

ITEM 1 – COVER PAGE

ACHIEVEMENT ASSET MANAGEMENT LLC
Part 2A of Form ADV: Firm Brochure

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Form ADV, Part 2A (the “Brochure”) provides information about the qualifications and business practices of Achievement Asset Management LLC, an investment adviser registered with the United States Securities and Exchange Commission (“SEC”). If you have any questions about the contents of this brochure, please contact us at 312-610-7700. The information in this brochure has not been approved or verified by the SEC or by any state securities authority.

Registration with the SEC does not imply a certain level of skill or training.

Additional information about Achievement Asset Management LLC is also available at www.adviserinfo.sec.gov

ITEM 2 - SUMMARY OF CHANGES SINCE LAST ANNUAL UPDATE

The last annual update of this Brochure was filed on March 27, 2015 (“Annual Update”). This is the first update since the Annual Update. Achievement Asset Management LLC (“AAM” or the “Firm”) is updating this Brochure to disclose new telephone numbers; new private feeder funds, Achievement Co-Investment Opportunities Fund LLC, Achievement Co-Investment Opportunities Fund Ltd., and a new master fund, Achievement Co-Investment Opportunities Master Fund Ltd., which were launched on May 1, 2015; enhanced disclosure regarding fees and expenses, side-by-side management, conflicts of interest; brokerage practices; and other enhancements.

We encourage you to review the Brochure in its entirety.

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ITEM 4 - ADVISORY BUSINESS

AAM was founded in December 2005 and was known as PEAK6 Advisors LLC prior to October 1, 2014. The principal owner of AAM is Joseph Scoby who owns substantially and controls all of AAM. As of April 30, 2015, Client (as defined below) assets under management were \$1, 405,627,647; all of which have been, and continue to be, managed by AAM on a discretionary basis. Client assets under management equal the aggregate net asset value of the Clients as of the date referenced above.

AAM serves as the investment adviser to certain private investment funds: Achievement Fund LLC, Achievement Fund Ltd., (“LLC & Ltd.”), Achievement Co-Investment Opportunities Fund LLC, and, Achievement Co-Investment Opportunities Fund Ltd., (“Co-Invest”), which LLC & Ltd and Co-Invest are collectively known as, (the “Non-Levered Funds”), Achievement Fund XL LLC and Achievement Fund XL Ltd. (the “Levered Funds”), and, PEAK6 Performance Fund LLC and PEAK6 Performance Fund Ltd. (the “Performance Funds”). However, the Performance Funds have ceased operations and are substantially wound down. The Levered Funds and the Non-Levered Funds are referred to as the “Achievement Funds” throughout this Brochure. The Achievement Funds and the Performance Funds are referred to as the “Funds” in this Brochure in a limited fashion given the status of the Performance Funds.

AAM also serves as the discretionary sub-advisor to certain registered investment companies and other pooled investment vehicles, (the “Sub-Advised Funds”). The Funds and the Sub-Advised Funds are referred to as the “Clients” throughout this Brochure.

LLC & Ltd and the Levered Funds invest all or substantially all of their assets into Achievement Master Fund Ltd. (“Achievement Master Fund”). Co-Invest invests all or substantially all of their assets into Achievement Co-Investment Opportunities Master Fund Ltd. (“Achievement Co-Investment Master Fund”), collectively, the “Master Funds”. For convenience, this Brochure refers to trading activities on behalf of the Achievement Funds unless otherwise indicated, but it is important to note that all or substantially all of the Achievement Funds’ trading activity occurs at the Master Fund levels, respectively, in order to enhance the Achievement Funds’ ability to execute transactions more efficiently and cost effectively and to obtain leverage on more favorable terms.

The investment strategies employed by AAM with respect to the Achievement Funds generally combine elements of fundamental long-short equity, long-short credit and relative value trading, but may also include statistical arbitrage, convertible arbitrage, convertible preferred and other related strategies or variations thereof depending on the investment opportunity. The private funds will invest in some or all of these investment strategies on a as is described further in the offering documents of each private fund.

AAM generally implements the investment strategies set forth above, or portions thereof, on behalf of the Sub-Advised Funds, however, each investment strategy is implemented pursuant to applicable regulatory requirements and specific investment guidelines agreed upon by AAM and each Sub-Advised Fund.

The Achievement Funds may pursue or invest in additional investment strategies, techniques or products not described above as determined by AAM to be in the best interest of the Achievement Funds. AAM may add strategies if appropriate market opportunities either are no longer available to the Achievement Funds or identified as determined by AAM. For additional detail on the strategies and material risks of the Achievement Funds, see the section of this Brochure entitled “Methods of Analysis, Investment Strategies and Risk of Loss,” as well as each Achievement Fund’s offering documents. Further, AAM may cause the Achievement Funds to accept investments with terms that are different than what is set forth in each Achievement Fund’s offering documents. Such arrangements may be memorialized in side letters or similar written agreements with certain investors and may be offered via additional classes of interests or shares, as applicable. Such terms may include, but shall not be limited to, different fees or expenses, redemption rights, allocations made and notice provisions.

AAM has full discretion in trading on behalf of the Funds. It is not required to and does not seek approval from the Funds, or the investors in the Funds, with respect to its trading on behalf of the Funds. Further, AAM has been given authority to trade portfolios on behalf of the Sub-Advised Funds pursuant to the investment guidelines agreed upon by AAM and each Sub-Advised Fund.

ITEM 5 - FEES AND COMPENSATION

Management, Performance and Redemption/Withdrawal Fees

In its role as investment adviser, AAM receives asset-based management fees and a share of net profits, if any, achieved by each investor in the Achievement Funds in the form of performance-based incentive fees. AAM also receives asset-based management fees in its role as sub-advisor of the Sub-Advised Funds that generally equals 1% of the Net Asset Value of each portfolio managed by AAM on behalf of a Sub-Advised Fund¹. Given that the Performance Funds have ceased operations and are substantially wound down, AAM does not receive asset based management fees nor a share of net profits with respect to those funds. An overview of the general fee structure of the Achievement Funds is as follows, although AAM has the authority to cause the Achievement Funds to accept investments with fee terms that are different than those the Achievement Funds generally offer pursuant to their respective offering documents as is described above.

AAM generally charges investors in Co-Invest a monthly management fee equal to an annual rate of 1.00% of the value of each investor's investment in the applicable Co-Invest. The management fee is accrued and then paid with the assistance of each of Co-Invest's administrator within 35 business days after the end of each month, is paid whether or not Co-Invest is profitable in a given month and is prorated if an investor is withdrawn at a time other than at a month-end. AAM also generally receives from each investor in Co-Invest an amount equal to 10% of such investor's capital returned in excess of the amount contributed by such investor (such 10% allocation, the "Carried Interest"). AAM shall be obligated to return all or a portion of any Carried Interest if an investor has not received the amount it contributed or if AAM has received Carried Interest in an amount in excess of 10% of the amount distributed to such investor. AAM, along with AAM employees, do not pay management fees or Carried Interest with respect to their investments in Co-Invest.

AAM generally charges investors in the LLC & Ltd. and the Levered Funds a quarterly management fee equal to an annual rate of 2% and 2.25%, respectively, of the value of each investor's investment in the applicable Achievement Fund. The management fee is accrued and then paid with the assistance of the Achievement Funds' administrator within 35 business days after the end of each quarter, is paid whether or not the Achievement Funds are profitable in a given quarter and is prorated if an investor withdraws at a time other than at a quarter-end. AAM also generally receives from investors in the LLC & Ltd. and the Levered Funds an annual incentive fee equal to 20% and 22.5%, respectively, of new net profits achieved by an investor's investment in the applicable Achievement Fund. New net profits are calculated before reduction for the incentive fee being calculated but after any increase resulting from the payment of any withdrawal related fees. The incentive fee is also calculated at the time any full or partial withdrawal is made as if the withdrawal was made at the end of the calendar year. The incentive fee is subject to a "high-water mark" that requires that cumulative losses from prior calculation periods be recouped before incentive fees are due. AAM, along with AAM employees, do not pay management or incentive fees with respect to their investments in the Achievement Funds.

Additional information related to the specific manner that management fees and incentive fees are charged by AAM is stated in each Achievement Fund's offering documents. The terms of the Achievement Funds' offering documents supersede this Brochure.

¹ Please see the appropriate prospectuses and statements of additional information of the Sub-Advised Funds for additional information on fees and expenses.

AAM has issued classes of the Achievement Funds which have different annual management and quarterly incentive fee terms as compared to the general 2% management fee and 20% incentive fee structure, with respect to the LLC & Ltd., and 2.25% management fee and 22.5% incentive fee structure, with respect to the Levered Funds. Currently, management fee terms range from 1-2% and 2-2.25% and incentive fee terms range from 12.5-28% and 20-22.5% with respect to classes issued in the LLC & Ltd. and Levered Funds, respectively. Furthermore, each of the Achievement Funds may issue additional classes in the future, which may differ in terms of the level of management and incentive fees charged.

Except for Co-Invest, AAM may issue classes to which all or part of an item of gain or loss (or both) derived from a particular investment or a particular asset or claim or loss of an Achievement Fund is allocated (a "Liquidating Class"). The management fee payable by investors in a Liquidating Class equals an annual rate of 0.5% of the portion of the investor's investment allocated to the Liquidating Class ("Liquidating Class Investment"). AAM also receives an incentive fee with respect to a Liquidating Class Investment. Upon initiating a Liquidating Class Investment, the high water mark attributable to the investor's investment in the applicable Achievement Fund will be reduced in proportion to the value of the Liquidating Class and the proportional amount of the high water mark will be carried over with the Liquidating Class Investment. Additional information related to the specific manner that management fees and incentive fees are charged by AAM with respect to Liquidating Class Investments is stated in each Achievement Fund's offering documents.

