



Probabilities Fund Management, LLC

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Part 2A Form ADV

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Probabilities Fund Management, LLC, is a registered investment adviser. The use of the term registered investment adviser does not imply a certain level of skill or training.

This brochure provides information about the qualifications and business practices of Probabilities Fund Management, LLC. If you have any questions about the contents of this brochure, please contact us at (800) 519 0438 and/or mgray@probabilitiesfund.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.

Additional information about Probabilities Fund Management, LLC is also available on the SEC's website at <http://www.adviserinfo.sec.gov>.

Material Changes

Probabilities Fund Management, LLC created a division called the Donahue Financial Group on DATE to offer customized portfolio management services to individuals.

DFG Managed Assets Program

Donahue Financial Group is a division of PFM. The division manages assets for individual clients. Portfolios are customized for each client, based on the client's specific financial needs, goals and objectives.

Probabilities Fund Management, LLC hired a new key employee, David Rabin who serves as President of Probabilities Fund Management, LLC. Mr. Rabin acquired a minority ownership interest in the company.

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ADVISORY BUSINESS

Advisory Firm Description

Probabilities Fund Management, LLC ("PFM" or the "Firm") has been in business since October 2007. The principal owner is Mr. Joseph B. Childrey. Minority interests less than 25% each are owned by Mary Gray, Al Davis, Dave Rabin, Allen Shepard, Reed Foster and Rob Ausdal.

Types of Services

PFM provides investment management and Advisory services to the Probabilities Fund, ("the Fund"); the Probabilities VIT Fund, ("the VIT Fund") (together, "the Funds"); individual clients ("Private Client accounts"); and as a SMA manager participating on SMA platforms.

The Fund offers Class "A", "C", "I" and "R" Shares on a continuous basis. The Fund is registered under the Investment Company Act of 1940. *This is not a public offer of the Fund.*

The VIT Fund is offered as an investment option within Variable Annuity contracts offered by Jefferson National Insurance Co. and Security Benefit Life Insurance Co. *This is not a public offer of the VIT Fund.*

As an SMA Manager, PFM offers substantially similar strategies to SMA platforms that implement trades in customer accounts based on trade records submitted to the platforms by PFM.

PFM also offers Private Client Account and Asset Allocation Consult Account services alongside the Fund.

DFG Managed Assets Program

Donahue Financial Group is a division of Probabilities Fund Management, LLC. The division is headed by the Division Portfolio Manager who independently manages assets for individual clients. The assets are managed on a case by case basis and portfolios are customized for each client, based on the client's specific financial needs, goals and objectives.

Client Assets Under Management

As of November 21, 2014, PFM managed \$131,627,762.43 on a discretionary basis. PFM does not manage assets on a non-discretionary basis.

FEES AND COMPENSATION

Management Fee

Product / Fund Share Class	Management Fee
Fund -- Class A, C, I and R	One twelfth of 1.35% of net assets accrued daily and paid monthly in arrears (1.35% annualized).
VIT Fund	One twelfth of 1.35% of net assets accrued daily and paid monthly in arrears (1.35% annualized).
Private Client Accounts participating in substantially similar strategy	One quarter of 1.35% of net assets paid quarterly in arrears (1.35% annualized).
Legacy accounts in strategies not substantially similar to Fund strategies	One quarter of 0.40% on accounts greater than \$1 million, one quarter of 0.60% on accounts less than \$1 million, paid quarterly in arrears.
Donahue Financial Group accounts in custom portfolios	See table below
Asset Allocation Consult Accounts	Fixed fee. One quarter of \$5,000 paid quarterly in arrears.

DFG Managed Assets Program Fee Schedule

DFG MANAGED ASSETS PROGRAM SUPERVISORY FEES (Annual Percentages)				
	Assets Under Management	Taxable	IRA	Manager
A	\$0 - \$500,000	0.65%	1.00%	1.00%
B	\$500,000 - \$1,000,000	0.50%	0.75%	1.00%
C	\$1,000,000 - \$3,000,000	0.45%	0.60%	0.75%
D	\$3,000,000 - \$11,000,000	0.40%	0.50%	0.60%
- Minimum fee \$250 per quarter*				

Fees will be automatically deducted from the Fund and the VIT Fund. Private Client accounts and Asset Allocation Consult accounts will be debited via instructions to the custodian of the account, or direct invoiced to the client. Fees on SMA accounts are billed to the administrator of the SMA platform.

