

Part 2A of Form ADV: *Firm Brochure*

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This brochure provides information about the qualifications and business practices of Saugatuck Energy L.L.C. (hereinafter “Saugatuck” or “firm” or “we”). If you have any questions about the contents of this brochure, please contact us at (203) 292-2630 or at lcchevron@saugatuckenergy.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. SEC registration does not imply a requisite level of skill or training.

Additional information about Saugatuck is 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 CRD number for Saugatuck is 161209.

Item 2. Summary of Material Changes

This Firm Brochure provides you with a summary of Saugatuck's services and fees, professionals, certain business practices and policies, as well as actual or potential conflicts of interest, among other things. This Item is used to provide our clients with a summary of new and/or updated information; we will inform of the revision(s) based on the nature of the information as follows:

- Annual Update: We are required to update certain information at least annually, within 90 days of our firm's fiscal year end (FYE) of December 31. We will provide you with either a summary of the revised information with an offer to deliver the full revised Brochure within 120 days of our FYE or we will provide you with our revised Brochure that will include a summary of the changes in this Item.
- Material Changes: Should a material change in our operations occur, depending on its nature, we will promptly communicate this change to clients (and it will be summarized in this Item). "Material changes" requiring prompt notification will include changes of ownership or control, location, disciplinary proceedings, significant changes to our advisory services or advisory affiliates – any information that is critical to a client's full understanding of who we are, how to find us, and how we do business.
 - Since the last update to our Brochure, dated 02/13/2013, Saugatuck no longer trades any equity securities. Please refer to Item 4 of this Brochure for further information on our advisory business.

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Item 4. Advisory Business

Saugatuck Energy, L.L.C., a Connecticut limited liability company, is an SEC-registered investment adviser with its principal place of business in Southport, Connecticut. Saugatuck is exempt from registering with the U.S. Commodity Futures Trading Commission as a commodity trading adviser. Registration itself does not require and should not be interpreted to imply any particular level of skill or training. The firm has been in business since 2002, and is owned by David B. Murphy.

Separately Managed Accounts

Through its Natural Resources Program, Saugatuck provides discretionary advisory services to separately managed accounts.

Saugatuck specializes in active investing, primarily in the energy sector, through commodities, energy futures and options, including crude oil, gasoline, heating oil, natural gas, Brent crude oil and gasoil contracts. Currently Saugatuck trades futures contracts traded on the New York Mercantile Exchange and the Intercontinental Exchange, although other futures contracts on these or other exchanges may be traded in the future.

Saugatuck seeks capital appreciation from commodity interest transactions while taking reasonable steps to protect capital relative to the rates of return sought.

As of December 31, 2012, Saugatuck managed \$425,000,000 on a discretionary basis through separately managed accounts.

Item 5. Fees and Compensation

Saugatuck charges a monthly Management Fee of up to 1/6 of 1% (a 2% annual rate) of assets under management. This fee is charged monthly in arrears.

Fees in General

Unless otherwise negotiated with the client Saugatuck will invoice the client directly for all associated fees.

Saugatuck generally requires a minimum starting account balance of \$50,000,000. Fees and account minimums for all services are negotiable based upon certain criteria (i.e. anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, negotiations with client, etc.). Discounts, not generally available to our advisory clients, may be offered to family members and friends.

Under no circumstances will we earn fees in excess of \$1,200 more than six months in advance of services rendered.

Account Termination

Termination. This Agreement shall terminate upon Saugatuck or the client receiving from the other written notice of termination, effective 24 hours after such notice. Upon termination of this Agreement open positions, if not liquidated pursuant to the instructions of the client, and subsequent management of the account shall be the sole responsibility of the client. Termination shall be without liability of any party to the other, except that the client shall remain liable for any accrued but unpaid compensation due to Saugatuck.

Mutual Fund Fees and Expenses: All fees paid to our firm for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds to their shareholders. These fees and expenses are described in each fund's prospectus.