For purposes of determining incentive fees, management fees and expenses attributable to an investor's Liquidating Class Investment, the Achievement Funds will value each Liquidating Class Investment at fair value, which may be cost until the Liquidating Class Investment is liquidated or distributed. Any expenditure that relates solely to a particular Liquidating Class Investment will be deemed to decrease the value of the Liquidating Class Investment. AAM, in its sole discretion, will determine whether an expenditure relates solely to a particular Liquidating Class Investment.

Except for Co-Invest, Achievement Funds investors have the right to request withdrawal of all of their investment as of any withdrawal date; however, amounts withdrawn in excess of the pre-determined threshold are subject to a fee payable to the applicable Achievement Fund equal to 3% of the amount being withdrawn. Only the amount withdrawn that is in excess of the threshold is subject to the fee. Please see the Achievement Funds' offering documents for a more detailed description of the withdrawal terms.

Client Operating Expenses

In addition to management and performance fees, the Achievement Funds bear certain direct and indirect (i.e., respectively, through the Master Funds) transactional expenses, administrative expenses and operating costs. Specifically, the Achievement Funds pay certain expenses relating to investment activities, including, but not limited to, (a) brokerage commissions, access fees, exchange fees, membership fees, clearing fees and fees and expenses assessed by prime brokers and other financial service providers to the Master Funds, including any fees associated with the purchase of ETFs or other similar funds; (b) interest, fees from stock loan activities and other financing charges as well as costs related to repurchase agreements; (c) custodial fees, regulatory and self-regulatory fees; (d) all transaction-related (including proposed transactions) legal fees and fees related to investment making, consulting, bankruptcy, research, including, for the avoidance of doubt, travel expenses related to research, and other financial services that support trading and/or investment decisions, and third-party analyses related to proposed or existing investments (whether or not such investments are consummated); (e) fees and expenses incurred in connection with currency hedges; (f) taxes and duties payable by the Achievement Funds or the Master Funds in any jurisdiction in which the Achievement Funds and the Master Funds operate; (g) fees and expenses associated with the investment process and transaction workflow involving third-party applications and data as well as related to systems and infrastructure, including but not limited to order management and execution, portfolio management, risk management, market data, research, research software quotation services, corporate action and proxy advisory services data feeds and related costs of connectivity, portfolio accounting systems, class action filing systems or

services, anti-money laundering and other compliance support systems and other analytics; (h) ongoing Achievement Funds and Master Funds operating expenses and Achievement Funds offering expenses, including but not limited to compliance, legal, audit, accounting and tax fees (including filing fees), including AIFMD expenses; (i) a portion (to be determined in AAM's discretion) of the liability insurance premiums of the Achievement Funds, the Master Funds and AAM; (k) the costs of maintaining accounts and preparing and distributing investor reports; (l) costs of regulatory examinations and inquiries and regulatory or government filings related to the Achievement Fund's and the Master Fund's trading activities; (m) costs of any filings, government, state or otherwise, including any regulatory and other oversight reporting requirements (including AIFMD) applicable to the Achievement Funds and the Master Funds, their activities and positions, including any fines or assessments; (n) legal costs and expenses incurred in connection with any threatened, pending or anticipation litigation, examination or proceeding or subpoena involving the Achievement Fund's or the Master Fund's activities; (o) fees and expenses of the Independent Representative (as defined in the respective Achievement Funds offering documents); (p) all expense incurred as a result of the Achievement Fund's obligation to indemnify AAM, the Directors of the applicable Achievement Funds and Master Funds, the Administrator of the Achievement Funds and Master Funds and any other parties; (q) the Achievement Funds' Directors' fees and expenses; (r) expenses associated with providing information to risk aggregators; (s) other expenses and liabilities incurred in connection with or arising out of the Achievement Funds and the Master Funds operations, including extraordinary or non-recurring charges. Further, the Levered Funds are subject to additional financing charges that include, but are not limited to, interest, commitment fees, minimum borrowing fees, early termination fees and other fees and expenses related to the applicable leveraging arrangements. Additional information on the Achievement Funds' expenses and expense cap can be obtained from each Achievement Fund's offering documents.

The portfolios that AAM sub-advises on behalf of the Sub-Advised Funds are also subject to certain expenses and costs, including but not limited to, brokerage commissions, prime brokerage fees, data feed costs, market data and research costs.² In addition, AAM personnel who trade for the Sub-Advised Funds will have access to and are expected to utilize general market subscriptions that are paid for by the Achievement Funds in hard dollars and the costs of which do not fall within the safe harbor of Section 28(e) of the Securities Exchange Act of 1934 (the "Exchange Act"). Such general market subscriptions are used to inform their view of market trends and general economic indicators (versus specific position analysis and information to be used in managing the Sub-Advised Funds). AAM considers the costs of these subscriptions to be immaterial.

Further, Clients will pay differing amounts of commissions, spreads and financing fees to broker dealers, and the services provided by the broker dealers to Clients will differ. Any brokerage or research products or services that AAM receives from broker dealers or other providers may be used in connection with management of all Client accounts, not just selected accounts. Accordingly, a Client account may not necessarily, in any particular instance, be the direct or indirect beneficiary of the research or brokerage services provided in consideration of the soft dollars generated by the respective Client's trading.

The Performance Funds may be subject to certain expenses and costs, including but not limited to, operating costs, administrator and legal fees and fees related to the funds winding down. However, AAM expects those fees to be limited given that the funds have ceased operations and are substantially wound down.

Brokerage and Transaction Costs

The transaction costs most frequently incurred by the Clients are brokerage commissions, which are direct charges of a broker dealer that acts as the Clients' agent in executing a trade, and bid-ask spreads, which represent the difference between the prices at which dealers purchase and sell instruments traded by the Clients. The Achievement Funds also incur other transaction costs and expenses in connection with their

² Please see the appropriate prospectuses and statements of additional information of the Sub-Advised Funds for additional information on fees and expenses.

trading and investment activities, and custodian fees for fund assets held in cash or securities at various banks, broker dealers and other financial institutions.

For a discussion of the brokerage arrangements that AAM enters into on behalf of the Clients see the “Brokerage Practices” section in this Brochure.

Negotiation of Fees, Waivers

AAM’s fees are generally non-negotiable, however, AAM may, in its discretion, waive all or a portion of its management or incentive fees for a particular investor.

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

As discussed in the previous section, entitled “Fees and Compensation,” AAM receives performance-based compensation in the form of an incentive fee based on an Achievement Fund investor’s new net profits. The performance-based compensation received by AAM creates a conflict between AAM’s interest in earning a profit in the short term with the long-term interests of the Achievement Funds and their investors. Specifically, AAM may have an incentive to invest the Achievement Funds’ assets in investments that are riskier or more speculative than would be the case if AAM were only compensated based on a flat percentage of capital, because these investments may allow AAM to collect larger performance-based compensation.

In addition, AAM receives Carried Interest related to an investor’s investment in Co-Invest. Because AAM may receive performance-based compensation from Co-Invest investors, AAM may have an incentive to invest the Co-Invest’s assets in investments that are riskier or more speculative than would be the case if AAM were only compensated based on a flat percentage of capital, because these investments may allow AAM to collect larger performance-based compensation. Additionally, the investors in Co-Invest will not be permitted to withdraw, which could cause AAM to allocate more illiquid positions to the Co-Invest portfolios. For these reasons, among others, AAM may have a conflict of interest between acting in the best interests of Co-Invest, the Achievement Funds and the Sub-Advised Fund portfolios.

Furthermore, the Sub-Advised Funds, unlike the Achievement Funds, currently do not charge performance fees, which may create an incentive for AAM to manage the Achievement Funds in a more speculative manner than the portfolios it sub-advises on behalf of the Sub-Advised Funds. In the event that the fees and other remuneration to AAM from certain Sub-Advised Funds are higher than those generated by the Achievement Funds, AAM would have financial or other incentives to favor the applicable Sub-Advised Fund portfolios over the Achievement Funds. Additionally, the investors in the Sub-Advised Funds have access to more frequent withdrawal dates, which could cause AAM to allocate more liquid positions to the Sub-Advised Fund portfolios in order to meet potential withdrawal requests. For these reasons, among others, AAM may have a conflict of interest between acting in the best interests of the Achievement Funds and the Sub-Advised Fund portfolios.

However, AAM endeavors to act in a manner that it considers fair and reasonable and equitable in allocating investment opportunities among its Clients, as applicable, in order to accomplish the objectives of each entity, but there are no specific obligations or requirements concerning the allocation of time, effort or investment opportunities to any Client. When applicable, AAM seeks to allocate investment opportunities in a manner that it believes treats each of the Master Funds fairly. AAM is not required to accord exclusivity or priority to any Client in the event of “limited availability” investment opportunities.

ITEM 7 – TYPES OF CLIENTS

AAM provides discretionary investment advice to the Achievement Funds and the Master Funds. Investors in the Achievement Funds, which generally must be “accredited investors” and “qualified purchasers” as such terms are defined under federal securities laws, include, but are not limited to, high net worth individuals, other pooled investment vehicles, registered investment companies, pension and

profit-sharing plans, trusts and other charitable organizations and other corporations or business entities. The minimum investment in the Achievement Funds is generally \$10 million, although the minimum can be reduced or waived in AAM's sole discretion. AAM also currently provides discretionary investment advice to certain Sub-Advised Funds. AAM has not subjected these accounts to an initial minimum allocation of assets.

