

ITEM 1  
COVER PAGE

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**GUGGENHEIM**

**GUGGENHEIM FUND SOLUTIONS, LLC**

**PART 2A OF FORM ADV: FIRM BROCHURE**

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This brochure provides information about the qualifications and business practices of Guggenheim Fund Solutions, LLC, a Delaware limited liability company ("Guggenheim Fund Solutions" or "GFS"). If you have any questions about the contents of this brochure, please contact us at (212) 377-3770. 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. Guggenheim Fund Solutions is registered as an investment adviser with the SEC. Registration does not imply a certain level of skill or training.

Additional information about Guggenheim Fund Solutions is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

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November 18, 2013

## ITEM 2

### MATERIAL CHANGES

Guggenheim Fund Solutions is required to identify and discuss any material changes made to this Form ADV Part 2A (this "Brochure") since its last annual update. There have been no material changes to the Brochure.

You may request the most recent version of our Brochure by contacting Patrick J. McMahon, Guggenheim Funds Solutions' Chief Compliance Officer, at [patrick.mcmahon@guggenheimpartners.com](mailto:patrick.mcmahon@guggenheimpartners.com) or (212) 607-2559.

### ITEM 3

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## ITEM 4

### ADVISORY BUSINESS

A. Guggenheim Fund Solutions, LLC (“Guggenheim Fund Solutions” or GFS”) was organized on October 3, 2011 and commenced business operations on January 1, 2012 and began managing assets on July 1, 2012.

Guggenheim Fund Solutions is a wholly-owned subsidiary of GPFT Holdco, LLC, which is wholly owned by GP Holdco, LLC. GP Holdco, LLC is wholly owned by Guggenheim Partners, LLC. Guggenheim Partners, LLC is a wholly-owned subsidiary of Guggenheim Capital, LLC. Guggenheim Capital, LLC is owned in part by Sage Assets, Inc. Sage Assets, Inc. is wholly-owned by Sammons Equity Alliance, Inc. Sammons Equity Alliance, Inc. is wholly owned by Consolidated Investment Services, Inc., which is wholly-owned by Sammons Enterprises, Inc., which is owned by Sammons Enterprises, Inc. Employee Stock Ownership Trust. Greatbanc Trust Company is a Trustee to Sammons Enterprises, Inc. Employee Stock Ownership Trust.

B. Guggenheim Fund Solutions serves as the platform operator, with discretionary authority over the assets of the Guggenheim Fund Solutions managed account platform (the “Platform”). The Platform may accommodate various managed account structures that will comply with each respective managed account structure’s jurisdictional requirements. GFS will select a jurisdiction, at its discretion, to implement a managed account program that it deems to be most favorable to prospective investors. Currently, the Platform consists of an Irish qualified investor fund unit trust (the “Trust”) that is structured as an umbrella entity and segregated into various underlying sub-trusts. In addition to the Trust, there are two Irish qualified investor funds that are structured as umbrella corporations (the “Feeders”) that are segregated into various feeder portfolios and organized as feeder funds to the Trust. Each portfolio of the Feeders invests in one portfolio of the Trust. Together the portfolios of the Feeders and the portfolios of the Trust are collectively referred to as the sub-funds (“Sub-Funds”). Guggenheim Fund Solutions intends to launch additional Feeders or other entities at its discretion.

In connection with the Platform, Guggenheim Fund Solutions has entered into a Principal Investment Management Agreement with the Feeder and the Trust (the “PIMA”), which states that Guggenheim Fund Solutions shall provide certain advisory and administrative services to the Feeder, the Trust and each of the Sub-Funds. Each Sub-Fund is managed by an independent, third party portfolio manager (a “Portfolio Manager”) pursuant to an investment management agreement that sets forth material terms including certain investment guidelines (an “IMA”).

GFS has delegated day to day trading activity to the Portfolio Managers and generally monitors their adherence to pre-established risk guidelines daily.

Although GFS does not allocate assets to Portfolio Managers or recommend Portfolio Managers to prospective investors, GFS does perform oversight and ongoing monitoring of prospective Portfolio Managers.

GFS will facilitate the inclusion of the Portfolio Manager onto the platform, by: (i) creating the relevant Sub-Fund; (ii) entering into the IMA; (iii) entering into relevant service provider agreements; (iv) opening the relevant trading accounts; (v) entering into the relevant counterparty agreements; (vi) monitoring and authorization of cash movements; (vii) monitoring the Portfolio Manager’s compliance with pre-defined investment guidelines; (viii) determining the

appropriate response to a deviation from the investment guidelines; (ix) monitoring the manager's general compliance with the IMA; and (x) operational integration, coordination, and oversight of service providers. Such service providers include the fund administrator and auditors.

The Sub-Funds may also allow subscriptions in various currencies. In such circumstances, GFS will generally perform currency hedging for the Sub-Fund.

In certain circumstances it may be necessary to terminate the Portfolio Manager's authority to manage the assets of a Sub-Fund. Following termination, GFS will determine the appropriate method by which the Sub-Fund's assets should be liquidated. GFS may carry out the liquidation or delegate the responsibility to a third-party adviser (including, in most circumstances, the Portfolio Manager).

C. The operational aspects of the Platform generally will be standardized for all Sub-Funds. However, GFS may create new entities or Sub-Funds with customized services.

D. Guggenheim Fund Solutions does not and does not intend to participate in a wrap fee program.

E. As of November 1, 2013, Guggenheim Fund Solutions managed on a discretionary basis, regulatory assets under management of U.S. \$2,170,413,985. Guggenheim Fund Solutions is not managing client assets on a non-discretionary basis.

## ITEM 5

### FEES AND COMPENSATION

A. Platform Fees. Guggenheim Fund Solutions will charge asset-based fees to each Sub-Fund ("Platform Fees"). The Platform Fees will generally vary if an investor invests more money in one or more Sub-Funds on the Platform. Guggenheim Fund Solutions may, at its discretion, waive or reduce such fees for large or strategic investors. In addition, the independent, third party Portfolio Managers will also charge management and performance fees on the Sub-Funds they manage.