These fees will generally include a management fee, other fund expenses, and a possible distribution fee. A client could invest in a mutual fund directly, without the services of our firm. In that case, the client would not receive the services provided by us which are designed, among other things, to assist the client in determining which mutual fund or funds are most appropriate to each client's financial condition and objectives. Accordingly, the client should review both the fees charged by the funds and the fees charged by us to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

Brokerage and Custodian Fees

In addition to advisory fees paid to our firm, clients will also be responsible for all transaction, brokerage, and custodian fees incurred as part of their account management.

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

Saugatuck charges an incentive fee calculated as a percentage of New Trading Profits (calculated as the net appreciated value, net of withdrawals, equaling the net realized and unrealized trading profits on the assets of the capital account, less fees and net trading losses carried forward), calculated on a bi-annual basis. The New Trading Profit(s) for each calculated period is the net realized and unrealized trading profits on the assets of each capital account, less such account's Management Fee, brokerage commissions, floor brokerage, "give-up" or transfer fees, and exchange fees, less any net trading loss carried forward from a previous calculation period. The incentive fee will be accrued monthly.

Saugatuck may have some clients that are not charged an incentive fee or that have different incentive "high water marks" at which point such incentive fee is earned. The difference in incentive fee calculation or the fact that some client accounts may not be charged incentive fees at all may create an impetus for Saugatuck to make investments that are riskier or more speculative than would be the case in the absence of such an incentive fee. Additionally, the

receipt of a performance-based fee may incline Saugatuck to trade in a more speculative manner or take greater risks than would be the case in the absence of such a performance-based fee. As a fiduciary, Saugatuck recognizes its duties to act in good faith and with fairness in all of its dealings with all clients.

All applicable fees, including inventive fees, will be specifically set forth in writing in the advisory agreement with each client. The client must understand the proposed method of compensation and its risks prior to entering into the contract.

Saugatuck's incentive fee will only be charged in accordance with the requirements of the Investment Advisers Act of 1940.

Item 7. Types of Clients

Our firm generally provides advisory services to high net worth individuals and institutions.

Saugatuck generally requires a minimum starting account balance of \$50,000,000.

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

Our firm employs fundamental and technical analysis to formulate client recommendations.

Fundamental Analysis: Traders that utilize fundamental trading strategies attempt to examine factors external to the trading market that affect the supply and demand for particular futures and forward contracts in order to predict future prices. Such analysis may not result in profitable trading because the analyst may not have knowledge of all factors affecting supply and demand, prices may often be affected by unrelated factors, and purely fundamental analysis may not enable the trader to determine quickly that previous trading decisions were incorrect. In addition, because of the breadth of fundamental data that exists, a fundamental trader may not be able to follow developments in all such data, but instead may specialize in analyzing a narrow set of data, requiring trading in fewer markets. Consequently, a fundamental trader may have less flexibility in adverse markets to trade other futures and forward markets than traders that do not limit the number of markets traded as a result of a specialized focus.

Technical Analysis: Saugatuck will make trading decisions utilizing technical as well as fundamental analysis. Profitability of technical analysis depends upon having a position during major price moves in some commodities. No assurance can be given that major price moves will occur. The best trading method, whether based on technical and/or fundamental analysis, will not be profitable if there are no price moves or trends of the kind the trading method seeks to follow. In the past, there have been periods without major price moves, and presumably, such periods will continue to occur in the future.

Any factor which would lessen the prospect of major price moves in the future (such as increased governmental control of or participation in the commodities market) may reduce the prospect

that a particular trading method, whether technical and/or fundamental, will be profitable in the future. Moreover, any factor which would make it more difficult to execute trades at desired prices in accordance with a trading method's signals (such as a significant lessening of liquidity in a particular market) would also be detrimental to profitability. Further, many other trading methods utilize similar analyses in making market decisions. Therefore, bunching of buy and sell orders can occur which makes it more difficult for a position to be established or liquidated. No assurance can be given that Saugatuck's trading methods and strategies and trading decisions for a client will be successful under all or any market conditions.