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

The Achievement Funds pursue an investment strategy as described in their respective offering documents, as summarized below. In each case, the following summaries are not intended to be a complete statement of the investment strategies and related risks of the Achievement Funds. Investors should review the full offering memorandum and other governing documents for the Achievement Funds for a complete statement of the strategy and risks relating to each fund. The terms of the Achievement Funds' offering documents and other governing documents supersede the disclosures contained in this Brochure.

Summary of Strategies Employed by AAM on Behalf of the Achievement Funds

The Achievement Funds' objectives are to invest capital based upon two core trading philosophies: first, generation of attractive risk adjusted returns by investing when and where AAM believes such returns can be achieved and second, preservation of capital. The Achievement Funds' core strategy uses fundamental research and trading skill to identify what it believes are mispriced corporate securities and their derivatives along the capital structure of the same, or across different, issuers. The Achievement Funds' core strategy mainly combines elements of strategies known as fundamental long-short equity, long-short credit, and, relative value trading, including trading equity and debt offerings. The Achievement Funds' portfolio may include trades generally associated with other strategies. The Achievement Funds have full flexibility to engage in any of the aforementioned strategies or variations thereof depending on the investment opportunity. The Achievement Funds may trade futures, indices, options, bonds, treasuries, over-the-counter ("OTC") products, exchange traded funds and other various instruments as part of its portfolio and risk management processes.

The Achievement Funds actively trade with the majority of its positions in U.S. and Canadian issuers and with significant exposure to European and U.K. issuers. The Achievement Funds may also invest in certain other countries. Notwithstanding the foregoing, AAM may trade globally and has the right to diversify the geographic allocation of the Achievement Funds' capital in its sole discretion.

Methods of Analysis

The trade identification process for the Achievement Funds varies by strategy and can include one or more types of analyses. The number of issuers traded and positions vary depending upon, among other things, the industry sector, developments at companies the Achievement Funds seek to invest in, and, relative and absolute prices of products in the markets. The sectors traded and holding periods also vary considerably and the Achievement Funds will generally have higher turnover than many other hedge funds.

Diversification and combination of offsetting positions of correlated instruments along with non-linear hedging instruments are frequently used in portfolio construction. In addition, overlay instruments may be used to manage risk factors at the overall portfolio level. The effect of the overlay may result in reduced or increased market exposures in AAM's discretion. There can be no assurance that attempts of AAM to mitigate risks will be successful. Systemic risks cannot be eliminated and thus investors will have significant risk of losses. The portfolios of the Achievement Funds are expected to be composed mainly of securities deemed to be liquid and the Achievement Funds generally seek to avoid any positions in hard to value assets, recognizing however that liquidity conditions can deteriorate.

Summary of Strategies Employed, and Methods of Analysis used, by AAM on Behalf of the Sub-Advised

Funds

The current strategies largely employed by AAM on behalf of the Sub-Advised Funds leverage fundamental research on U.S. companies and quantitative analysis. The strategies mainly focus on liquid instruments listed on U.S. exchanges. Sub-Advised Fund portfolios may be enhanced with complimentary U.S equity option and equity linked securities. AAM strategies implemented on behalf of the Sub-Advised Funds are aimed at delivering a unique portfolio which carries a relatively low beta.

The current leading strategy of Sub-Advised Fund portfolio construction is long-short equity. In that regard, AAM implements a process that relates to fundamental analysis. AAM may scan for complimentary option positions, which assist with directional equity exposure and is a combination of volatility and implied distribution pricing. AAM also scans existing positions to identify opportunities to lower the cost basis of long and short stock positions. AAM may also seek opportunities on behalf of the Sub-Advised Funds to take advantage of certain situations in listed equity linked securities which can add value and protection to desired exposure. The goal is to maintain a thematically consistent approach to investing while continually searching for good risk-reward opportunities, which can complement and protect the Sub-Advised Funds' portfolios.

Risk Management

AAM has a disciplined approach to risk management that is intended to maximize returns of the Client's portfolios relative to their risks. AAM utilizes risk management software to evaluate the effect of potential market movements in Clients' portfolios on a real-time basis. The software is used, among other purposes, to allow AAM to: (i) analyze risk according to each instrument, issuer, portfolio manager or industry group (ii) evaluate the effect of potential movements in various markets on each of the Clients' portfolios; and (iii) attempt to hedge price exposure in an efficient manner. The software attempts to give AAM the ability to identify positions that have moved outside of these parameters so that it may take corrective action. Separately, AAM has established specific risk guidelines for the portfolios of the Clients, which are monitored by an independent risk control team.

Material Risks of AAM's Strategies

Investing in securities and derivatives involves a risk of loss that investors in the Achievement Funds should be prepared to bear. By investing in the Achievement Funds, investors are relying on the discretionary, market judgment of AAM trading in a wide range of strategies and markets. The following is a summary of some of the material risks associated with the Achievement Funds' strategies. This summary does not attempt to describe all of the risk associated with an investment in the Achievement Funds. Although no summary can fully describe all of the risks associated with an investment, the Achievement Funds' offering documents contain a more complete description of the risks associated with an investment in the Achievement Funds.

Risks Related to Interim Sub-Advisory Activities Conducted on Behalf of the Achievement Funds:

Although AAM has taken and will continue to take commercially reasonable steps to perform due diligence on any third party sub-advisors, such as the Interim Sub-Advisor to whom a portion of the Achievement Funds' trading and investment activities may be delegated, any trading undertaken by the Interim Sub-Advisor will ultimately be subject to the Interim Sub-Advisor's own regulatory compliance systems and processes. Such systems will not be connected to those of AAM and AAM will likely be unable to monitor or control their compliance with applicable law. Furthermore, AAM will likely be unable to confirm that the Interim Sub-Advisor has up-to-date conflicts, order execution, commission sharing and other policies to which it adheres. Any material failure of the Interim Sub-Advisor to maintain appropriate and comprehensive policies may not only have the potential to significantly adversely affect the ability of AAM's seconded personnel to perform their duties with respect to the Achievement Funds, but may also cause irreparable harm to those funds. Furthermore, the Achievement Funds may be negatively impacted by sub-advisory arrangements in the event that the Interim Sub-Advisor becomes subject to new laws or changes to existing laws in a way that subjects the Achievements Funds to additional regulatory and/or compliance risk. AAM and/or the Funds may also be harmed by

conduct of the Interim Sub-Advisor or other managers contracting with the Interim Sub-Advisor that is unrelated to any activities performed on behalf of the Achievement Funds. The Achievement Funds may incur substantial losses as a result of the Interim Sub-Advisor arrangement.

No Limitation of Trading Strategies: Although AAM currently intends to focus on the strategies described in each of the Achievement Funds' offering documents, it may utilize any trading strategy it deems appropriate to take advantage of market opportunities. AAM's trading methods may change over time as it develops new and discards old trading methods and strategies in response to market conditions and other factors. Given the broad potential range of strategies, it is not possible to precisely describe the risks associated with all such strategies.

Market Disruption: The Achievement Funds may incur major losses in the event of disrupted markets, and other extraordinary events that may not be consistent with historical pricing relationships on which AAM bases a number of its trading positions. The risk of loss from a disconnect from historical prices is compounded by the fact that in disrupted markets many positions become illiquid, making it difficult or impossible to close out positions against which the markets are moving. The financing available to the Achievement Funds from their banks, dealers and other counterparties is typically reduced in disrupted markets. Such a reduction may result in substantial losses to the Achievement Funds. Market disruptions caused by unexpected credit crises, political, military and terrorist events may from time to time cause dramatic losses for the Achievement Funds, and such events can result in otherwise historically low-risk strategies performing with unprecedented volatility and risk.

Model Risk: AAM will utilize quantitative valuation models in implementing certain of the Achievement Funds' investment strategies. These models generally seek to forecast future price changes based upon a limited number of factors and inputs. As market dynamics shift over time, due to factors such as changed market conditions and participants, a previously highly successful model could become outdated or inaccurate, perhaps without AAM recognizing that fact before substantial losses are incurred. There can be no assurance that AAM will be successful in developing and maintaining effective quantitative models. Correlations among the instruments in the Achievements Funds' portfolio will change over time and could result in a loss of diversification and/or substantially more risk than AAM's models, methods and techniques would have estimated. AAM relies on historical data as part of its risk management, but historical data can prove to be quite different than future dynamics in the market place and thus result in a materially greater risk profile than AAM would expect. There is no standard, approved or accepted methodology for calculating risks in the investment management industry and AAM uses its best efforts to measure and control risk, but its methodologies differ from other investment managers. Moreover, there can be no assurance that AAM will be able to continue to develop, maintain and update the models.

Importance of Market Judgment: Although AAM relies heavily on trading technologies, software and systems to evaluate trades, AAM's quantitative strategies are by no means wholly systematic; the market judgment and discretion of AAM are fundamental to the implementation of these strategies. The greater the importance of subjective factors, the more unpredictable a trading strategy becomes.

Hedging Risks: Although certain of the Achievement Funds' investments are intended, in part, to hedge the funds' other holdings, there is no guarantee that they will do so to the degree predicted by theory. In fact, hedges could result in losses for the Achievement Funds. The Achievement Funds may enter into offsetting transactions in related instruments from which they expect to earn profits or hedge exposure to risk. If the value of the positions changes in a direction or manner that AAM has failed to protect against with hedging transactions or if the instruments used in the Achievement Funds' hedging transactions are not as "related" as anticipated, the funds may have an imperfect hedge. Also, the Achievement Funds may not be able to maintain a short position in an instrument, in which case the hedge is eliminated. In any of these cases, the Achievement Funds may realize significant losses on transactions.