B. Charging Fees. Guggenheim Fund Solutions calculates and deducts the Platform Fees from the Sub-Funds. In certain share classes of the Sub-Funds, the Platform Fee and the management fee charged by the Portfolio Manager may be combined to provide one asset based fee for a particular investor or share class.

C. Other Fees and Expenses. Each Feeder portfolio will bear its pro rata share of all costs and expenses of the investment activities and operations of its corresponding Trust portfolio. Such costs and expenses are expected to include, but are not limited to: (i) brokerage commissions and other transaction charges (please see Item 12 "Brokerage Practices"); interest; fees and expenses on borrowings; custodial fees and expenses; (ii) expenses incurred in connection with trade execution, clearance settlement, confirmation and/or reconciliation; (iii) investment-related taxes; (iv) fees and reasonable expenses related to prime brokerage; and (v) certain expenses that were incurred by the Portfolio Manager on behalf of the Sub-Fund for purposes of operating the Sub-Fund and managing its assets in accordance with the terms of the IMA; and (vi) fees associated with all regulatory filings and the costs of preparing such

filings, including, without limitation, the Form PF and Form CPO-PQR.

In addition to its pro rata share of expenses incurred at the Sub-Fund level, each Sub-Fund will bear all costs and expenses of its operations and its pro rata share of the costs and expenses of the Platform not otherwise allocable to any specific Sub-Fund. Such costs and expenses are expected to include (without limitation): (i) board of directors fees; (ii) administration fees; (iii) middle/back office fees; (iv) risk management fees; (v) audit expenses; (vi) due diligence expenses; and (vii) other expenses or fees incurred in the operations of the Sub-Fund.

Each Sub-Fund and/or Sub-Trust may reimburse GFS for its portion of organizational expenses associated with the creation and launch of that new Sub-Fund or Sub-Trust.

D. Timing of Fee Payments. Platform Fees are charged monthly in arrears and pro-rated for partial periods.

E. Payments to Supervised Persons. Guggenheim Fund Solutions has entered into a placement agreement with an affiliated entity, Guggenheim Securities, LLC ("Guggenheim Securities" or "GS"). GS is a registered broker-dealer and certain employees of Guggenheim Fund Solutions are also registered representatives of GS. Although, GS does not charge commissions, some of the discretionary year-end bonus compensation received by such employees may be based upon the total amount of assets they raised for the Platform.

The practice of compensating employees or affiliates for soliciting investors to the Platform based upon the amount of assets they raise for the Platform presents a conflict of interest, as it gives Guggenheim Securities or Guggenheim Fund Solutions or their respective employees an incentive to recommend investments based on the compensation received, rather than on an investor's needs. Guggenheim Fund Solutions generally seeks to minimize this conflict of interest by limiting the portion of an employees' compensation directly based upon the amount of assets on the Platform. Moreover, each Sub-Fund's prospectus contains necessary disclosure of such conflicts.

GFS charges a Platform Fee (as defined in Item 5 above) to each Sub-Fund. GS does not charge commission fees. Therefore, GFS does not reduce its Platform Fees for commissions relating to the amount of assets raised by shared employees of GFS and GS. Although GFS and GS do share employees, such employees are not compensated for their placement agent or other broker-dealer activities through commissions, but rather through a discretionary year-end bonus, as determined by GFS. Such discretionary bonus is not charged to investors in the Sub-Funds.

## **ITEM 6**

### **PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

Guggenheim Fund Solutions will not charge performance fees for its services. The Portfolio Managers generally will charge performance-based fees for their management of the Sub-Funds.

## ITEM 7

### TYPES OF CLIENTS

Guggenheim Fund Solutions provides its services to the Trust, and the Feeders, each which include the Sub-Funds and may include any additional Feeder or other entities that could be formed in the future. In addition, the investors in each of these entities are sophisticated qualified purchasers, many of which are fund-of-funds.

## ITEM 8

### METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

A. The descriptions set forth in this Brochure of specific services that Guggenheim Fund Solutions offers to the Platform should not be understood to limit in any way Guggenheim Fund Solutions' activities. Guggenheim Fund Solutions may offer any services, engage in any activity and make any advisory decision, including any not described in this Brochure, that Guggenheim Fund Solutions considers appropriate or necessary in the fulfillment of its fiduciary obligation or that it believes is in the best interests of its clients. The investment strategies pursued by the Portfolio Managers are speculative and entail substantial risks. The Sub-Funds should be prepared to bear a substantial loss of capital. There can be no assurance that the investment objectives of any Sub-Fund or Sub-Trust will be achieved. This Brochure does not contain a complete set of Risk parameters, please refer to the offering memoranda for a comprehensive list.

GFS has developed a managed account platform intended to mitigate the principal structural risks of direct hedge fund investing.

#### Initial Due Diligence and On-boarding

Although GFS will not allocate assets to Portfolio Managers or recommend Portfolio Managers to clients, GFS will perform initial due diligence followed by ongoing operational oversight on prospective Portfolio Managers. Initial due diligence is intended to assess the Portfolio Managers' suitability for inclusion on the Platform. Primary considerations will include an assessment of the Portfolio Managers' background, operational ability to support a managed account, the suitability of the investment strategy for inclusion on the platform, and the Portfolio Managers' compliance policies. In addition to onsite visits and due diligence performed by GFS employees, GFS also may utilize the services of one or more third party due diligence service providers. This due diligence is designed to confirm a prospective Portfolio Manager's ability to operate an account on the GFS Platform and it should not be used to replace an investor's own due diligence.

Prior to inclusion on the platform, GFS will agree to a set of investment guidelines within which the Portfolio Manager is expected to manage the assets of the managed account. The investment guidelines are not hard limits, and GFS may waive guidelines and determine the appropriate cure and remedy to deviations from the investment guidelines in its sole discretion. GFS may amend the investment guidelines over time.