Other Fees and Expenses

Besides PFM's management fee (discussed above), there are other fees to note:

Portfolio expenses: On C Shares, I Shares, R Shares and all classes of the VIT fund, there are no up-front or deferred sales charges. On A shares there is a maximum 5.75% up front sales charge ("Load"). Investment funds have annual expenses and may assess other fees that are described in each fund's prospectus or equivalent, which are in

addition to and separate from the fee paid to PFM. The internal expense ratios of the ETF/Mutual Fund portfolios PFM constructs typically range from 0.15-0.3%. This is how the fund companies are paid. See Fund Summary section in the Prospectus for more details about fees.

Custodian/Clearing expenses: Trades through B. Riley & Co. are generally \$0.0075 per share with few, if any other charges. B. Riley & Co. may assess other fees as well, such as wire and exchange fees, IRA fees, etc.

Termination

Private Client account clients will have a period of five (5) business days from the date of signing an advisory agreement to unconditionally rescind the agreement and receive a full refund of all fees. Thereafter, either party may terminate the advisory agreement with 30 days written notice. Upon termination, fees will be prorated to the date of termination and the unearned portion will be refunded.

PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

PFM does not charge performance-based fees. Revenue sharing among the Co-Managers creates an incentive for PFM to favor private client accounts (for which PFM receives 100% of management fee revenues) over customers of the Fund and the VIT Fund (for which PFM receives less than 100% of management fee revenues) in allocating limited investment opportunities or time. PFM seeks to mitigate this conflict of interest by monitoring all trade allocations for compliance with internal policies requiring that all clients be treated fairly and equitably.

TYPES OF CLIENTS

PFM provides its services to individuals, trusts estates, and registered investment companies.

The general investment minimum required for investing in the Fund is \$2,500 (Class A, C and R Shares) and \$100,000 (Class I Shares). The Firm prefers a minimum investment of \$5,000,000 for a separately managed account. Family accounts may be aggregated in order to meet the minimum account size. The Firm has discretion to waive minimum investments both in the Fund and in separate accounts.

METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

Methods of Analysis

PFM uses a combination of the following types of analysis in evaluating investments for the Fund. These include, but are not limited to:

- Technical—Analysis which assumes past performance is a predictor of future performance
- Charting—Analysis of charts of past stock performance

- Cyclical—Analysis of up and down market cycles

PFM uses the following sources of information in its analysis:

- Financial newspapers and magazines
- Inspections of corporate activities
- Research materials prepared by others
- Annual reports, prospectuses, and other filings with the Securities and Exchange Commission
- Company press releases and conference calls

PFM may speak and visit with company management or attend or replay investor conferences sponsored by broker-dealers or fund companies in which PFM may invest.

Investment Strategies

PFM's goal is to achieve consistent performance over a long term horizon by implementing a systematic calendar driven strategy coupled with current event tactical decisions that seeks to take advantage of seasonal and other variations in stock market indices.

PFM employs a systematic approach, taking long, short or leveraged positions in index funds (such as the DJIA and S & P 500 index ETFs) to capitalize on long term variations of the respective indices. Accordingly, it is anticipated that the vast majority of the Fund's underlying assets will consist of the US stocks that make up the composition of these indices through funds (typically ETFs).

The Funds ordinarily will invest in securities (primarily ETFs) that trade in sufficient volume to allow for swift execution of transactions. Positions in securities may be held for very short periods, even as little as a portion of one day. PFM may engage in transactions in exchange-listed options in conjunction with or in lieu of taking a position in underlying securities, including writing options. PFM also may engage in short sales of securities and margin transactions. The Funds may also invest or trade in cash commodities, commodity futures, or commodity options contracts after securing all necessary registrations from the N.F.A., C.F.T.C., or other regulatory agencies. PFM has the power to do any and all acts necessary, appropriate, proper, advisable, incidental or convenient to or for the furtherance of the investment management and Advisory services it provides to the Fund.

Risk of Loss

PFM does not guarantee the future performance of the account or any specific level of performance, the performance of any investment decision or strategy that PFM may use, or the performance of PFM's overall management of the Funds or client accounts. Clients are reminded that investment decisions made for the account by PFM are subject to various market, currency, economic, political and business risks and that those investment decisions will not always be profitable. Investing in securities entails risk of loss. More specifically, these risks include, but are not limited to:

Short Selling Risk

The Fund may sell securities and other investment instruments “short” as an integral part of its strategies.