Regulation of the OTC Derivatives Market: The Dodd-Frank Wall Street Reform and Consumer Protection Act, referred to in this Brochure as "Dodd-Frank," became law in July 2010. Dodd-Frank contains numerous far reaching reforms to the financial industry including, but not limited to, provisions

that comprehensively regulate the OTC derivatives markets for the first time. Although Dodd-Frank will require many OTC derivative transactions previously entered into on a principal-to-principal basis to be executed in regulated markets and submitted for clearing by a regulated clearinghouse, some of the derivatives that may be traded by the Achievement Funds may not be centrally cleared. The risk of counterparty non-performance can be significant in the case of these OTC instruments, and bid-ask spreads may be unusually wide in these heretofore substantially unregulated markets. While Dodd-Frank is intended in part to reduce these risks, its success in this respect may not be evident for some time after Dodd-Frank is fully implemented, a process that may take several years. OTC derivatives dealers will also be subject to new regulatory requirements, which will increase costs for the dealers. These costs are likely to be passed along to market participants, including the Achievement Funds. Further certain steps are underway to regulate derivative transactions in Europe which could also increase costs of entering into derivative contracts that may adversely affect the Achievement Fund's ability to engage in transactions in derivatives.

Derivatives and OTC Risks: The Achievement Funds may make use of various derivative instruments, such as forward contracts, futures contracts (including dividend futures and single stock futures), options on the foregoing, and swaps. The use of derivative instruments involves a variety of material risks, including the extremely high degree of leverage often embedded in these instruments, the possibility of counterparty non-performance, as well as material and prolonged deviations between the actual and the theoretical value of a derivative. In addition, the markets for some derivatives can frequently have limited liquidity, which can make it difficult as well as costly for the Achievement Funds to close out positions in order either to realize gains or to limit losses. The Achievement Funds intend to purchase and/or sell derivatives that are principal-to-principal, to the extent allowable, rather than on an established exchange. As a result, the Achievement Funds will not be afforded the regulatory protections of an exchange, its clearinghouse, or of a government regulator that oversees the exchange or clearinghouse, if a counterparty fails to perform in a principal-to-principal transaction. The risk of nonperformance or the lack of financial soundness and creditworthiness of the counterparty can be significant in the case of principal-to-principal transactions. Further, prices of derivative instruments are highly volatile. In privately negotiated transactions, the risk of the negotiated price deviating materially from fair value is substantial, particularly when there is no active market available from which to derive benchmark prices. Many derivatives are valued on the basis of dealers pricing of these instruments. However, the price at which dealers value a particular derivative and the price which the same dealers would actually be willing to pay for such derivative should the Achievement Funds be forced to sell such position may be materially different. These differences can result in an overstatement of the Achievement Funds' Net Asset Value and may materially adversely affect the funds in situations in which the funds are required to sell derivative instruments.

Identification of Opportunities: The Achievement Funds' trading activities require AAM to continually monitor and analyze market activity, price movements, individual transactions, the funds' positions and a wide range of other information regarding market demand for particular options. AAM may fail to identify and/or take advantage of profit opportunities and opportunities to hedge the Achievement Funds' positions. This may be due to flaws in AAM's overall strategy to identify these opportunities or AAM's inability to implement that strategy. These failures could have an adverse effect on the Achievement Funds' profits.

Options: The risks associated with options trading include, but are not limited to, volatile movements in the price of the underlying instrument and misjudgments as to the future prices of the options and/or the underlying instrument. Fluctuations in option volatility can increase both the profit potential and the risk of loss from the Achievement Funds' trading. While volatility can be monitored and reacted to, there is no effective means of hedging against market volatility. Selling options creates additional risks. Due to the inherent leveraged nature of options, a relatively small adverse movement in the price of the underlying instrument may result in immediate and substantial losses to the Achievement Funds. In addition, upon selling an option, the Achievement Funds are required only to deposit a percentage of the value of the option at the time of sale as margin, thereby leveraging the investment even further. Thus, like other leveraged investments, any purchase or sale of options may result in losses in excess of the

amount invested.

Credit Default Swaps: The Achievement Funds may purchase and sell credit derivatives contracts on a principal-to-principal basis, primarily credit default swaps, for hedging and risk management or speculative investment purposes. When the Achievement Funds are the buyer of a credit default swap, the funds would be entitled to receive the agreed-upon value (or par) of a referenced debt obligation. As consideration, the Achievement Funds would pay to the counterparty a periodic stream of fixed payments during the life of the swap if no event of default has occurred, in which case the funds would receive no benefits under the swap. In circumstances in which the Achievement Funds do not own the debt securities that are deliverable under the credit default swap, the funds are exposed to the risk that deliverable securities will not be available in the market, or will be available only at unfavorable prices, as would be the case in a so called “short squeeze.” In some cases in which issuers default or debt is restructured, it has been unclear under the standard industry documentation for credit default swaps whether or not a “credit event” triggering the seller’s payment obligation had occurred. The creation of the Credit Derivatives Determinations Committee in April 2009 was intended to reduce this uncertainty and create uniformity across the market, although it is possible that the Credit Derivatives Determinations Committee will not be able to reach a resolution or do so on a timely basis. In either of these cases, the Achievement Funds would not be able to realize the full value of the credit default swap upon a default by the entity referenced in the credit default swap. As a seller of credit default swaps, the Achievement Funds incur leveraged exposure to the credit of the reference entity and are subject to many of the same risks if they were holding debt securities issued by the reference entity. The Achievement Funds will not have any legal recourse against the reference entity and will not benefit from any collateral securing the reference entity’s debt obligations. In addition, in the event the Credit Derivatives Determinations Committee does not establish a cash settlement auction and identify the relevant deliverable securities, the credit default swap buyer will have broad discretion to select which of the reference entity’s debt obligations to deliver to the Achievement Funds following a credit event and will likely choose the obligations with the lowest market value in order to maximize the payment obligations of the funds. Moreover, the credit default swap market is an illiquid market. Given the recent sharp increases in volume of credit derivatives trading in the market, settlement of such contracts may also be delayed beyond the time frame originally anticipated by counterparties. Such delays may adversely impact the Achievement Fund’s ability to otherwise productively deploy any capital that is committed with respect to such contracts. Governments may also attempt to restructure sovereign debt to avoid triggering a credit event under relevant credit default swaps contracts.

Total Return Swaps: Under a total return swap, the Achievement Funds may be required to maintain collateral with the total return swap counterparty. If the Achievement Funds fail to fulfill their payment obligations or fail to post any required collateral under a total return swap, the total return swap counterparty may declare an event of default and, as a result, the Achievement Funds may be required to pay swap breakage fees, suffer the loss of the amounts paid to the counterparty and forego the receipt from the counterparty of further total return swap payments.

Illiquid Securities: A portion of the Achievement Funds’ portfolios may consist of securities and other financial instruments which are not actively and widely traded. Consequently, it may be relatively difficult for the Achievement Funds to dispose of such investments rapidly and at favorable prices in connection with withdrawal requests, adverse market developments or other factors. Illiquid securities may also be more difficult to value.

Adverse market conditions can lead to a “liquidity crisis,” *i.e.*, the inability to sell many securities at expected prices. In both 1998 and 2007-2009, this inability to sell (which occurred generally in the market) led, in certain cases, to the inability by other private funds to meet margin calls and fund withdrawals that, in turn, led to the collapse of certain portfolios as dealers cut credit lines and investors withdrew capital, further reducing the creditworthiness of the owner of the portfolio. There can be no assurance that future market conditions will not result in similar liquidity crises.

Levered Funds’ Leveraging Arrangements: The implementation of the Levered Funds’ investment

objective is dependent on the ability of the Levered Funds to enter into leveraging arrangements with one or more financial institutions. The ability of the Levered Funds to use leverage and to maintain the desired leverage ratio is dependent on, among other things, market conditions, the availability of leverage and the Levered Funds' ability to maintain the leveraging arrangements. The Levered Funds will incur interest and other expenses in connection with the leveraging arrangements. AAM makes no guarantee of the availability of leveraging arrangements. Levered arrangements are often subject to conditions, covenants and termination events, which may result in early termination or deleveraging of a leveraging arrangement. As a result of an early termination or material deleveraging, the Levered Funds may, among other things, suffer material losses, termination fees as well as the loss of leveraged exposure to the Achievement Master Fund. Additionally, the Levered Funds may not be able to enter into other leveraging arrangements without incurring increased costs or accepting less favorable terms and conditions as previous leveraging arrangements. Certain terms of the leveraging arrangements will have the effect of imposing constraints on the Levered Funds' investment programs and the liquidity and other parameters of an investment in the Levered Funds. The current note facilities include certain investment guidelines relating to the Achievement Master Fund's trading that, if violated, may require the Levered Funds to prepay the notes. Although AAM does not believe these restrictions will influence or delay its investment decisions, there can be no assurance that this will be the case.

One leverage provider is currently, and others may be in the future, a prime broker, swap counterparty and other service provider of the Achievement Master Fund and could serve in similar capacities for the Achievement Funds. As a result, the leverage provider faces certain conflicts of interest and has certain transparency rights otherwise not applicable to the other current lender. In addition, the leveraging arrangement contains an event of default if the Levered Funds or the Achievement Master Fund defaults under any agreement, contract or transaction with the lender or its affiliates. As a result, the Levered Funds could be in default under the leveraging arrangement due to a default in a prime brokerage agreement, swap or other agreement entered into by the Achievement Master Fund, or any similar agreement or selling agreement entered into by the Levered Funds, and the lender or an affiliate, even though the Levered Funds would not otherwise be in default under the leveraging arrangement. The lender may also serve as an investment adviser to certain investors in the Levered Funds and in this capacity faces certain conflicts of interest in advising clients to invest in or withdraw from the Levered Funds when such subscription or continued investment could result in increased interest and fees paid to the lender or its affiliates. AAM, the Levered Funds and the Achievement Master Fund also face conflicts of interest in acting in the best interests of the Achievement Master Fund, the Levered Funds and the Non-Levered Funds given that certain actions of the Achievement Master Fund could result in events of default at the Levered Fund level.