Risks for all forms of analysis: Our analysis methodology relies on the assumption that the companies whose securities we purchase and sell, the rating agencies that review these securities, and other publicly-available sources of information about these securities, are providing accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

Our firm employs the following investment strategies to implement advisory services on behalf of clients:

The Cash Markets: Saugatuck currently does not trade energy in the "cash markets" on behalf of clients' managed accounts, but may do so in the future. A "cash market" is a market in which a transaction for purchase and sale of a physical commodity is made under whatever terms the buyer and seller agree upon. Cash market transactions are transactions in actual physical commodities and instruments, in contrast with futures market transactions, which are transactions in contracts to purchase or sell the underlying commodity at a future date. Cash market contracts call for immediate payment and delivery, a futures contract may be offset and thereby terminated prior to payment and delivery.

Short Sales: Saugatuck expects to engage in "short sales" as part of its investment strategy. Short selling is the practice of selling securities that are borrowed from a third party. Saugatuck will have the account return securities equivalent to those borrowed for the short sale at the lender's demand. Pending the return of such securities, Saugatuck will have the account to deposit with the lender as collateral the proceeds of the short sale plus additional cash or securities. The amount of the required deposit will be adjusted periodically to reflect any change in the market price of the securities that the account is required to return to the lender.

The account will be required to pay brokerage commissions to execute short sales and may be required to pay a premium and/or interest to the lender of the securities, which would increase the cost of the securities sold. Until the borrowed securities are replaced, the account generally will be required to pay to the lender amounts equal to any dividends or interest that accrue on the securities borrowed during the period of the loan.

Margin Transactions: In futures contract trading, unlike securities, margin represents a security deposit to help assure the commodity trader's performance of his commodity contracts; it does

not represent payment of any portion of the purchase price of the underlying commodity. Commodity futures contracts are customarily bought and sold at very high degrees of leverage, at margins that range from less than two to approximately fifteen percent of the value of the contract being traded. Deposits equivalent to margin are generally not required by commodity dealers in connection with forward contract trading.

Margin requirements are computed by futures commission merchants on a daily basis. When the market value of a particular open commodity futures or short option position changes to a point where the margin on deposit does not satisfy maintenance margin requirements, a margin call will be made by the futures commission merchant. If the margin call is not met within a reasonable time, the futures commission merchant is required to close out the trader's position.

Futures and Forward Contracts: Futures contracts to be traded by Saugatuck call for the future delivery of various energy commodities at a specified time and place. These contractual obligations may be satisfied either by taking or making physical delivery of an approved grade of the particular commodity (or, in the case of some contracts, by cash settlement) or, if traded on a United States commodity exchange, or certain other exchanges, by making an offsetting sale or purchase of an equivalent futures contract on the same exchange prior to the designated date of delivery. Each of the commodity exchanges in the United States has an associated "clearinghouse." Once trades made between members of an exchange have been confirmed, the clearinghouse becomes substituted for each broker executing the transactions who were the original counterparts to the trades and in effect becomes the other party to the trade. Thereafter, each party to the trade looks only to the clearinghouse for performance.

Certain commodities may be purchased or sold for future delivery through banks or dealers pursuant to what are commonly referred to as "forward contracts." In such instances, the bank or dealer generally acts as principal in the transaction and includes its anticipated profit and costs in the prices it quotes. The forward markets are substantially unregulated. Unlike futures contracts, forward contracts are not of any standard size or settlement date. Rather, they are the subject of individual negotiation between the parties involved. Moreover, because there is no clearinghouse system applicable to forward contracts, forward contracts are not fungible and there is no direct means of "offsetting" a forward contract by purchase of an offsetting position on the same (or a linked) exchange as one can a futures contract. The forward markets provide what has typically been a highly liquid market for commodity trading, and in certain cases the prices quoted for forward contracts may be more favorable than those quoted for comparable futures positions. Unlike futures contracts traded on United States exchanges, no daily settlements of unrealized profit or loss are made in the case of open forward contract positions.

Commodity Options: Saugatuck may trade options on behalf of clients' managed accounts. An option on a futures contract gives the purchaser of the option the right (but not the obligation) for a limited time to take a position at a specified price in the underlying futures contract. The value of a commodity option is a function of the probability that the market will move in the direction

anticipated, and by a sufficient amount, such that the favorable difference between the exercise price of the option and current market levels exceeds the premium paid for the option. Consequently, such value is largely determined by (i) the length of time remaining before the option's expiration, (ii) market volatility — both of which affect the likelihood of favorable market moves occurring before expiration and (iii) prevailing interest rates. Only in the purchase of an option will the client's liability be limited to the premium paid for the option.