A short sale of a security is effected by selling a security that the Fund does not own, or selling a security which the Fund owns but that it does not deliver upon consummation of the sale. In order to make delivery to the buyer of a security sold short, the Fund must borrow the security. In so doing, it incurs the obligation to replace that security, whatever its price may be, at the time it is required to re-deliver such asset to the lender.

The Fund must also pay to the lender of the security any dividends or interest payable on the security during the borrowing period and may have to pay a premium to borrow the security.

This obligation must, unless the Fund then owns or has the right to obtain, without payment, securities identical to those sold short, be collateralized by a deposit of cash or marketable securities with the lender.

Short-selling is subject to a theoretically unlimited risk of loss because there is no limit on how much the price of a security may appreciate before the short position is closed out. There can be no assurance that the securities necessary to cover the short position will be available for purchase by the Fund.

In addition, purchasing securities to close out the short position can itself cause the price of the relevant securities to rise further, thereby increasing any loss incurred. Furthermore, the Fund may be forced to close out a short position prematurely if a counterparty from which the Fund borrowed securities demands their return, resulting in a loss on what might otherwise have been a profitable position. PFM typically will use leveraged or non-leveraged “inverse” ETFs to accomplish a short position.

Leverage

The Fund strategy may leverage investment activities not only through selling securities short, but also through borrowing funds, purchasing securities on margin and possibly using options, repurchase and reverse repurchase agreements and swaps or most likely, through “Leveraged ETFs”. Leverage magnifies the changes in the value of the Leveraged ETFs, which could result in significant losses to the portfolio. It also results in interest expense on the borrowings used to leverage its positions.

Key person

Due to the size of PFM the retirement, death, incapacitation, and permanent or temporary loss of Mr. Joseph B. Childrey would have a catastrophic impact on PFM because he holds multiple positions within the Firm. In addition to being the principal owner of PFM he is also the Chief Investment Officer who is solely responsible for any investment decisions. PFM would likely be unable to continue as a business. With the addition of Mr. Jonathan Chatfield in the role of Chief Portfolio Manager,

PFM has reduced this risk. Mr. Childrey, Mr. Chatfield and Ms. Gray share in the investment decision making process and the day-to-day portfolio management operations of the fund. In the event of incapacitation of Mr. Childrey, Mr. Chatfield and Ms. Gray, in collaboration with the firm's investment committee, consultants and service providers, are qualified and equipped to ensure the continuation of the company, its investment strategies, products and services.

Liquidity

Fund shareholders may buy and sell shares at the daily NAV.

Market timing risks

Fund shareholders may miss out on beneficial movements in price due to an error in timing. It is also difficult to consistently time the market.

DISCIPLINARY INFORMATION

Neither PFM, nor any of its officers or principals has been involved in any investment-related criminal or civil actions in a domestic, foreign or military court.

Neither PFM, nor any of its officers or principals has been found (1) to have caused an investment-related business to lose its authorization to do business or (2) to have been involved in a violation of an investment-related statute or regulation and the subject of an order in connection with any administrative proceedings before the Securities and Exchange Commission, any other federal regulatory agency, any state regulatory agency or any foreign financial regulatory authority.

Neither PFM, nor any of its officers or principals has been involved in any self-regulatory organization proceedings.

OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Neither PFM, nor any of its officers or principals, is registered as a broker-dealer. Mr. Childrey and Mr. Albert Davis are registered representatives of Ausdal Financial Partners, Inc., a broker-dealer, a member of the Financial Industry Regulatory Authority ("FINRA") the Securities Investor Protection Corporation ("SIPC") and a registered investment adviser.

Through these relationships, they hold securities licenses but don't trade for PFM clients through this firm. They maintain small books of business which creates a potential conflict of interest with PFM clients, as they collect commissions on trades enacted through Ausdal, but not through PFM. Ms. Mary Gray also holds securities licenses through Ausdal Financial Partners, Inc. but only serves as a registered assistant to Mr. Childrey and doesn't have clients.

Ms. Gray is in charge of operations, and client services. Mr. Albert Davis works to introduce the Probabilities Fund and the Probabilities Variable Annuity Program to broker dealers.

Neither PFM nor any of its officers or principals is registered, or has an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or is an associated person of any of the above.

Joseph Childrey and Mary Gray are insurance agents appointed with various insurance companies. Ms. Gray is insurance licensed in order to facilitate insurance related activities on behalf of Mr. Childrey and doesn't sell insurance products.