#### Ongoing Operations

Following satisfactory completion of initial due diligence, GFS will facilitate the inclusion of the Portfolio Manager on the platform, including: (i) creation of the relevant Sub-Fund; (ii)

entering into the IMA; (iii) entering into relevant service provider agreements; (iv) opening the relevant trading accounts; (v) entering into the relevant counterparty agreements; (vi) monitoring and authorization of cash movements; (vii) monitoring the Portfolio Manager's compliance with pre-defined investment guidelines; (viii) determining the appropriate response to a deviation from the investment guidelines; (ix) monitoring the Portfolio Manager's general compliance with the IMA; (x) operational integration, coordination, and oversight of service providers; and (xi) hedging for currency risk. Such service providers include the Sub-Fund's administrator, auditors, Trustee and trading counterparties.

In order to conduct its risk oversight, GFS may utilize proprietary databases and applications, as well as third-party applications, service providers and data sources.

### Termination and Liquidation

In certain circumstances it may be necessary to terminate the Portfolio Manager's authority to manage the assets of a Sub-Fund. Following termination GFS will determine the appropriate method by which the Sub-Fund's assets should be liquidated. GFS may carry out the liquidation or delegate the responsibility to a third-party adviser (including, in some circumstances, the Portfolio Manager).

Guggenheim Fund Solutions will not allocate assets of any client to any Sub-Fund. GFS has discretionary trading authority over the assets of each Sub-Fund, which has been delegated to the Portfolio Managers. However, Guggenheim Fund Solutions may be required to exert discretion with respect to any number of day to day activities. Such situations may include, among other things, waiving or amending investment guidelines, updating the valuation policy, deciding which terms to include in counterparty agreements, and even terminating a Portfolio Manager, if necessary. This is not an exhaustive description of the types of activities Guggenheim Fund Solutions may be required to perform. Guggenheim Fund Solutions may engage in any activity or make any advisory decision, including any not described in this Brochure, that Guggenheim Fund Solutions considers appropriate or necessary in the fulfillment of its fiduciary obligation and for the protection of its clients.

### B. Types of Risks.

Listed below are some of the risks associated with operating the Platform. The following explanation of certain risks is not exhaustive, but rather highlights some of the more significant risks involved in the Sub-Funds' investment strategies. For a complete explanation of the Sub-Funds' relevant investment strategies and their associated risks, investors in the Sub-Funds should review each applicable Sub-Fund's offering documents, which may contain additional explanations of strategies, risks and other related details not discussed below.

### Past Performance is Not Indicative of Future Results

The markets in which the Sub-Funds operate have been severely disrupted over the past few years, so results obtained by the Portfolio Managers in earlier periods may have little relevance to the results obtained in the current environment. Past performance of a Portfolio Manager is not indicative of the future results of the Sub-Fund managed by such Portfolio Manager or any feeder that invests in such Sub-Fund.

### Limited Liquidity

Interests of the Sub-Funds will not be freely transferable and may be illiquid. An investor



may only redeem its investment in the Sub-Fund consistent with the terms set forth in the relevant supplement to the prospectus of each Sub-Fund.

### Segregated Sub-Fund Structure

The Trust is established as an umbrella unit trust. As a matter of Irish law, the assets of one Sub-Fund are not available to meet the liabilities of any other Sub-Fund. The Trust is not a legal entity, but instead acts through its management company, which may operate or have assets held on its behalf or be subject to claims in other jurisdictions which may not recognize such segregation. There is no guarantee that the courts of any jurisdiction outside of Ireland will respect the limitations on liability associated with umbrella unit trust. Such courts could seek to use the assets held by one Sub-Fund to satisfy the liabilities of another Sub-Fund. Moreover, if the assets attributable to one class of units of a Sub-Fund were completely depleted by trading losses and a trading deficit remained, a creditor could enforce a claim against the assets of any other class of units of the same Sub-Fund.

### Short Selling

A short sale creates the risk of an unlimited loss, as the price of the underlying security could theoretically increase without limit, thus increasing the cost of buying those securities to cover the short position. There can be no assurance that a Sub-Fund will be able to maintain the ability to borrow securities sold short. In such cases, a Sub-Fund could be “bought in” (*i.e.*, forced to repurchase securities in the open market in order to return them to the lender). In addition, there can be no assurance that the securities necessary to cover a short position will be available for purchase. In fact, purchasing securities to close out the short position can itself cause the price of the securities to rise further, thereby exacerbating the loss.

Recently a number of jurisdictions, imposed bans on short selling. Regulators and legislators may, at any time, impose additional restrictions on short selling. Specifically, if there are any continued or additional regulatory limitations or bans on short selling, certain strategies employed by certain Portfolio Managers may become uneconomical or impractical to implement, exposing the Sub-Funds to potential material losses.

### Hedging Transactions

A Sub-Fund may enter into hedging transactions to seek to reduce risk. Such transactions may not be fully effective in mitigating risk, which may result in losses to a Sub-Fund. Furthermore, hedging techniques involve one or more of the following risks: (i) imperfect correlation; (ii) lack of a secondary market; (iii) losses resulting from interest rate, spread or other market movements; (iv) additional margin or other payment requirements; and (v) default or refusal to perform on the part of the counterparty with which the Sub-Fund trades. Additionally, to the extent that any hedging strategy involves the use of over-the-counter derivatives transactions, such a strategy would be affected by implementation of various regulations.

The Sub-Funds may also allow subscriptions in various currencies. In such circumstances, GFS, and not the Portfolio Manager, will generally perform the currency hedge. Such a transaction, although intended to mitigate the risks associated with fluctuation in valuation of currency, may result in losses for the Sub-Funds, particularly if such currency hedge transaction is not followed by a corresponding forward transaction.

### Convertible Securities

A convertible security may be subject to redemption at the option of the issuer at a price established in the convertible security's governing instrument. If a convertible security held by a Sub-Fund is called for redemption, such Sub-Fund will be required to permit the issuer to redeem the security, convert it into the underlying common stock or sell it to a third party. Any of these actions could have a material adverse effect on a Sub-Fund's performance. Convertible securities are also subject to liquidity risk based on market conditions.

