual will receive additional compensation. No Artis Advisors Client is obligated to use WIC or its services, other than the services the Firm subcontracts from WIC through the separate agreement between Artis Advisors and WIC mentioned above. Clients choosing to become clients of WIC should refer to WIC's Firm Brochure and other disclosure documents for details regarding WIC's services and fees.

Item 11 Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Artis Advisors has adopted a Code of Ethics for all supervised persons of the firm that describes its high standard of business conduct, and fiduciary duty to its Clients. The Code of Ethics includes provisions relating to the confidentiality of Client 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 Artis Advisors must acknowledge the terms of the Code of Ethics annually, or as amended.

Artis Advisors anticipates that, in appropriate circumstances, consistent with Clients' investment objectives, it will cause accounts over which Artis Advisors has management authority to effect, and will recommend to investment advisory Clients or prospective Clients, the purchase or sale of securities in which Artis

Advisors, its affiliates and/or Clients, directly or indirectly, have a position of interest. Artis Advisors' employees and persons associated with Artis Advisors are required to follow Artis Advisors' Code of Ethics. Subject to satisfying this policy and applicable laws, officers, directors and employees of Artis Advisors and its affiliates may trade for their own accounts in securities which are recommended to and/or purchased for Artis Advisors' Clients. The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of Artis Advisors will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Under the Code of Ethics, certain classes of securities have been designated as exempt transactions, based upon a determination that these would not materially interfere with the best interest of Artis Advisors' Clients. In addition, the Code of Ethics requires pre-clearance of certain transactions, and may restrict certain trading in close proximity to client trading activity. Nonetheless, because the Code of Ethics in some circumstances would permit employees to invest in the same securities as Clients, there is a possibility that employees might benefit from market activity by a Client in a security held by an employee. Employee trading is monitored under the Code of Ethics to reasonably prevent conflicts of interest between Artis Advisors and its Clients.

Clients or prospective clients of Artis Advisors may request a copy of the firm's Code of Ethics by contacting info@artisadvisors.com.

It is the policy of Artis Advisors that the firm will not affect any principal or agency cross securities transactions for client accounts. Artis Advisors will also not cross trades between client accounts. Principal transactions are generally defined as transactions where an advisor, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory client. A principal transaction may also be deemed to have occurred if a security is crossed between an affiliated hedge fund and another client account. An agency cross transaction is defined as a transaction where a person acts as an investment advisor in relation to a transaction in which the investment advisor, or any person controlled by or under common control with the investment advisor, acts as broker for both the advisory client and for another person on the other side of the transaction. Agency cross transactions may arise where an advisor is dually registered as a broker-dealer or has an affiliated broker-dealer.

Item 12 Brokerage Practices

Artis Advisors does not have any soft-dollar arrangements and does not receive any soft-dollar benefits.

For certain Clients, the Firm may have discretionary authority to determine the prime broker or broker-dealer to be used and the commission rates to be paid.

Artis Advisors may require that some Clients in the RMA Program direct trades through Penson Financial Services, Inc. ("Penson"). Artis Advisors has evaluated Penson and believes that it will provide Clients with a blend of execution services, commission costs and professionalism that will assist Artis Advisors to meet its fiduciary obligations to its Clients.

The Firm reserves the right to decline acceptance of any Client for which the Client directs the use of a prime broker or broker other than one selected by the Firm if the Firm believes that this choice would hinder the Firm's fiduciary duty to the Client and/or its ability to service the Client

Item 13 Review of Accounts

Artis Advisors will provide Client reviews and reports on a quarterly basis. These accounts are reviewed by the Artis Advisors Investment Committee.

Item 14 Client Referrals and Other Compensation

CLIENT REFERRALS

Artis Advisors may pay referral fees to independent persons or firms ("Solicitors") for introducing clients to the Firm. Whenever a referral fee is paid, the Firm requires the Solicitor to provide the prospective client with a copy of this document, the *Firm Brochure*, and a separate disclosure statement that includes the following information:

- the Solicitor's name and relationship with Artis Advisors;
- the fact that the Solicitor is being paid a referral fee;
- the amount of the fee; and
- whether the fees paid to Artis Advisors by the Client will be increased above the normal fees in order to compensate the Solicitor.

As a matter of firm practice, the advisory fees paid to Artis Advisors by Clients referred by solicitors are not increased as a result of any referral.

OTHER COMPENSATION

The Firm and its officers and representatives do not receive any compensation for the activities of Artis Advisors other than the fees disclosed in Items 5 and 6 above.

Item 15 Custody

The Firm previously disclosed in Item 5, the "Fees and Compensation" section of this Firm Brochure, that the Firm directly debits advisory fees from the Client's account with prime brokers, brokers, or custodians.

As part of this billing process, these entities are advised of the amount of the fee to be deducted from the Client's account. On at least a quarterly basis, one or more of these entities will send to the Client a statement showing all transactions within the account during the reporting period.

Because these entities do not calculate the amount of the Firm's fee to be deducted, it is important for Clients to carefully review their statements from these entities to verify the accuracy of the calculation, among other things. Clients should contact Artis Advisors directly if they believe that there may be an error in their statements.

Artis Advisors does not have actual or constructive custody of Client accounts.

Item 16 Investment Discretion

Under the terms of the Client Agreement, the Firm is hired to provide either discretionary or non-discretionary asset management services.

For discretionary asset management services, the Firm researches and selects the managers that will, in turn, place trades in a Client's account at prime brokers or brokers without contacting Artis Advisors or the Client prior to each trade to obtain permission.

The Firm's discretionary authority includes the ability to do the following without contacting the Client:

- Determine individual investment managers that will manage Client assets for Clients of Artis Advisors.
- Determine the amount of money or allocation of Client assets to be allocated to each of the managers selected by Artis Advisors for each Client account at the prime brokers, brokers, or custodians.
- Determine prime brokers and brokers that will manage trading and brokerage for the Client's RMA Program accounts and other discretionary accounts managed by Artis Advisors.

Clients give Artis Advisors discretionary authority when they sign a Client Agreement. This authority is ongoing as long as the Client Agreement is in effect. The Client may limit this authority by giving the Firm written instructions that are also accepted by the Firm in writing as provided in the Client Agreement.

Item 17 Voting Client Securities

As a matter of firm policy, Artis Advisors does not vote proxies on behalf of its Clients. Therefore, although the Firm may provide investment advisory services relative to Client investment assets, the Client and/or its brokers, or custodians maintain the responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the Client shall be voted; and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings, or other type events pertaining to the Client's investment assets. Clients are responsible for instructing each prime broker, broker, or custodian of the assets, to forward to the Client copies of all proxies and shareholder communications relating to the Client's investment assets.

Artis Advisors does not offer any consulting assistance regarding proxy issues to Clients.

Item 18 Financial Information

As an advisory firm that maintains discretionary authority over certain Client accounts, the Firm is also required to disclose any financial condition that is reasonably likely to impair its ability to meet its contractual obligations. Artis Advisors has no additional financial circumstances to report.

Under no circumstances does the Firm require or solicit payment of fees in excess of \$1200 per Client more than six months in advance of services rendered. Therefore, Artis Advisors is not required to include a financial statement with the Firm Brochure.

Artis Advisors has not been the subject of a bankruptcy petition at any time during the past ten years.