Mr. Childrey may recommend insurance products, and receive commissions and other compensation if products are purchased through any firms with which he is appointed. This creates an incentive to recommend insurance products which creates a potential conflict of interest exists between his interests and those of the advisory clients. However, clients are under no obligation to act upon any of his recommendations or execute any transactions through him if they decide to follow his recommendations.

Due to the nature of certain insurance products there is sometimes an incentive to exchange one product for a similar product with the primary purpose of generating commissions. Depending on the timing of the exchanges clients may pay additional charges to surrender the old insurance products.

Insurance products can be complex because of the various riders that may be attached, redemption or surrender policies, penalties or tax consequences, liquidity, various charges, loans policies, and the impact on account values and death benefits by withdrawals. A professional could use a position of trust to recommend complex products to clients with limited understanding of the products they are purchasing. PFM addresses these potential conflicts by adhering to suitability and disclosure obligations and making sure that adequate training is provided.

In addition all insurance related activities are supervised by and all paperwork is routed through and approved by Ausdal Financial Partners, Inc., which has Principal review and approval obligations. In addition Ausdal Financial Partners, Inc., has to establish and maintain supervisory procedures subject to audit by FINRA.

PFM's business also includes providing investment management and Advisory services tailored to the unique needs of annuity owners.

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

Code of Ethics

PFM has adopted a Code of Ethics which describes the general standards of conduct that PFM expects of all Firm personnel (collectively referred to as "employees"). Failure to uphold the Code of Ethics may result in disciplinary sanctions, including termination with PFM. Any client or prospective client may request a copy of PFM's Code of Ethics which will be provided at no cost by contacting Mary Gray at 800.519.0438.

The following basic principles guide all aspects of PFM's business and represent the minimum requirements to which PFM expects employees to adhere:

- Clients' interests come before employees' personal interests and before PFM's interests.
- PFM must fully disclose all material facts about conflicts of which it is aware between PFM and its employees' interests on the one hand and client and PFM's interests on the other.
- Employees must operate on PFM's behalf and on their own behalf consistently with PFM's disclosures and to manage the impacts of those conflicts.
- PFM and its employees must not take inappropriate advantage of their positions of trust with or responsibility to clients.
- PFM and its employees must always comply with all applicable securities laws.

The Code of Ethics focuses on specific areas where employee conduct has the potential to adversely affect the client:

Personal Securities Trading

Trading by PFM personnel in Personal Accounts is subject to review by the CCO. Employees are allowed to trade in their personal accounts stocks, bonds, mutual funds, ETFs, options and pre-approved private placements. Personnel are prohibited from trading ahead of clients. This creates a potential conflict of interest with respect to recommendations to buy or sell securities. In all cases, recommendations are made in the best interests of the client.

Employees may invest simultaneously with clients as long as the same price is obtained. Personal trades must be reported quarterly to the PFM CCO and holdings are reported annually. Both personal trades and holdings are reviewed on a periodic basis to ensure compliance with PFM's policy. Breaches to the policy are taken seriously and may be met with disciplinary action including termination of employment.

Outside Business Activities

Employees are required to report any outside business activities generating revenue. If any are deemed to be in conflict with clients, such conflicts will be fully disclosed.

BROKERAGE PRACTICES

Broker Selection

PFM utilizes B. Riley & Co. to execute securities transactions for the Fund, the VIT Fund and Private Client accounts invested in a substantially similar strategy. Consequently, these transactions may not always result in the "best execution" for its clients' securities transactions. What constitutes "best execution" and determining how to achieve it are inherently uncertain. In evaluating whether a broker will provide best execution, a range of factors is considered. These include, among others:

- Historical net prices (after markups, markdowns or other transaction-related compensation) on other transactions;

- The execution, clearance and settlement and error correction capabilities of the broker generally and in connection with securities of the type and in the amounts to be bought or sold;
- The broker's willingness to commit capital;
- The broker's reliability and financial stability; and
- The availability of investment products.

By selecting B. Riley & Co. as the broker, PFM is not required to select the broker that charges the lowest transaction cost, even if that broker provides execution quality comparable to B. Riley & Co. PFM expects at times to pay more than the lowest transaction cost available in order to obtain for itself and/or its clients services and products other than securities transactions execution. Lower fees for comparable service may be available from other sources.