### Equity Securities

The value of equity securities and equity derivatives generally will vary with the performance of the issuer and movements in the equity markets and a Sub-Fund may suffer losses if it invests in equity instruments of issuers whose performance diverges from the Portfolio Manager's expectations or if equity markets generally move in a single direction and such Sub-Fund has not hedged against such a general move.

### Fixed Income Securities

Evaluating credit risk for debt securities involves uncertainty and the market for credit spreads is often inefficient and illiquid, making it difficult to accurately calculate discounting spreads for valuing financial instruments. In general, an economic recession could severely disrupt the market for debt securities, have a material adverse effect on the value of such securities and increase the incidence of default for such securities.

### Futures Contracts

The prices of futures are highly volatile and futures positions may be illiquid and highly leveraged. Illiquidity of a futures position could prevent a Sub-Fund from promptly liquidating unfavorable positions and subject the Sub-Fund to substantial losses or from entering into desired trades, especially if a position is highly leveraged.

### Forward Contracts

Forward contracts and options thereon are not traded on exchanges, are not standardized and are not currently regulated. Instead, banks and dealers act as principals in these markets, negotiating each transaction on an individual basis. The principals who deal in the forward markets are not required to continue to make markets in the currencies or commodities they trade, and these markets can experience periods of illiquidity, sometimes of significant duration. There have been periods during which certain participants in these markets have refused to quote prices for certain currencies or commodities, or have quoted prices with an unusually wide spread between the price at which they were prepared to buy and that at which they were prepared to sell. Disruptions can occur in forward markets due to unusually high trading volume, political intervention, or other factors. The imposition of controls by governmental authorities or the implementation of regulations might also limit such forward (and futures) trading to less than that which the Portfolio Manager would otherwise recommend, to the possible detriment of a Sub-Fund. Market illiquidity or disruption could result in significant losses to a Sub-Fund.

The foregoing list of risk factors does not purport to be a complete enumeration or explanation of the risks involved in the operation of the Sub-Funds. Additional risk factors

relating to a specific Sub-Fund, the investment strategies and techniques employed by the Sub-Fund invests and the assets in which such Sub-Fund may invest are described in the offering materials for such Sub-Fund. Finally, while GFS will seek to incorporate specific investment guidelines in the IMA for a particular Sub-Fund, no assurance can be given that GFS will be fully apprised of all possible types of investments that may be made by a Portfolio Manager on behalf of a Sub-Fund.

#### Alternative Investment Strategies

The Sub-Funds may implement “alternative investment strategies.” These strategies are characterized by the use of leverage, short selling, high volume trading, relative value and event-driven trading and numerous other techniques not found in a traditional, long-only portfolio. Alternative investment strategies are subject to numerous risks specific only to such strategies, such as episodes of non-correlation between otherwise highly correlated assets, sudden changes in market liquidity and volatility, disparate cash flows on assets intended to be offsetting in respect of the overall risk of a combined position and the risks associated with relying on leverage. Due to the substantial degree of leverage which they frequently use, alternative investment strategies are particularly subject to the risk associated with the “flight to quality” — a market phenomenon occurring when investors sell what they perceive to be higher risk investments and purchase more conservative investments instead, such as U.S. Treasuries. Certain alternative investment strategies that historically performed with consistent success have incurred sudden major (if not total) losses as a result of the “flight-to-quality.” Investors must be prepared for potentially substantial and unpredictable losses.

#### Different Market Conditions Adverse to Different Portfolio Managers

The strategies implemented by the Portfolio Managers — including those designed to be “market neutral” — will all be subject to some dimension of market risk, including the restricted availability of credit, governmental intervention, directional price movements, deviations from historical pricing relationships, changes in the regulatory environment, changes in market volatility and the “flight-to-quality.”

The diversification of a Sub-Fund’s portfolio may not always be significant and, even if significant, may not provide meaningful risk control, even though it may reduce such Sub-Fund’s profit potential. The particular or general types of market conditions in which different Portfolio Managers may incur losses cannot be predicted, and several Portfolio Managers may materially underperform other money managers that implement substantially similar investment strategies and approaches. Certain market conditions, such as inflation, shortages of credit, declining stock markets, economic recession and rising interest rates, could materially reduce the profit potential of many of the Sub-Fund’s.

#### Location of Assets

Assets will be held in jurisdictions which may not recognize the segregation of assets and liabilities of umbrella unit trusts, and it is impossible to predict both where the assets will be held and whether any jurisdiction in which such assets are located or deemed to be located recognizes or will recognize any segregation of assets and liabilities.

#### Multiple Levels of Fees

The Sub-Funds will bear the Platform Fee and the asset-based and performance-based

compensation paid to the Portfolio Managers, as well as various other expenses of the relevant Sub-Fund. In the aggregate, these fees, allocations and expenses can be substantial, could exceed the fees typically incurred from a direct investment in a private investment vehicle managed by a Portfolio Manager and could have a material adverse effect on the value of any investment in a Sub-Fund. Moreover, these fees, allocations and expenses may be higher than the fees and expenses of comparable investment vehicles and the impact of these fees could be cumulative.

### Operational Risk

Each Sub-Fund will depend on its Portfolio Manager, GFS and the Sub-Fund's administrator to maintain appropriate procedures to control operational risk. Operational risks may arise, for example, from mistakes made in the confirmation or settlement of transactions, transactions not being properly booked, evaluated or accounted for or other similar disruptions in a Sub-Fund's operations that may cause a Sub-Fund to suffer financial loss, disruption of its businesses, liability to clients or third parties, regulatory intervention or reputational damage. A Sub-Fund's business will be highly dependent on its and its service providers' ability to process, on a daily basis, a large number of transactions across numerous and diverse markets. Consequently, a Sub-Fund will rely heavily on financial, accounting and other data processing systems. A Sub-Fund will depend on these systems to operate without material problems, although problems will arise from time to time and may have a material adverse effect on a Sub-Fund. If a Sub-Fund were to suffer any such material adverse effect, any feeder entity holding an investment in such Sub-Fund may suffer a material adverse effect.