While leveraging arrangements present opportunities for increasing the total return on investments, they also have the effect of magnifying losses. Accordingly, any event that adversely affects the value of the Achievement Master Fund will be magnified as it relates to the Levered Funds, increasing the Levered Funds' volatility. The use of leverage by the Levered Funds in a market that moves adversely to the Achievement Master Fund will result in a substantial loss to the Levered Funds, which would be greater than if investors had invested in the Achievement Master Fund without leverage. These losses could result in the Levered Funds no longer being able to participate through the leveraging arrangements in subsequent performance recoveries by the Achievement Master Fund (with the result that the Leverage Funds would materially underperform an unleveraged, direct investment in the Achievement Master Fund).

In addition, and subject to certain exceptions, the Achievement Master Fund has agreed with leverage providers that if either Non-Levered Fund makes a redemption as of a redemption date on terms more preferential than the Non-Levered Funds' standard withdrawal terms and during a period when a default, an event of default or a termination event has occurred or would occur as a result of such redemption, then each leverage provider may require the Levered Funds to redeem an amount of Achievement Master Fund shares equal in value to the aggregate amount of all redemptions by a Non-Levered Fund as of the same redemption date and such redemption by the Levered Funds will be made as of such redemption date and the proceeds will be paid to the custodial account(s) in respect of the Achievement Master Fund shares pledged as collateral to each such leverage provider. As a result, the Non-Levered Fund, under certain circumstances, may be limited in its ability to allow voluntary or mandatory withdrawals in respect of its members' interests or shareholders' shares, as applicable, on terms other than the Non-Levered Funds' standard withdrawal terms.

The above description is not an exhaustive summary of the terms and risks of the leveraging arrangements but is supplemental to the descriptions of the leveraging arrangements in the offering documents, which may be updated or supplemented from time to time, of the Achievement Funds. The terms of the leveraging arrangements could change at any time.

Leverage: The Achievement Funds employ leverage in the execution of certain investment strategies, both through its borrowings and through leverage typically embedded in its investment in certain derivative instruments. Transactions in options are inherently and substantially leveraged. The use of leverage increases any losses incurred on investments in direct proportion to the degree of leverage employed. Furthermore, the credit extended to the Achievement Funds by dealers to permit it to maintain its leveraged positions can be terminated by the dealers largely in their discretion, forcing such liquidation or margin calls at potentially material losses. Changes in required collateral for swap counterparties and changes in availability of leverage from prime brokers can occur. The effect of such changes could result in losses and reduce the Achievement Funds' ability to capitalize on opportunities. The Achievement Funds may have significant counterparty exposure in both its prime brokerage arrangements and swap transactions. The Achievement Funds may actively engage in credit default swaps, OTC derivatives and other swaps with numerous counterparties. If a counterparty becomes distressed or bankrupt, the collateral posted against such swap could be lost and the cost of replacing the swap could be high, which could cause the Achievement Funds to sustain material losses.

The Achievement Master Fund may also employ leverage which will vary from time to time and may be substantial. Such arrangements may include bank borrowings, swaps and other derivatives as well as trading stocks on margin, repurchase agreements, futures and other means, subject to the availability of leverage in the marketplace on acceptable terms. Most companies in whose securities or derivatives the Achievement Funds will invest also carry varying amounts of debt. The availability of leverage or financing can be adversely affected during stressful market periods such as 1990, 1998 and 2008.

Additional information on leverage can be obtained in the respective Achievement Fund's offering document.

Relative Value Trading: The success of relative value trading is dependent on AAM's ability to exploit relative mispricings among interrelated instruments. Mispricings, even if correctly identified, may not converge within the time frame which the Achievement Funds maintain their positions and may even diverge. Even true "riskless" arbitrage—which is rare—can result in significant losses if the arbitrage is not able to be sustained until expiration (due, for example, to margin calls) and few, if any, of the Achievement Funds' positions will constitute true arbitrage as opposed to relative value trades. Relative value trading is subject to the risks of disruptions in historical price relationships, the restricted availability of credit and the obsolescence or inaccuracy of its or third-party valuation models. Market disruptions may also force the Achievement Funds prematurely to close out one or more positions. Such disruptions have in the recent past resulted in substantial losses for funds employing relative value trades.

Investments in Equity Securities: Equity securities generally represent the most junior position in an

issuer's capital structure and, as such, generally entitle holders to an interest in the assets of the issuer, if any, remaining after all more senior claims to such assets have been satisfied. Holders of common stock generally are entitled to dividends only if, and to the extent declared by, the governing body of the issuer, out of income or other assets legally available after making provision for payment of indebtedness obligations and interest, dividend and any other required payments on more senior securities of the issuer.

Arbitrage Transaction Risks: Arbitrage strategies attempt to take advantage of perceived price discrepancies of identical or similar financial instruments on different markets or in different forms. AAM may employ any one or more of these arbitrage strategies. If the requisite elements of an arbitrage strategy are not properly analyzed, or unexpected events or price movements intervene, losses can occur which can be magnified to the extent the Achievement Funds are employing leverage. Moreover, arbitrage strategies often depend upon identifying favorable "spreads," which can also be identified, reduced or eliminated by other market participants.

Convertible Arbitrage Risk: Convertible arbitrage risks include, but are not limited to, the following:

- dramatically rising interest rates or escalating market volatility may adversely affect the relationship between securities;
- convertible securities tend to be significantly less liquid and have wider bid/offer spreads making it more difficult to enter and profitably exit these trades;
- convertible arbitrage involves an inherently imperfect and dynamic hedging relationship and must be adjusted from time to time;
- convertible arbitrage involves selling securities short;
- a material change in the dividend policy of the underlying common equity may adversely affect the prices of the securities involved;
- changes in the issuer's credit rating may adversely affect the prices of the securities involved; and
- unexpected merger or other extraordinary transactions affecting the convertible security or common equity may adversely affect the prices of the securities involved.

Event Driven Trading: Due to the inherently speculative nature of event-driven trading, the results may fluctuate from period to period, and are not expected to correlate with the direction of the markets. The Achievement Funds' strategies could be to make an investment based on a belief that the event in question will or will not, in fact, occur. For example, the price offered for securities of a company involved in an announced deal will generally be at a significant premium above the market price prior to the announcement, and accordingly the failure of a proposed transaction to close is generally followed by a significant decline in the value of the securities as the market price returns to a level comparable to that which existed prior to the announcement of the transaction. The number of event-driven opportunities available varies greatly and is based on many factors beyond the control of the Achievement Funds' portfolio managers. The completion of mergers, tender offers, and exchange offers can be prevented or delayed by a variety of factors, including, without limitation: opposition by the management or stockholders of the target company; intervention of a U.S. federal, state or foreign regulatory agency; efforts by the target company to pursue a "defensive" strategy; in the case of a merger, failure to obtain the necessary stockholder approvals; market conditions resulting in material changes in securities prices; compliance with any applicable U.S. federal, state or foreign securities laws; inability to obtain adequate financing; and material adverse changes in target or acquiring companies.

Futures Contracts and Futures Options: The Achievement Funds may trade futures and futures options for speculative or hedging purposes. The prices of these contracts are highly volatile. As a result of the low margin deposits normally required in futures trading, a high degree of leverage is typical.

Accordingly, a relatively small price movement in a futures contract may result in substantial losses to the Achievement Funds. Commodity exchanges limit fluctuations in futures contract prices during a single day. This could prevent the Achievement Funds' portfolio managers from promptly liquidating unfavorable positions and subject the funds to substantial losses.

Corporate Debt Obligations, Convertible Securities and High-Yield Securities: The Achievement Funds may invest in corporate debt obligations, convertible securities (which are securities that may be exchanged or converted into a predetermined number of the issuer's underlying shares, the shares of another company, or securities that are indexed to an unmanaged market index, at the option of the holder during a specified time period) and high-yield securities. Debt obligations are subject to the risk of an issuer's inability to meet principal and interest payments on the obligations, *i.e.*, credit risk. There can be no guarantee that AAM will be successful in making the right selections and thus mitigate the impact of credit risk changes on the Achievement Funds. High-yield bonds have a greater risk of loss of principal and interest, tend to fluctuate more, are in thinner and less active markets than higher-rated securities, and are generally considered to be predominately speculative.

Municipal Instruments: The Achievement Funds may invest in municipal bonds. These bonds—backed by the taxing power of a municipality, by dedicated revenue streams or by other sources—are subject to governmental approvals and political processes and are often limited in aggregate amount. The maturity dates, call and sinking fund payment and other terms of these securities vary widely, as does the demand for different issues, as well as the creditworthiness of the respective issuers. There can be no guarantee that AAM will be successful in making the right selections and thus mitigate the impact of credit risk on the Achievement Fund.

Reliance on Corporate Management and Financial Reporting: Some of the strategies implemented by the Achievement Funds rely on the financial information made available by the issuers. Neither AAM nor the portfolio managers have the ability to independently verify the financial information disseminated by these issuers; they are dependent upon the integrity of both the management of these issuers and the financial reporting process in general. Recent events have demonstrated material losses can occur as a result of corporate mismanagement, fraud, and accounting irregularities.