Research and Other Soft-Dollar Benefits

"Soft dollars" is a term applied to commission revenue generated by client trades which is then used to pay for services provided to an investment adviser. These services must apply to benefit clients and include research and other related services as defined by Section 28(e) of the Securities and Exchange Act of 1934. PFM has no formal soft dollar relationships, although it receives benefits as a result of the assets it manages which are held with Wells Fargo Prime Services, LLC ("the Custodian") or other custodians. These benefits include access to electronic trading platforms, manager and investment research, marketing materials, investment policy guidelines, practice management assistance, seminars and conferences.

Brokerage for Client Referrals

PFM does not directly or indirectly compensate any person or broker for client referrals.

Directed Brokerage

Client directed brokerage is not permitted.

Order Aggregation

As a general policy, PFM attempts to trade as a firm – to trade in such a manner that its clients and products are not competing against one another in the marketplace. At a PFM trader's discretion, client trades may be bunched in a single order (a "block") in an effort to obtain best execution at the best security price available.

If a block order is filled (full or partial fill) at several prices through multiple trades, an average price will be calculated for all trades executed, and all participants in the block trade will receive the average price. Only trades executed within the block on the single day may be combined for purposes of calculating the average price.

Trades are allocated to underlying client accounts after completion of each trade, but no later than by day-end. All partial fills are generally allocated to client accounts on a *pro rata* basis subject to rounding. In all cases, PFM tries to ensure trade allocations are fair to its clients.

While this policy is applied consistently, PFM may deviate from this policy if it determines the standard method of aggregating or allocating trades would result in unfair or inequitable treatment to some or all of its clients. Wells Fargo Prime Services, LLC does not provide a commission expense advantage to participants in block trades.

Each participating account participating in a block trade pays transaction fees (when applicable) as if the trade had occurred on an account by account basis. The sole advantage to enacting block trades for clients at Wells Fargo Prime Services, LLC is for all clients trading in the same security on the same day to receive the same price.

REVIEW OF ACCOUNTS

The Fund and the VIT Fund are reviewed on at least a weekly basis and separately managed accounts are reviewed at least monthly by Mr. Childrey.

Core Fund Solutions ("Core") is an alternative investment fund administration and consulting company that provides various operations and accounting services. Core sends monthly written Fund performance reports to the investors. Investors receive annual audited financial statements and tax reports on the Fund. Separate account holders receive statements on at least a quarterly basis directly from their account custodian.

CLIENT REFERRALS AND OTHER COMPENSATION

PFM does not, nor do any of its principals or employee, receive any economic benefit from non-clients for providing Advisory services to its clients. Employees are compensated by salary. Per the management agreement between PFM and co-manager Princeton Fund Advisors, LLC, at certain levels of AUM a revenue sharing agreement governs the split of advisory fees between the co-managers.

CUSTODY

B. Riley & Co. will use National Financial Services, LLC for clearing firm and custodial services on behalf of PFM. Because PFM generally has the authority to instruct the account custodian to deduct the investment management fee directly from the client's account, PFM is considered to have "custody" of client assets.

PFM withdraws fees directly from client accounts. Assets are held by qualified custodians. Clients receive information about the qualified custodian's name, address, and the manner in which the funds or securities are maintained. The qualified custodian also sends account statements on at least a quarterly basis. PFM will send itemized invoices to clients each time that an advisory fee is deducted. These invoices will include the formula used to calculate the fee, the amount of assets under management the fee is based on, and the time period covered by the fee.

INVESTMENT DISCRETION

PFM manages securities portfolios and on a discretionary basis and has limited power of attorney to execute transactions without obtaining specific consent prior to every

transaction. For the Fund and the VIT Fund this authority is limited to its cash and securities.

VOTING CLIENT SECURITIES

Proxy Voting Fund

PFM has retained Institutional Shareholder Services (“ISS”) to vote proxies on PFM’s behalf.

Class Action Litigation

PFM may from time to time receive notices of pending class action litigation involving securities held in the Fund or client accounts. PFM generally reviews class action notices, conducts a preliminary cost-benefit analysis and makes a determination on a case-by-case basis if participation is in the best interest of the Fund and its investors. PFM does not review class action notices on behalf of clients. Custodians are directed to forward all shareholder related materials to the owner of the account.

Proxy Voting Other Clients

PFM has retained Institutional Shareholder Services (“ISS”) to vote proxies on behalf of clients.. Clients may contact PFM with questions about particular votes by telephone at (800) 519 0438 or email at jchatfield@probabilitiesfund.com.

FINANCIAL INFORMATION

There is no financial condition that is reasonably likely to impair PFM’s ability to meet its contractual commitments to its clients.