### Systems Risks

Each Sub-Fund will depend on its Portfolio Manager and other service providers to maintain appropriate systems to facilitate such Sub-Fund's activities. Each Portfolio Manager may rely extensively on computer programs and systems to trade, clear and settle securities transactions, to evaluate certain securities based on real-time trading information, to monitor the portfolio and net capital and to generate risk management and other reports that are critical to oversight of a Sub-Fund's activities. In addition, certain of GFS' and the Portfolio Managers' operations will interface with or depend on systems operated by third parties, including prime brokers, securities exchanges and other types of trading systems, market counterparties, custodians and other service providers. GFS and the Portfolio Managers may not be in a position to verify the risks or reliability of such third-party systems. Furthermore, these programs or systems may be subject to defects, failures or interruptions, including, without limitation, those caused by computer "worms," viruses and power failures. Any such defect or failure could have a material adverse effect on a Sub-Fund. For example, such failures could cause the settlement of trades to fail, lead to inaccurate accounting, recording or processing of trades, and cause inaccurate reports, which may affect GFS' ability to monitor the investment portfolios and risks.

### Valuation

The Sub-Funds' administrator will perform an independent computation of the NAV of each Sub-Fund. There is no guarantee that the value determined by the administrator will represent the value that will be realized by a Sub-Fund on the eventual disposition of the assets held by such Sub-Fund or that would, in fact, be realized upon an immediate disposition of such assets.

Generally, the accounting for each Sub-Fund will be in accordance with U.S. generally accepted accounting principles (“GAAP”) guidelines. GAAP requirements with respect to certain matters, such as the estimated fair value of certain types of assets and the timing of recognition of income or unrealized gains or losses, may not be reflective of the liquidation value of a portfolio if the portfolio had to be liquidated rather than managed as an ongoing investment portfolio. Moreover, GAAP valuations may not reflect the value at which assets can be realized at any particular point in time.

#### *In-Kind Distributions*

Each Sub-Fund expects to distribute cash upon a redemption or withdrawal. However, there can be no assurance that a Sub-Fund will have sufficient cash to satisfy redemption requests or withdrawal due to an insufficient amount of cash available to the Sub-Fund or the inability of such Sub-Fund to liquidate investments at the time of such redemption requests at favorable prices. Under the foregoing circumstances, and under other circumstances deemed appropriate by GFS, a Sub-Fund may be required to make an in-kind distribution.

#### *Effect of Substantial Redemptions from a Sub-Fund*

A number of events could trigger substantial redemptions from a Sub-Fund. Actions taken to meet substantial redemption requests could result in a decrease in prices of assets held by a Sub-Fund and an increase in expenses (e.g., transaction costs and the costs of terminating agreements). The overall value of a Sub-Fund also may decrease because the liquidation value of certain of its assets may be materially less than their mark-to-market value. A Sub-Fund may be forced to sell its more liquid positions, may need to maintain greater amounts of cash and cash-equivalent investments than it would otherwise maintain and may also be restricted in its ability to obtain financing or derivatives counterparties needed for certain investment and trading strategies.

#### *Tracking Error*

Although a Sub-Fund may seek to track the performance of a private investment vehicle managed by the Portfolio Manager of the corresponding Sub-Fund, the investment performance of a Sub-Fund may differ materially from the investment performance of such corresponding private investment vehicle. Moreover, due to the different structure of the Sub-Funds, the investment experience of a Sub-Fund may differ materially from the investment experience of the corresponding private investment vehicle managed by the Portfolio Manager.

#### *Prime Brokerage Firms and Custodians May Fail.*

The institutions with whom Sub-Funds will do business (i.e., prime brokers and other counterparties) and with whom the Sub-Funds’ assets will be held, may encounter financial difficulties that may impair the operational capabilities or the capital position of the Sub-Funds. Recent events in the financial markets have challenged the financial stability of a number of established financial institutions, and have led to the bankruptcy of several such institutions. In addition, recent events have highlighted the risks that may arise in such a bankruptcy if a financial institution fails to segregate its customers’ assets on deposit or engages in speculative activity with such assets. While GFS will seek to engage in ongoing due diligence with respect to the operations of each prime broker used by a Sub-Fund, no assurance can be given that GFS will be able to successfully determine whether a prime broker may fail. Moreover, if GFS were to make a determination to terminate a prime broker, the transactional and other costs to a Sub-

Fund required to transfer to a new prime broker (including opportunities lost during such transfer to profit from market volatility and other dislocations) could be material. Such costs may not be fully recoverable by such Sub-Fund and such replacement prime broker may not offer the same types of services that the replaced prime broker provided.

#### Indemnification of the Portfolio Managers

In certain circumstances, a Sub-Fund may be required to indemnify its corresponding Portfolio Manager, its affiliates and/or its members, principals, officers and agents. The indemnification obligations could result in substantial fees and expenses to the investors in a Sub-Fund and corresponding to a Sub-Fund with an indemnification obligation.

#### Availability of Information; Risk of Fraud

Although Guggenheim Fund Solutions attempts to mitigate the risk of fraud, some of the Portfolio Managers may provide the Platform very limited information with respect to their operation and performance, thereby severely limiting GFS's ability to independently verify any representations made by the Portfolio Managers or the investment strategies being employed by the Portfolio Managers on behalf of their existing clients. This may result in significant losses to the relevant Sub-Fund based on investment strategies employed by the relevant Portfolio Manager or other actions of which the Platform has limited or no knowledge. While GFS will seek to obtain information on a continuing basis regarding the operations of the Sub-Fund and will generally have the ability to monitor investments made by the related Portfolio Manager on behalf of such Sub-Fund, no assurance can be given that a Portfolio Manager will not engage in fraud. Recent events have highlighted the possibility that advisers to private funds may act in a manner so as to defraud investors. While GFS will seek to perform all appropriate due diligence on each Portfolio Manager, it is impossible to predict whether any Portfolio Manager will engage in fraudulent behavior or otherwise act to the detriment of a Sub-Fund.