Material, Significant or Unusual Risks Relating to Investment Strategies & Particular Types of Investments:

Futures Interest Trading Is Speculative and Volatile: Futures, forward and option prices are highly volatile. Price movements of such contracts are influenced by, among other things, changing supply and demand relationships, climate, government, trade, fiscal, monetary and exchange control programs and policies, national and international political and economic events, the purchasing and marketing programs of different nations, and changes in interest rates. In addition, governments from time to time intervene, directly and by regulation, in certain markets, particularly those in currencies and interest rates. Such intervention is often intended to influence prices directly. None of these factors can be controlled by Saugatuck and no assurances can be given that its advice will result in profitable trades for a client or that a client will not incur substantial losses. No past performance information is presented in this Brochure. Clients should be aware that Saugatuck's trading approach has been designed in an effort to generate speculative returns. This objective necessarily entails a high degree of risk, including the risk of substantial losses within a short period of time. The absence of past performance information means that prospective clients are not presented with an historical measure of the volatility of Saugatuck's trading approach.

Futures Markets May be Illiquid: Many United States futures exchanges impose "daily limits" on the amount by which the price of most futures contracts traded on such exchanges may vary during a single day. Daily limits prevent trades from being executed during a given trading day at a price above or below the daily limit. Once the price of a futures interest contract has moved to the limit price, it may be difficult, costly or impossible to liquidate a position. Futures prices have occasionally moved the daily limit for several consecutive days with little or no trading. Such limits could prevent Saugatuck from promptly liquidating unfavorable positions and, therefore could subject clients to substantial losses, including losses in excess of their accounts. In addition, even if futures prices have not moved the daily limit, Saugatuck may be unable to execute trades at favorable prices if the liquidity of the market is not adequate. It is also possible for an exchange or the CFTC to suspend trading in a particular contract, order immediate settlement of a particular contract or order that trading in a particular contract be conducted for liquidation only. Saugatuck may trade on certain non-U.S. markets, which may be substantially more prone to periods of illiquidity than United States markets due to a variety of factors. Saugatuck generally will seek to trade contracts which are sufficiently liquid in its trading approach. Nevertheless, there are many factors, as described herein, beyond the control of

Saugatuck that may affect the liquidity of particular futures, forward or option contract or a particular market.

Concentrated Portfolio May Result in Increased Volatility: Trading a concentrated portfolio may result in a client account experiencing greater volatility and risk of loss than might be experienced in a more diversified portfolio.

Substantial Leverage: Low margin deposits are normally required in futures and related contract trading, and therefore, permit an extremely high degree of leverage. Accordingly, a relatively small price movement in a contract may result in immediate and substantial losses in excess of the amount invested. For example, if at the time of purchase 10% of the price of a contract is deposited as margin, a 10% decrease in the price of the contract would, if the contract is then closed out, result in a total loss of the margin deposit before any deduction for brokerage commissions. A decrease of more than 10% would result in a loss of more than the total margin deposit.

Options on Futures: Saugatuck may trade options on futures. Options are speculative in nature and are highly leveraged. The purchaser of an option risks losing the entire purchase price of the option. The seller (writer) of an option risks losing the difference between the premium received for the option and the price of the underlying futures contract that the writer must purchase upon exercise of the option. This could subject the writer to unlimited risk in the event of an increase in the price of the contract to be purchased or delivered.

Fundamental Trading Strategies Limits: Traders that utilize fundamental trading strategies attempt to examine factors external to the trading market that affect the supply and demand for particular futures and forward contracts in order to predict future prices. Such analysis may not result in profitable trading because the analyst may not have knowledge of all factors affecting supply and demand, prices may often be affected by unrelated factors, and purely fundamental analysis may not enable the trader to determine quickly that previous trading decisions were incorrect. In addition, because of the breadth of fundamental data that exists, a fundamental trader may not be able to follow developments in all such data, but instead may specialize in analyzing a narrow set of data, requiring trading in fewer markets. Consequently, a fundamental trader may have less flexibility in adverse markets to trade other futures and forward markets than traders that do not limit the number of markets traded as a result of a specialized focus.