Short Sales: The Achievement Funds may engage in short selling. Securities sold short must later be replaced or offset by purchases, and therefore any appreciation in the market price of these securities results in a loss. Purchasing securities to close out short positions can itself cause their market price to rise further, thereby increasing losses. Furthermore, in the case of short sales of securities in which the Achievement Funds do not hold a long position, the funds may prematurely be forced to close out a short position if a counterparty demands the return of such borrowed securities. There can be no assurance that the securities necessary to cover a short position will be available for purchase. Short sales have been subject to emergency bans and additional governmental regulation in the past. For example, during the severe market disruptions following the bankruptcy of a number of Lehman Brothers entities in September 2008, securities regulators in a number of countries imposed bans on the short selling of financial sector equities. Further, the SEC has adopted a revised "uptick" rule and a new pan-European short selling regime is effective in the EU. There can be no assurance that such governmental regulations or actions will not materially adversely affect the Achievement Funds.

Transaction Volume and Market Liquidity: A decline in cash flows into the U.S. capital market or a slowdown in investment activity by mutual funds and other institutional and retail investors, as well as other factors, may cause a decline in transaction volumes in the U.S. market places. The Achievement Funds' investment activities may be materially affected by the volume of transactions in the U.S. markets. Higher market volume typically provides greater opportunities to engage in revenue-generating transactions. Therefore, a decline in transaction volumes may adversely affect the Achievement Funds' profit opportunities. A disruption in the exchanges on which instruments trade, such as a technical malfunction, a terrorist attack or a bankruptcy, is possible and could materially adversely affect the liquidity of the Achievement Funds. Moreover, large losses and/or forced liquidations of other hedge funds, commodity pools and/or trading desks at banks or investment banks could also materially

adversely affect the liquidity of the Achievement Funds. In general, the Achievement Funds rely on a properly functioning financial system to conduct its business. If the liquidity of the market decreases substantially this may result in significant losses on transactions.

Currency Risks: The Achievement Funds value their assets in U.S. dollars. Unless the Achievement Funds hedge their currency exposure, the value of their underlying assets will fluctuate with U.S. dollar exchange rates as well as with price changes of investments in the various local markets and currencies. An increase in the value of the U.S. dollar compared to the other currencies in which the Achievement Funds make investments will therefore reduce the effect of increases and magnify the U.S. dollar equivalent of the effect of decreases in the prices of the securities in their local markets. Conversely, a decrease in the value of the U.S. dollar will have the opposite effect. AAM expects to attempt to reduce or minimize the effect of fluctuations in the exchange rate by entering into spot or forward contracts, currency options and currency futures contracts or other financial investments to hedge such risks (“Currency Hedge”). There can be no assurance that a Currency Hedge will be successful or will not itself generate significant losses, but a Currency Hedge will likely prevent the Achievement Funds from benefiting from any gains associated with such currency exchange rate fluctuations.

Foreign Investments and Emerging Markets: Non-U.S. investments made by the Achievement Funds may involve certain special risks, including, among others: political or economic instability; the unpredictability of international trade patterns; the possibility of foreign governmental actions such as expropriation, nationalization or confiscatory taxation; the imposition or modification of exchange controls; price volatility; the imposition of withholding taxes on dividends, interest and gains or foreign taxes; liquidity in particular instruments, including currencies and sovereign debt; fluctuations in currency exchange rates and exchange control regulations; and differences in financial, accounting, regulatory and legal standards and principles. These risks are particularly acute for investments in emerging markets where regulatory and governmental control of markets is new and untested. Generally, investment in emerging markets involves less publicly available information, more volatile markets, less regulation of the securities market, less favorable tax consequences, and greater risk of rapid inflation, unstable currency, war and expropriation of assets. In addition, emerging markets typically are not as efficient as more established markets and tend to be less liquid. Accounting practices and financial reporting standards may not be as stringent in emerging markets, which may lead to greater potential for fraud or financial mismanagement. Lastly, the value of emerging market debt can be expected to be extremely sensitive to changes in interest rates worldwide and, in particular, in the country of the relevant issuer. Emerging market debt issuers and their obligations are not generally rated by any credit rating agency, and a significant proportion of such issuers and obligations would likely fall in the lowest rating category if they were rated.

Non-Diversification: Although AAM may allocate the Achievement Funds’ assets among one or any number of different strategies, techniques and products and portfolio managers, the funds’ portfolios may not be diversified among geographic areas, types of securities or a wide range of issuers. Accordingly, the investment portfolio of the Achievement Funds may be subject to more rapid change in value than would be the case if the funds were required to maintain a wide diversification.

Suspensions of Trading: Securities exchanges typically have the right to suspend or limit trading in any instrument traded on the exchange. A suspension would render the Achievement Funds temporarily or permanently unable to liquidate their positions and could thereby expose the funds to losses.

Frequent Trading: See section entitled Brokerage Practices for information regarding brokerage and other transaction costs.

Securities Lending: The Achievement Funds may borrow and lend securities on an on-going basis in the regular course of its investing. Third parties that borrow securities from the Achievement Funds may not be able to return these securities on demand, possibly causing the funds to default on their obligations to other parties, and may also default on the payment obligations owed to the funds in connection with such securities loans, potentially resulting in substantial losses to the funds. The Achievement Funds routinely

sell securities short and have a material risk that they cannot maintain their short positions which would force the funds to buy the securities in the open market. Such situations often result in the security significantly moving up in price, thereby causing a material loss for the Achievement Funds. Derivative positions on such securities can be similarly affected.

Catalyst Motivated Strategies: Investment strategies that rely upon catalyst events are subject to the risk that the catalyst or event that was anticipated to occur does not occur, causing losses to the Achievement Funds.

Unannounced Transactions: The Achievement Funds may make speculative purchases of securities. These may include securities which the Achievement Funds believe to be undervalued by the marketplace, securities in which a significant position has been acquired by one or more other persons, or securities of an issuer in the same or a related industry as other companies that have been the subject of an attempted acquisition. If the Achievement Funds purchase securities in anticipation of an acquisition attempt or reorganization which does not occur, the funds may sell the securities at a substantial loss. In addition, when securities are purchased in anticipation of an acquisition attempt or reorganization, substantial time may elapse between the Achievement Funds' purchase of securities and the acquisition or reorganization. In such cases, a portion of the Achievement Funds' capital would be committed during this period to the securities purchased, and the funds would incur an interest expense on the funds it borrowed to purchase the securities.

Restricted Securities: The Achievement Funds may invest in restricted securities, which are securities that cannot be offered for public resale unless registered under the applicable securities laws or that have a contractual restriction that prohibits or limits their resale (*i.e.*, Rule 144A securities). Such investments may include private placement securities that have not been registered under the applicable securities laws. Rule 144A securities are restricted securities that can be resold to qualified institutional buyers but not to the general public and therefore may be considered to be illiquid.

Distressed Securities: The Achievement Funds may invest in "distressed" securities, which are claims and obligations of U.S. and non-U.S. entities that are experiencing significant financial or business difficulties. Investments may include loans, loan participations, trade claims held by trade or other creditors, stocks, partnership interests and similar financial instruments, executory contracts and options or participations therein not publicly traded. The Achievement Funds may lose a substantial portion or all of their investment in a distressed environment or may be required to accept cash or securities with a value less than the funds' investment. Among the risks inherent in distressed securities are: (1) it frequently may be difficult to obtain information as to the true condition of the issuers, (2) it may be adversely affected by state and federal laws relating to, among other things, fraudulent conveyances, voidable preferences, lender liability and the bankruptcy court's discretionary power to disallow, subordinate or disenfranchise particular claims, (3) market prices of such instruments are also subject to abrupt and erratic market movements and above average price volatility and the spread between the bid and asked prices of such instruments may be greater than normally expected, (4) litigation is sometimes required which can be time-consuming and expensive, and can frequently lead to unpredicted delays or losses, and (5) to the extent the Achievement Funds invest in distressed sovereign debt obligations, they will be subject to additional risks and considerations not present in private distressed securities, including the uncertainties involved in enforcing and collecting debt obligations against sovereign nations, which may be affected by world events, changes in U.S. foreign policy and other factors outside of the control of AAM.

Concerns Regarding the Downgrade of the U.S. Credit Rating and the Sovereign Debt Crisis in Europe: On August 5, 2011, Standard & Poor's lowered its long term sovereign credit rating on the United States of America from AAA to AA+. While U.S. lawmakers reached agreement to raise the federal debt ceiling on August 2, 2011, the downgrade reflected Standard & Poor's view that the fiscal consolidation plan within that agreement fell short of what would be necessary to stabilize the U.S. government's medium term debt dynamics. This downgrade could have material adverse impacts on financial markets and economic conditions in the United States and throughout the world and, in turn, the market's

anticipation of these impacts could have a material adverse effect on the Achievement Funds' financial condition and liquidity. Moreover, this downgrade could cause interest rates to increase, which would increase the financial costs of Levered Fund leveraging arrangements. Because of the unprecedented nature of negative credit rating actions with respect to U.S. government obligations, the ultimate impacts on global markets and the Achievement Funds' business, financial condition and liquidity are unpredictable and may not be immediately apparent.

In addition, global markets and economic conditions have been negatively impacted by the ability of certain European Union ("EU") member states to service their sovereign debt obligations. The continued uncertainty over the outcome of the EU governments' financial support programs and the possibility that other EU member states may experience similar financial troubles could further disrupt global markets. In particular, it has and could in the future disrupt equity markets and result in volatile bond yields on the sovereign debt of EU members. These factors could have an adverse effect on the Achievement Funds.