#### Exemption from Regulation, Including the Investment Company Act

The Platform, the Trust's and the Sub-Funds are not expected to be registered in any country except for the Trust's registration in Ireland. Unlike investment companies registered under the Investment Company Act of 1940, as amended (the "Investment Company Act"), the Platform, the Trust and the Sub-Funds will rely on an exemption from such registration available to privately offered investment companies. Accordingly, certain of the protections of the Investment Company Act may not be identical to the types of regulatory protections afforded to investors under Irish law. Because assets of the Sub-Funds are not generally required to be held by brokers in segregated accounts, a failure of any such broker is likely to have a greater adverse impact on a Sub-Fund than if such assets were held in segregated accounts and registered in a Sub-Fund's name.

#### Specific Risks of Portfolio Managers' Strategies and Instruments Traded.

Each Sub-Fund will be subject to the risks inherent in the strategies pursued by the corresponding Portfolio Manager and the financial instruments held by the Sub-Fund. It is not possible in this Brochure to list the types of risk applicable to all the activities in which each Sub-Fund may engage. However, the following risks describe the risk relating to the principal investment strategies expected to be undertaken by one or more Portfolio Manager and financial instruments to be held by one or more Sub-Funds.

### Arbitrage and Relative Value

Successful arbitrage strategies depend on the Portfolio Manager's ability to identify and exploit inefficiencies in the pricing of various securities, financial products or markets. Identification and exploitation of market opportunities involve uncertainty. There can be no assurance that a Portfolio Manager will be able to locate investment opportunities or to correctly exploit price discrepancies. A reduction in the pricing inefficiency of the markets in which a Sub-Fund will seek to invest will reduce the scope for the Sub-Fund's investment strategies. If the perceived mis-pricings underlying the positions fail to materialize, these investment strategies could be unsuccessful or result in losses to a Sub-Fund. This type of strategy may result in high portfolio turnover and, consequently, high transaction costs. Depending upon the investment strategies employed and market conditions, unforeseen events involving such matters as political crises, changes in currency exchange rates or interest rates, forced redemptions of securities or general lack of market liquidity may have a material adverse effect on a Sub-Fund. Moreover, there can be no assurance, particularly during periods of market disruption and stress when the risk control benefits of low correlation with traditional benchmarks may be most important, that the performance of a Sub-Fund will, in fact, exhibit low correlation with traditional benchmarks or will not be closely correlated with such benchmarks.

## **ITEM 9**

### **DISCIPLINARY INFORMATION**

There are no legal or disciplinary events that are material to a client's or investor's or prospective client's or prospective investor's evaluation of Guggenheim Fund Solutions' advisory business or the integrity of Guggenheim Fund Solutions' management.

## **ITEM 10**

### **OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

- A. Guggenheim Fund Solutions is not registered as a broker-dealer and does not have an application pending to register with the SEC as a broker-dealer. Some management persons of Guggenheim Fund Solutions are registered representatives of an affiliated broker-dealer.
- B. Guggenheim Fund Solutions registered as a commodity pool operator and a commodity trading advisor in November 2012. Some management persons of Guggenheim Fund Solutions are also Associated Persons of the commodity pool operator and commodity trading adviser. GFS filed a Notice of Claim pursuant to Rule 4.7 for CTA and CPO exemptions from certain reporting requirements on the basis that it provides trading advice to 'qualified eligible persons' who meet certain eligibility criteria.
- C. GFS Management (Ireland) Limited ("GMIL"), a wholly owned subsidiary of GFS serves as the investment manager of the Trust. GMIL has delegated responsibility for the management of the Trust to GFS. GMIL does not currently have any operations or personnel. If, in the future, GMIL has any operations and/or personnel, any such personnel who perform investment advisory activities on behalf of GMIL will be subject to the supervision and control of GFS.

Guggenheim Fund Solutions is affiliated with Guggenheim Securities, LLC, a broker-dealer registered with the SEC and a member of the Financial Industry Regulatory Authority

(FINRA). Guggenheim Securities serves as placement agent in private offerings on behalf of Guggenheim Fund Solutions (for example, offerings of units of the Trust or Feeder). A Senior Managing Director of Guggenheim Fund Solutions, and several other employees of Guggenheim Fund Solutions are also registered representatives of Guggenheim Securities and may receive additional compensation based upon the success of the Platform.

Guggenheim Partners Europe Limited is a foreign investment adviser that serves as the promoter of the Trust. Retaining a promoter domiciled in Ireland is an Irish regulatory requirement for managing a qualifying investor fund in Ireland.

D. Guggenheim Fund Solutions does not recommend any particular Sub-Fund or Portfolio Manager to investors on the Platform. In certain share classes of the Sub-Funds, the Platform Fee and the management fee charged by the Portfolio Manager may be combined to provide one asset based fee for a particular investor or share class.

## **ITEM 11**

### **CODE OF ETHICS, PARTICIPATION IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

A. Guggenheim Fund Solutions has adopted a Code of Ethics and Insider Trading Policy (the “Code”) to comply with Rule 204A-1 under the Investment Advisers Act of 1940, as amended (the “Adviser’s Act”), which sets forth standards of business and personal conduct for all GFS employees. The Code is predicated on the basic idea that employees of Guggenheim Fund Solutions will adhere to the highest ethical and fiduciary standards and will conduct their affairs in accordance with the principles of professionalism, integrity, honesty and trust.

The Code establishes policies and procedures that are reasonably designed to (a) prevent fraud and improper personal trading, (b) identify circumstances that may result in an actual or potential conflict of interest or the appearance thereof, and (c) provide a means to resolve such conflicts. Investors and prospective investors on the Platform may request a copy of the Code by contacting Guggenheim Fund Solutions at the address or telephone number listed on the first page of this document. Neither GFS nor any of its related persons recommends securities to GFS clients, nor do they buy or sell for client accounts, securities in which GFS or its related persons have a material financial interest.