Trading Decisions Based on Technical Analysis: Saugatuck will make trading decisions utilizing technical as well as fundamental analysis. Profitability of technical analysis depends upon having a position during major price moves in some commodities. No assurance can be given that major price moves will occur. The best trading method, whether based on technical and/or fundamental analysis, will not be profitable if there are no price moves or trends of the kind the trading method seeks to follow. In the past, there have been periods without major price moves, and presumably, such periods will continue to occur in the future. Any factor which would lessen the

prospect of major price moves in the future (such as increased governmental control of or participation in the commodities market) may reduce the prospect that a particular trading method, whether technical and/or fundamental, will be profitable in the future. Moreover, any factor which would make it more difficult to execute trades at desired prices in accordance with a trading method's signals (such as a significant lessening of liquidity in a particular market) would also be detrimental to profitability. Further, many other trading methods utilize similar analyses in making market decisions. Therefore, bunching of buy and sell orders can occur which makes it more difficult for a position to be established or liquidated. No assurance can be given that Saugatuck's trading methods and strategies and trading decisions for a client will be successful under all or any market conditions.

Trends in Trading Styles: Commodity interest trading systems, methods and strategies employing trend-following timing signals, based either exclusively on technical analysis or on a combination of fundamental and technical analysis, are not new. There has been an increase in recent years in the use of trend-following trading approaches. While the effect of such increase is uncertain, such increase could alter trading patterns or affect the execution of trades to the detriment of clients.

Possible Effects of Speculative Position Limits: The CFTC and the United States commodities exchanges have established limits referred to as "speculative position limits" on the maximum net long or net short speculative positions that any person may hold or control in any particular futures or options contracts traded on United States commodities exchanges. All accounts owned or managed by Saugatuck and its principal will be combined for speculative position limit purposes. Saugatuck could be required to liquidate positions held for clients in order to comply with such limits. Any such liquidation could result in substantial costs to or reduced opportunities for, clients.

Unregulated Markets: Some of the forward trading in which Saugatuck may engage on behalf of a client will take place in markets that are not directly regulated by any regulatory or supervisory body. Such forward contracts are not traded on exchanges; rather, banks and dealers act as principals in these markets. In addition, there is no limitation on the daily price movements of forward contracts. Principals in the forward markets have no obligation to continue to make markets in the forward contracts traded. There have been periods during which certain banks or dealers have refused to quote prices for forward contracts or have quoted prices with an unusually wide spread between the price at which they are prepared to buy and that at which they are prepared to sell. The imposition of credit controls by governmental authorities might limit such forward trading to less than that which Saugatuck would otherwise recommend, to the possible detriment of its clients.

Trading Outside the United States: A portion of the investment activities of the Saugatuck's strategies takes place outside the United States. Such trading is not regulated by or under the jurisdiction of the United States or its regulatory bodies and may therefore present risks not

applicable to trading within the United States. In addition, such trading may be subject to currency fluctuation risks, currency blockage and countryspecific political and economic risks.

Further, some non-United States commodity markets differ in certain important respects from their United States counterparts. In contrast to United States exchanges, many foreign markets (many of which are not, in fact, “exchanges” in the same sense as United States exchanges) are “principals’ markets,” where trades remain the liability solely of the traders involved and there is no clearinghouse to become substituted for any party.

Delegation to Saugatuck: Saugatuck will make commodity interest contract trading decisions in its complete and absolute discretion. The client will not have the authority to make any commodity interest contract trading decisions or to modify trading decisions made by Saugatuck.

Failure of Brokers or Dealers: Futures commission merchants (“FCMs”) are required to segregate all funds deposited by their customers, including clients, in compliance with CFTC regulations. If such assets were not so segregated, clients would be subject to the risk of the failure of the FCM with which their account was maintained. Even given proper segregation, in the event of the insolvency of a client’s FCM, such client would be able to recover only a pro rata share (together with all other commodity customers of such FCM) of assets specifically traceable to the client’s account. In the recent insolvency of a major FCM, customers were, in fact, unable to recover from the broker’s estate the full amount of their “customer” funds. Also, any failure or refusal to discharge contractual obligations by any counterparties with which Saugatuck deals on behalf of a client’s managed account could subject the account to substantial losses.