ITEM 9 - DISCIPLINARY INFORMATION

AAM and its employees have not been involved in any legal or disciplinary events in the past 10 years that would be material to a client's (or prospective client's) evaluation of AAM or its management personnel.

ITEM 10 - OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

AAM affiliates include Achievement Holdings LP, the holding company of AAM, which is substantially owned and controlled by Joseph Scoby, Achievement Advisors (Switzerland) GmbH, an entity initially established for employment and tax purposes for certain Switzerland based employees, Achievement Advisors UK Ltd. and its affiliate, Achievement (UK) LLP. . AAM expects Achievement (UK) LLP to serve as a sub-adviser to the Achievement Funds possibly by the third quarter of 2015.

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

Code of Ethics

As an SEC-registered adviser, AAM has adopted a Code of Ethics under SEC Rule 204A-1 that is applicable to all AAM employees. The Code of Ethics contains policies and procedures that, among other things:

- Require employees to observe fiduciary duties owed to clients.
- Prohibit employees from taking personal advantage of opportunities belonging to Clients.
- Place limitations on personal trading by employees and impose pre-clearance and reporting obligations with respect to this trading, except for certain types of securities.
- Impose limitations on the giving and receiving of gifts and entertainment.
- Restrict employees' outside business activities.
- Prohibit the misuse of material, non-public information by AAM and its employees.

The Code of Ethics defines material and nonpublic information and the restrictions on trading on the basis of material nonpublic knowledge and sets forth the responsibilities of all access persons relative to insider trading.

All principals and employees of AAM must acknowledge understanding and agree to comply with the Code of Ethics initially upon employment and must certify on an annual basis that they have read and understand the Code of Ethics and have complied with it.

AAM's Code of Ethics is available to investors and potential investors and other Clients upon request.

Conflicts of Interest

In its role as an investment adviser, sub-adviser or manager, AAM and its principals and employees make investment decisions for its Clients. AAM and its principals and employees trade and invest for their own accounts and/or the accounts of others. A conflict exists in the event such individuals have proprietary investments in which Clients trade and invest simultaneously and/or if such individuals take investment positions that are different from or opposite to the positions taken by Clients. To address the conflicts of interest posed by this type of trading, AAM maintains the Code of Ethics, as described above. Specifically, the Code of Ethics requires principals and employees who wish to effect a transaction in any initial public offering or private placement and, with certain exceptions, in any publicly traded securities, to first obtain pre-clearance for the transaction. Additionally, certain transactions are subject to a minimum holding period and are limited to twelve (12) per calendar quarter. Further, the Code of Ethics requires principals and employees to submit initial, quarterly and annual transaction and holding reports.

The offering documents for the Funds contain a more complete description of what AAM believes to be the most significant conflicts of interest associated with an investment in the respective Fund.

Principal/Cross Trades: The federal securities laws prohibit an investment adviser from engaging in a principal trade, i.e., a transaction between the adviser or an affiliate and a client, without client consent. In general, AAM does not knowingly engage in principal trades, however, any principal trades knowingly engaged in by AAM will be completed in compliance with applicable law. Clients may unknowingly trade with each other, particularly through automatic execution facilities on various exchanges.

Other Activities of AAM; Insider Information: AAM may manage or sub-advise funds, accounts and the investment activities of other investment vehicles ("Other Funds"). Other Funds may utilize the same or similar investment strategies, techniques and products as the Clients, and in many circumstances, may compete with the Clients. In the event that the compensation to AAM from the Other Funds is higher than those generated by the Clients, AAM would have financial or other incentives to favor such Other Funds over the Clients. Additionally, personnel of AAM may come into possession of material non-public information or other confidential information with respect to public securities held by the Clients or the Other Funds. In these cases, AAM would be limited in its ability to act upon any such material non-public information or other confidential information to the extent required by applicable law. As a result, AAM may be prevented from initiating a transaction for the Clients that it otherwise might have initiated or may be prevented from liquidating an existing open position for the Clients when it otherwise might have done so.

Other Funds, including Sub-Advised Funds: There is an inherent conflict of interest in AAM's provision of services to the Achievement Funds and Other Funds. For example, the CIO of the Achievement Funds has general oversight responsibility of the investment activities of the Achievement Funds and Other Funds. In addition, Other Funds will receive shared services, including but not limited to, finance, accounting, compliance, information technology, administrative, risk control, human resources and legal from the same personnel that provide services to the Achievement Funds. Personnel of the Firm who also trade for the Other Funds will have access to and are expected to utilize general market subscriptions that are paid for by the Achievement Funds in hard dollars and the costs of which do not fall within the safe harbor provided by Section 28(e) of the Exchange Act. Such general market subscriptions are used to inform their view of market data and trends and general economic indicators (versus specific position analysis and information to be used in managing the Sub-Advised Funds). The Firm considers the costs of these subscriptions to be immaterial.

Other Funds are likely to hold some of the same investment positions as the Achievement Funds. Further, positions taken by the Sub-Advised Funds may dilute or otherwise negatively affect the values, prices or investment strategies associated with positions held by the Achievement Funds and may cause the Achievement Funds to incur higher costs than they otherwise would. The Achievement Funds and Other Funds may also hold interests or investments that are opposed to the other. AAM does not implement an information barrier between the Achievement Funds and Other Funds.

Allocation of Investment Opportunities; Management Time: AAM endeavors to act in a manner that it considers fair, reasonable and equitable in allocating investment opportunities to the Clients, but AAM has no specific obligation concerning the allocation of time, effort or investment opportunities to the Clients or any restrictions on the nature or timing of investments for the account of the Clients, the Other Funds or AAM's own account, if any. Investment activity for the Achievement Funds is largely undertaken at the Master Funds levels and, as a result, most trades are not allocated to each of the Achievement Funds individually. Investment activity for each Sub-Advised Fund is largely undertaken on a portfolio level basis and as a result, baskets of trades typically are placed for each Sub-Advised Fund. As a result, no trades are allocated between the Sub-Advised Funds. Further, AAM rebalances the Sub-Advised Funds, each independently of one another, at a minimum of once per week, and takes separate appropriate risk management steps when deemed appropriate. AAM may change these practices at any time.

AAM is not required to accord exclusivity or priority to any client in the event of "limited availability" investment opportunities. AAM may determine that an investment opportunity is appropriate for a Client or for an Other Fund and not for certain other Clients. To the extent that Other Funds invest in a particular investment, the ability of a Client to invest in the same investment may be adversely affected by any limitation on availability of the investment. From the standpoint of the Clients, simultaneous identical portfolio transactions for the Clients and Other Funds may tend to decrease the prices received, and increase the prices required to be paid, by the Clients for their portfolio sales and purchases. In addition, AAM may be required to choose between certain of the Clients and Other Funds in allocating investments.

In rare instances of allocations of securities of "limited availability," such as privately placed equity or debt, allocations may be made fairly and equitably by taking into consideration including, but not limited to, the following factors of each Client; investment strategy, investment objective and applicable restrictions, current asset allocation and cash available and any other factor deemed relevant. Ideally, the trade allocation methodology would be determined pre-trade and would require a pre-trade review and approval of AAM management and would be included for review by the respective best execution committee.

Trade Errors: It is AAM's policy to be as careful as possible in making and implementing investment decisions. Unfortunately, however, in the course of carrying out trading and investing responsibilities, AAM will make inevitable "trading errors" in executing specific trading instructions. Examples of trade errors include: buying or selling a security at a price or quantity that is inconsistent with the specific trading instructions generated by a particular strategy; buying rather than selling a particular security and vice versa; buying or selling securities not authorized by the Client; and buying or selling securities not within the respective Clients' investment objectives or strategies. AAM generally believes that such errors occur due to 'ordinary negligence' on the part of AAM, as such trading errors are inevitable given the frequency of trading that takes place in the normal and ordinary course of business for the Clients. Therefore, AAM will generally treat all trading errors, including those which result in losses and those which result in gains, for the accounts of the Clients. However, if trading errors are the result of AAM's fraud, gross negligence or willful misconduct, the Clients will receive the benefit of any gains and AAM will assume any losses. AAM discloses to Clients its trade error policies, including risks and conflicts of interests in its offering documents. AAM may contract with its qualified Clients, after all risk and conflicts of interest, to bear the effects of trade errors. Trade errors are not to be resolved through soft dollar or other reciprocal arrangements with broker-dealers.

Valuation: AAM is responsible for reporting its portfolio valuations and assigning valuations to the Funds' and the Master Funds' for the purposes of determining the Net Asset Value of the Funds and the Master Funds. Although AAM does so pursuant to established general principles contained in its written valuation policies and procedures, an incentive exists to obtain higher valuations for such investment assets since the compensation it receives from the Funds is based on such valuations. The applicable administrator calculates the Net Asset Value of the Funds and the Master Funds but is not responsible for determining the final value of the Funds or the Master Funds. Further, regardless of the general principles contained in AAM's written valuation policies and procedures and as summarized below, in all instances, the respective offering documents of each of the Funds, including any operating agreements, prevail with respect to the manner in which the valuation methodology of assets is applied.