B. Neither GFS nor any of its related persons recommend securities to GFS clients. Neither GFS nor its related persons engage in principal transactions with GFS clients. Generally, the Code places limitations on personal securities transactions by each employee, and such personal securities transactions are monitored to ensure that a conflict of interest does not arise with securities transactions conducted for the Sub-Funds. Guggenheim Fund Solutions will not direct or allocate any assets other than for currency hedging or in the rare case of the termination of a manager, GFS may participate in the liquidation of the portfolio or select a liquidator. Additionally, a Portfolio Manager may from time to time cause a Sub-Fund to invest in a fund or instrument that is issued, managed or advised by an affiliate of Guggenheim Fund Solutions, and such affiliate may earn fees from such investment. These fees earned by the affiliate would be in addition to the Platform Fees earned by Guggenheim Fund Solutions.

C. Neither GFS nor any of its related persons invests in the same securities (or related securities) that they recommend to Sub-Funds.



D. Neither GFS nor any of its related persons buy or sell for client accounts at or about the same time they buy or sell the same securities for their own accounts.

If a Sub-Fund was being liquidated by GFS and held illiquid assets, it is possible Guggenheim Fund Solutions would cause the Sub-Fund to enter into a cross transaction or a principal transaction with one or more of the other Sub-Funds or other funds or accounts controlled by an affiliate of GFS. Guggenheim Fund Solutions would do so only after taking into account its fiduciary obligations with respect to each client participating in such transactions and other requirements of the Advisers Act and applicable law. If required by applicable law, GFS would seek to obtain the consent of the investors in a corresponding Sub-Fund prior to causing a Sub-Fund to engage in such a transaction. In addition, Guggenheim Fund Solutions would only permit such transactions by a Sub-Fund if it determined that such transactions are in the best interest of each Sub-Fund participating in such transactions and the transactions are executed at fair value in accordance with the Valuation Policy. Neither Guggenheim Fund Solutions nor any related party will receive any compensation in connection with such transactions.

## **ITEM 12**

### **BROKERAGE PRACTICES**

When a new Sub-Fund is launched as part of the Platform, Guggenheim Fund Solutions attempts to open prime brokerage and other trading accounts with trading counterparties requested by the Portfolio Manager. Accordingly, the prime broker(s) to be used in connection with a new Sub-Fund are based upon the Portfolio Manager's recommendations, subject only to approval by Guggenheim Fund Solutions. Guggenheim Fund Solutions generally seeks to obtain a representation from each Portfolio Manager that the prime brokers are selected in accordance with the Portfolio Manager's fiduciary obligation of best execution. Portfolio Managers may, from time to time, select, at the Portfolio Manager's discretion, a GFS affiliated broker-dealer. If specifically requested to do so by the Portfolio Manager, GFS will implement the opening of the trading accounts with such affiliate on behalf of the Sub-Fund. Although GFS does not select executing or clearing brokers for its clients, GFS has selected an introducing broker for certain future commission merchants (FCMs) in order to obtain better pricing and services for its clients.

#### **1. *Research and Other Soft Dollar Benefits***

Each Sub-Fund will pay its own brokerage commissions. Generally, when an account uses brokerage commissions (or markups or markdowns) to obtain research or other products or services, the investment adviser to the account receives a benefit because the adviser does not have to produce or pay for the research, products or services received from the broker. Accordingly, the investment adviser may have an incentive to select or recommend a broker based on the adviser's interest in receiving the research, products or services, which can create a conflict of interest between the adviser's interests and the clients' interests in receiving the most favorable execution. Additionally, the benefits received by an adviser may be paid for or generated by all of the adviser's client accounts though only a portion of the adviser's client accounts receive a benefit from the research, products or services obtained.

Guggenheim Fund Solutions will not select brokers to execute transactions. The Portfolio Managers will select the brokers with whom individual trades are executed, which could include a broker-dealer that is affiliated with Guggenheim Fund Solutions. Further,

Guggenheim Fund Solutions will not instruct nor recommend brokers to the Portfolio Managers. Guggenheim Fund Solutions generally will not have any soft dollar arrangements with respect to the Sub-Funds. However, Guggenheim Fund Solutions may receive research reports or pricing information from some of the prime brokers by virtue of its performance of services for the Platform. Although receipt of research and/or pricing information is beneficial to Guggenheim Fund Solutions and may assist in verifying independent valuations of portfolio level securities, GFS believes a conflict of interest should not arise because Guggenheim Fund Solutions does not select or recommend any particular brokers to the Portfolio Managers.

Certain of the Portfolio Managers may have soft dollar arrangements. Pursuant to the respective IMA between the Portfolio Manager and the Sub-Fund, no such adviser may enter into any “soft dollar” arrangement with a broker-dealer unless either (a) the soft dollar arrangement is within the safe harbor of Section 28(e) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”); or (b) Guggenheim Fund Solutions has otherwise been notified of such arrangement or has authorized such arrangement in writing. Generally, soft dollar services include research products and services, quotation equipment and computer-related costs and expenses.

In the event Guggenheim Fund Solutions were required to terminate a Portfolio Manager and decided to liquidate a Sub-Fund without appointing a new Portfolio Manager, Guggenheim Fund Solutions may be in a position to select brokers. Under such circumstances, Guggenheim Fund Solutions would select brokers based upon best execution and does not intend to enter into any soft dollar agreement with such brokers.

## 2. Brokerage for Client Referrals

Guggenheim Fund Solutions does not currently select or recommend either executing or clearing brokers and, therefore does not recommend brokers in return for client or investor referrals.

## 3. Directed Brokerage

Guggenheim Fund Solutions generally does not select executing brokers. Accordingly, neither GFS’s clients nor its investors direct GFS to execute transactions through a specific broker-dealer.

B. Guggenheim Fund Solutions generally does not allocate assets, make investment decisions or select brokers. Accordingly, the concept of order aggregation generally does not apply to Guggenheim Fund Solutions’ business operations.

The Portfolio Managers will select the brokers with whom individual trades are executed. The IMAs with the Portfolio Managers generally provide that the Portfolio Manager may place aggregated orders and requires the Portfolio Managers to allocate trades in a manner that is fair and equitable to all accounts or otherwise reasonably acceptable to Guggenheim Fund Solutions.