Regulatory Matters and Changes: Saugatuck is not, and is not required to be, registered with the CFTC. Clients, therefore, may not be accorded the protective measures applicable in respect of advisers registered under the Commodity Exchange Act. The regulation of the United States futures markets has undergone substantial change in recent years, and such change is expected to continue for the foreseeable future. In addition, there are indications of substantial regulatory changes pending in certain foreign markets. The effect of regulatory change on Saugatuck and its clients while impossible to predict, could be substantial and adverse.

Clients should understand that investing in any securities, including mutual funds, involves a risk of loss of both income and principal.

Item 9. Disciplinary Information

Our firm has no reportable disciplinary events to disclose.

Item 10. Other Financial Industry Activities and Affiliations

Neither our firm nor our employees engage in any other financial industry activities or have any other financial industry affiliations.

Item 11. Code of Ethics, Participation in Client Transactions and Personal Trading**Code of Ethics Disclosure**

Our firm has adopted a Code of Ethics which sets forth high ethical standards of business conduct that we require of our employees, including compliance with applicable federal securities laws. Our Code of Ethics includes policies and procedures for the review of quarterly securities transactions reports as well as initial and annual securities holdings reports that must be submitted by the firm's access persons (i.e., those with knowledge of what securities are being traded for our client's accounts). Among other things, our Code of Ethics requires the prior approval of most securities transactions, including any acquisition of securities in a limited offering (e.g., private placement) or an initial public offering. Our code provides for oversight, enforcement and recordkeeping provisions. A copy of our Code of Ethics is available to our advisory clients and prospective clients upon request to Lee Chevron, Chief Compliance Officer, at our principal office address.

Saugatuck, its employees, or other related parties may buy or sell securities for their personal accounts which we also recommended to clients. In addition, related persons may have an interest or position in certain securities which may be recommended to a client. Our Code of Ethics addresses procedures to monitor personal trading accounts and ensure that our client's interests are protected.

It is the expressed policy of our firm that no person employed by us may purchase or sell any security prior to a transaction(s) being implemented for an advisory account, and therefore, preventing such employees from benefiting from transactions placed on behalf of advisory accounts.

As these situations represent a conflict of interest, we have established the following restrictions in order to ensure its fiduciary responsibilities:

1. No principal or employee of our firm may buy or sell securities for their personal account where their decision is substantially derived, in whole or in part, by reason of his or her employment unless the information is also available to the investing public on reasonable inquiry. No principal or employee of our firm may prefer his or her own interest to that of the advisory client.
2. Prior to the approval of any non-exempt personal securities transaction, the Compliance Officer verifies if the security is held by any client accounts. In addition, the Compliance Officer verifies that the security is not being considered as position for any client account.

3. All of our principals and employees must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.
4. Any individual not in observance of the above may be subject to termination

Item 12. Brokerage Practices

The client will select the prime broker with respect to the accounts, and Saugatuck will have full discretion to select any executing broker or dealer for transactions involving the account. In selecting brokers or dealers for such transactions, Saugatuck seeks to obtain the best execution under the circumstances (consistent with what Saugatuck believes to be the best overall interests of the account), but Saugatuck need not solicit competitive bids, and does not have an obligation to seek the lowest available commission cost. Without limiting the foregoing, Saugatuck is not required to negotiate “execution only” commission rates and is authorized to select brokers and dealers who provide brokerage and research services that Saugatuck believes to be of value either to Saugatuck investment or management of the account and to some or all the other managed accounts for which Saugatuck provides investment advice. Saugatuck is authorized to pay from the account commissions on any such transaction that Saugatuck believes in good faith to be reasonable in relation to the value of such brokerage and research services, viewed in terms of either such transaction or the overall responsibilities of Saugatuck with respect to the accounts for which Saugatuck exercises investment discretion.

The client will remain the sole owner of the account. Saugatuck will not serve as custodian for the account, and shall at no point (i) hold, directly or indirectly, any securities or other assets included in the account, or (ii) have any authority to obtain possession of the account. The account shall be held by one or more custodians designated by the client, and Saugatuck is authorized to give instructions to the custodian with respect to all investment activities regarding the account. The prime broker may serve as the custodian, if so designated by the client. The client shall notify Saugatuck of the name of the custodian and of any applicable account numbers.

The client shall take all appropriate actions within its reasonable control to cause and facilitate the custodian’s, the prime broker’s and the FCM’s cooperation with this Disclosure Document and Investment Advisory Agreement. Upon entering into the Investment Advisory Agreement, the client acknowledges and agrees that custodial and recordkeeping functions with respect to the account shall be performed by the custodian. All payments, distributions, and other transactions in cash, securities, or other assets in respect of the account shall be delivered promptly to or by the custodian, and Saugatuck shall have no responsibility or liability with respect to such transactions.

Clients are free to select any prime broker and FCM to execute and clear trades directed by Saugatuck on behalf of the client, and to act as custodian of client funds or provider of credit lines. However, Saugatuck reserves the right to approve the client’s choices based on one or a

combination of the following: (i) the range of markets in which the FCM is able to execute trades; (ii) quality of executions; (iii) commission rates; (iv) treatment of interest income on cash balances; (v) financial position; (vi) professional integrity; and (vii) availability and quality of research and other support services. Clients authorize Saugatuck to use various executing brokers. Further, clients may choose to use an introducing broker (“IB”) to introduce their accounts to Saugatuck. Saugatuck and its principal have no affiliation or reciprocal business arrangement with any FCM or IB. Saugatuck allocates trades in compliance with NFA Compliance Rule 2-10 and adheres to the NFA’s Interpretive Notice pertaining to the Allocation of Block Orders for Multiple Accounts.

For the convenience of clients, Saugatuck will reconcile client accounts with brokerage statements on a daily basis, and will also reconcile monthly and year-end brokerage statements. Clients may inspect the process of reconciliation at Saugatuck’s office during business hours at any time upon reasonable notice. Saugatuck offers account reconciliation as a convenience to clients and is not responsible for any errors in the brokerage statements upon which reconciliation is based.

Trade Aggregation

Saugatuck will block trades where possible and when advantageous to clients. This blocking of trades permits the trading of aggregate blocks of securities composed of assets from multiple client accounts. Block trading may permit trades to be executed in a timelier and more equitable manner while allowing Saugatuck to obtain an average share price for clients participating in the block.

Item 13. Review of Accounts

Separately Managed Accounts

David Murphy will continuously monitor the underlying securities in client accounts and perform periodic reviews of account holdings for all clients.

Clients receive from their broker dealer monthly statements and confirmations of transactions.

Item 14. Client Referrals and Other Compensation

Our firm does not receive any additional compensation from third parties for providing investment advice to its clients and does not compensate anyone for client referrals.

Item 15. Custody

We previously disclosed in the “Fees and Compensation” section (Item 5) of this Brochure that our firm directly invoices the client directly for all associated fees.

On at least a quarterly basis, the custodian is required to send to the client a statement showing all transactions within the account during the reporting period.

It is important for clients to carefully review their custodial statements to verify the accuracy of the documents. Clients should contact us directly if they believe that there may be an error in their statement.

Our firm does not have constructive custody of client accounts.

Item 16. Investment Discretion

Our firm has discretionary authority over all client accounts. In all instances, such authority is granted in writing.

Should the client wish to impose reasonable limitations on this discretionary authority, such limitations shall be included in this written authority statement. Clients may change/amend these limitations as desired. Such amendments must be submitted to us by the client in writing.

Item 17. Voting Client Securities

As a matter of firm policy, we do not vote proxies on behalf of clients. Therefore, although our firm may provide investment advisory services relative to client investment assets, clients maintain exclusive 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 custodian of the assets, to forward to the client copies of all proxies and shareholder communications relating to the client's investment assets.

Item 18. Financial Information

Saugatuck does not require or solicit payment of fees in excess of \$1,200 per client more than six months in advance of services rendered. Therefore, the firm is not required to include a financial statement.

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