## **ITEM 13**

### **REVIEW OF ACCOUNTS**

A. Each Sub-Fund's portfolio generally is reviewed by GFS daily, weekly and monthly. The review includes monitoring the daily profit and loss, net asset value calculations and trade reconciliations performed by each Sub-Fund's administrator. Such reviews will be conducted by GFS's Head of Operations and her team.

Guggenheim Fund Solutions also will review and monitor compliance by each Portfolio Manager with the investment restrictions and risk guidelines for the Sub-Fund it advises. This review generally will be performed on a daily basis by GFS's Chief Risk Officer and his team.

B. A review of a Sub-Fund, other than described above, may also be triggered by changes in market conditions, change of security positions, changes in investment objectives or policies, capital inflows/outflows, and other reasons.

C. Investors in the Sub-Funds will receive monthly unaudited statements showing the net asset value ("NAV"), changes in NAV, account activity and investment performance in which each respective Sub-Fund such investor has made an investment. In addition, investors also receive daily profit and loss statements and risk reports. On an annual basis, investors also will receive copies of the audited financial statements prepared as of December 31 of each year in accordance with generally accepted accounting principles by KPMG LLP (or another accounting firm registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board). Such annual audited financial statements will be distributed to investors within 120 days of the Sub-Fund's fiscal year end, in accordance with the requirements under Rule 206(4)-2 of the Advisers Act. Finally, each investor will receive an annual report containing the information requirement by CFTC Rule 4.7(b)(3) within 90 calendar days after the end of the fiscal year.

## **ITEM 14**

### **CLIENT REFERRALS AND OTHER COMPENSATION**

A. Guggenheim Fund Solutions will not receive economic benefits from non-clients for providing investment advice and other advisory services to Guggenheim Fund Solutions' clients.

B. Guggenheim Fund Solutions may compensate its own personnel, affiliates, employees of its affiliates, or third-party solicitors, placement agents, finders, distributors or similar persons who refer potential investors to Guggenheim Fund Solutions or solicit investors. Any such compensation will be paid by Guggenheim Fund Solutions and will not be charged to its investors or the Platform. Such solicitation fees may be calculated as a percentage of the Platform Fees actually received by Guggenheim Fund Solutions with respect to such investors. If applicable, any such arrangement with a solicitor will comply with Rule 206(4)-3 under the Advisers Act.

## **ITEM 15**

### **CUSTODY**

Under Rule 206(4)-2 of the Advisers Act, Guggenheim Fund Solutions will be deemed to have custody of the securities and other assets of its client accounts, even though Guggenheim Fund Solutions will not physically hold the securities and other assets, and such securities and assets are not held or registered in Guggenheim Fund Solutions' name. Guggenheim Fund Solutions is exempt from certain provisions of Rule 206(4)-2 because the Funds are audited in accordance with U.S. generally accepted accounting principles on an annual basis by an independent public accountant that is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board. Audited financial statements will be distributed to each investor of each Sub-Fund within 120 days of the end of such Sub-Fund's fiscal year.

## **ITEM 16**

### **INVESTMENT DISCRETION**

Guggenheim Fund Solutions generally does not allocate assets and has delegated day to day discretionary trading authority over the accounts to the Portfolio Managers. Guggenheim Fund Solutions will not recommend Portfolio Managers to investors. However, Guggenheim Fund Solutions may be required to exert discretion with respect to any number of day to day activities of the Fund, the Trust or a Sub-Fund. Such situations may include, among other things, waiving or amending investment guidelines, providing guidance to a Portfolio Manager on how to get back into compliance with investment guidelines, updating the valuation policy, deciding which terms to include in counterparty agreements, and even terminating a Portfolio Manager if necessary. This is not intended to be an exhaustive list of the types of activities that may arise which require Guggenheim Fund Solutions to exhibit reasonable discretion.

GFS' authority regarding the Feeder, the Trust and each Sub-Fund will be contained in the Principal Investment Management Agreement.

## **ITEM 17**

### **VOTING CLIENT SECURITIES**

Guggenheim Fund Solutions has adopted proxy voting policies and procedures ("Proxy Voting Guidelines") to ensure that any proxy voted on behalf of its clients is voted in a manner which is in the best interests of its clients pursuant to Advisers Act Rule 206(4)-6.

Generally, the Portfolio Managers will be registered with the SEC as Investment Advisers under the Advisers Act and are required to have proxy voting policies in accordance with Advisers Act Rule 206(4)-6 and to vote proxies in accordance with the best interests of their clients. Accordingly, the IMA requires each Portfolio Manager to have such a policy and fulfill its obligation to vote proxies in the best interests of its clients. Guggenheim Fund Solutions generally will not vote proxies on behalf of the clients unless specifically instructed in writing to do so, or as otherwise required.

To the extent a Portfolio Manager is not registered with the SEC, or does not otherwise

have proxy voting policies, Guggenheim Fund Solutions may retain a third-party vendor to vote proxies on behalf of the Sub-Fund in accordance with the GFS Proxy Voting Guidelines.

Guggenheim Fund Solutions believes that it will not be faced with direct or indirect conflicts of interest with respect to voting proxies because it has delegated proxy voting to the Portfolio Managers.

Guggenheim Fund Solutions' Proxy Voting Guidelines may be changed from time to time. A copy of Guggenheim Fund Solutions' proxy voting policy and summary of the Proxy Voting Guidelines, or information on how Guggenheim Fund Solutions voted proxies, is available to clients upon request. Please contact Guggenheim Fund Solutions, LLC at 135 East 57<sup>th</sup> Street, 21<sup>th</sup> Floor, New York, NY 10022, Attn: Investor Relation Services, with any questions.

## **ITEM 18**

### **FINANCIAL INFORMATION**

Guggenheim Fund Solutions will not require or solicit prepayment of more than \$1,200 in fees per client six months or more in advance and, thus is not required to include a balance sheet for its most recent fiscal year.

Guggenheim Fund Solutions is not aware of any financial condition that is likely to impair its ability to meet contractual commitments to clients. Guggenheim Fund Solutions has not been the subject of a bankruptcy petition at any time during the past ten years.