General Principles of Valuation Methodology

Securities which are listed on a securities exchange or reported in the National Market System shall be valued at the closing price of the primary exchange or the consolidated tape, except securities options and index options which shall be valued at the mean between the "bid" and "asked" prices at the close of trading on such date. Securities which are mutual funds shall be valued at their daily closing net asset values, as such net asset values are (i) reported by the relevant mutual fund family, (ii) published in recognized newspapers such as *The Wall Street Journal* and *Financial Times* or (iii) disseminated by quotation services such as Reuters or Bloomberg. Commodity interests traded on a United States or foreign exchange shall be valued at their last reported settlement price on the date for which the valuation is made on the exchange on which such interests were purchased or sold. Commodity interests not so traded shall be valued at the mean between their last "bid" and "asked" prices on the dates of which the value is being determined as reported by any reliable source selected by AAM. Currency forwards shall generally be valued as quoted by dealers or other sources of price information that AAM considers reliable at the close of trading on the date of determination. When the securities of an issuer trade both as shares on a foreign exchange and as depositary receipts on one or more other foreign or United States exchanges, such securities will be valued at the price established on the exchange on which the price is most indicative of fair value as determined by AAM. All other assets shall be valued at the fair market value thereof as determined in good faith by AAM, and such value, as well as other values assigned to securities and other Funds or Master Funds property by AAM, shall be final and conclusive. The foregoing valuations, where applicable, will be made based upon exchange closing prices at 4:00 p.m. EST (except as provided herein). However, the Net Asset Value of the Funds includes any income or expense accrued through the end of the relevant period, notwithstanding that certain portfolio valuations may be as of an earlier date and time (e.g. where the last calendar day of the month is not a business day). AAM, in valuing investments, may select such other methods of valuation as it in good faith shall deem appropriate under the circumstances. Without limiting the generality of the foregoing, AAM may adjust valuations to reflect restrictions on marketability, illiquidity in certain investments, and any commission or other accrued transaction fee that would be incurred in liquidating an investment position. Net Asset Value calculations reflect the deduction of all accrued debts and liabilities of the Funds and the Master Funds, as the case may be, including provisions for accounting, audit, legal and other operating expenses as well as any contingencies for which reserves as determined to be required. The Net Asset Value of any date reflects an accrual equal to any performance fees that would have been payable to AAM if the valuation date were the close of a performance fee calculation period. Prospective investors should be aware that situations involving uncertainties as to the valuation of portfolio positions could have an adverse effect on the Funds' and the Master Funds' Net Asset Value if AAM judgments regarding appropriate valuations should prove incorrect. In the absence of bad faith or manifest error, the Net Asset Value calculations are conclusive and binding on all Fund investors.

Separately, AAM is not responsible for assigning valuations to the Sub-Advised Funds' portfolios of investments for the purposes of determining the Net Asset Value of the Sub-Advised Funds.

Side Letters: AAM may cause the Achievement Funds to accept investments with terms that are different than what the funds set forth in their respective offering documents. Such arrangements may be memorialized in side letters or similar written agreements with certain investors.

ITEM 12 - BROKERAGE PRACTICES

In selecting brokers, it is AAM's policy to place portfolio transactions with brokers who will execute transactions as efficiently as possible and at the best price. The Clients pay brokerage commissions to the third party brokers that execute transactions for their accounts. Specifically, AAM believes that LLC and Ltd. will have high turnover relative to many other private funds and LLC and Ltd. will thus pay high commissions and bid-ask spread costs to brokers. The Achievement Funds and the Master Funds engage in both "low touch" orders (*i.e.*, electronic trading) and "high touch" orders (*i.e.*, phone to phone orders). High touch orders are significantly more expensive than low touch orders. The proportion of high versus low touch transactions may vary considerably. The Sub-Advised Funds largely engage in low touch orders, and, AAM leverages existing broker relationships utilized by the Achievement Funds and/or the adviser of the Sub-Advised Funds. The following general principles are utilized by AAM when selecting brokers to execute transactions for its Clients.

AAM has complete authority over the selection of the brokers used to effect Client transactions, has a policy to approve new brokers prior to use for execution and keeps a list of approved brokers. In effecting transactions, AAM will place orders in accordance with its best execution policies, which are not based solely on the lowest possible commission cost alone but also take into account a number of factors that may include, but are not limited to:

- the broker's commission rates and other transactional charges;
- the broker's financial stability and responsibility, reputation, reliability and responsiveness to AAM;
- the broker's ability to execute trades, willingness to execute difficult transactions, special execution capabilities and efficiency of execution;
- the range and quality of the services provided to AAM's clients, including back office and processing capabilities; and
- the brokers' professional services, including clearance procedures and ability to provide supplemental performance, statistical and other research information for consideration, analysis and evaluation by AAM and the success of prior research provided.

Accordingly, transactions are not always executed at the lowest possible price or commission.

When appropriate, under AAM's discretionary authority and consistent with its duty to seek best execution, AAM may enter into commission sharing arrangements and or direct certain trades for its Clients to broker-dealers who provide AAM with brokerage and research products and services including but not limited to broker and third party research, opportunities to meet with management of companies³ and market data products. The commissions used to acquire brokerage and research services are known as "soft dollars." AAM, through its Best Execution Committee's, will monitor and determine in good faith that the amount of commission charged is reasonable in relation to the value of the brokerage, execution, research, sales and other services provided by a broker for the benefit of its Clients, viewed in terms of the particular transaction or AAM's overall responsibilities to all of its Clients, before directing brokerage business to that broker. While AAM cannot readily determine the extent to which commission rates charged by a broker reflect the value of their research services, AAM expects to assess the reasonableness of commissions in light of the total brokerage and research services provided by each particular broker. Certain brokers may state in advance the amount of brokerage commissions they require for certain services. The Best Execution Committee also determines the preferred brokers, placing value on a number of factors including but not limited to execution, research and idea generation.

³ Meetings with management, also known as "corporate access," may not be permitted in all jurisdictions.

The research services provided by brokers may relate to specific transactions placed with such brokers, but for the most part the research services consist of a wide variety of information useful to AAM in connection with its responsibilities on behalf of its Clients. This material might relate to general economic, interest rate and stock market conditions as well as information on specific companies and industries. AAM generally intends to accept research and related services falling within the safe harbor for fiduciaries use of “soft dollar” payments established under Section 28(e) of the Exchange Act, although certain research and related services may fall outside of the safe harbor. It is the policy of AAM to limit soft dollar credit payments to those that qualify under Section 28(e) of the Exchange Act. AAM follows policies and procedures that it believes are reasonably designed to ensure that soft dollars are used in a manner that is consistent with seeking best execution and that services outside the safe harbor are identified.

When AAM uses brokerage commissions to obtain soft dollar services, it receives a benefit because it does not have to produce or pay for the research, products or service. The use of commissions to pay for research and brokerage services may present AAM with conflicts of interest. AAM may have an incentive to select a broker-dealer based on its interest in receiving the research or other products or services rather than Clients’ interest in receiving most favorable execution.

Services constituting “research” under Section 28(e) that AAM may receive in connection with Client trading may include, but are not limited to: newswire and quotation services; research reports; financial newsletters and trade journals; software used to analyze securities portfolios; corporate governance research and rating services; attendance at certain seminars and conferences; economic and market information; portfolio strategy advice; industry and company comments; technical data; recommendations; information on industries, groups of securities, individual companies, political developments, and legal developments affecting portfolio securities; statistical information; accounting and legal interpretations relating to Client transactions; credit analysis; risk measurement analysis and performance analysis. These research services are received primarily in the form of written reports, calls and meetings with research analysts. In addition, such research services may be provided in the form of access to computer-generated data and meetings arranged with corporate and industry spokespersons, economists, academicians and/or government representatives.

Products and services constituting “brokerage” under Section 28(e) that AAM may receive in connection with Client trading may include, but are not limited to: services related to the execution, clearing and settlement of securities transactions and functions incidental thereto, such as connectivity services between AAM and a broker-dealer and other relevant parties such as custodians; trading software operated by a broker-dealer to route orders; software that provides trade analytics and trading strategies; software used to transmit orders; trade clearance and settlement; electronic communication of allocation instructions; routing of settlement instructions; post-trade matching of trade information; and services required by the SEC or a self-regulatory organization such as comparison services, electronic confirms or trade affirmations.

Clients will pay differing amount of commissions, spreads and financing fees to broker dealers, and the services provided by the broker dealers to Clients will differ. Any products or services that AAM receives from broker dealers may be used in connection with the management of all Client accounts, not just selected accounts. Accordingly, all Clients may not necessarily, in any particular instance, be the direct or indirect beneficiary of the research or brokerage services provided in consideration of the soft dollars generated by a particular Client’s trading. The benefits that a particular client receives from broker dealers may fall short of the commissions, spreads and financing fees that it pays, and other clients may benefit from the commissions, spreads and financing fees paid by a particular client.

The brokers engaged by AAM may sponsor seminars, hold meetings or provide other capital introduction services to introduce AAM and the Achievement Funds to consultants and investors seeking exposure to the Achievement Funds. AAM directs brokerage to such brokers in the ordinary course of its business and not with intent to pay the broker for providing the capital introduction services.

AAM does not aggregate the purchase or sale of securities between the Achievement Funds and the portfolios it manages on behalf of the Sub-Advised Funds, nor between any Sub-Advised Fund portfolios, given that the execution of trades and investment decision making for each entity are made independently of one another. This autonomy is a result of the difference between the investment objectives of the Achievement Funds and those implemented on behalf of Sub-Advised Funds and the difference between the investment guidelines agreed to between AAM and each of the Sub-Advised Funds.

AAM has formed a best execution committee for the Achievement Funds and the Sub-Advised Fund portfolios, respectively, which meet quarterly to fulfill its obligations to periodically and systematically review the execution performance of, and value of the other services received from brokers, including research. The committees review execution related data which includes, but is not limited to, reports provided by the executing broker, if any, and reports generated by AAM. Certain Sub-Advised Funds may require AAM to utilize certain brokers or only make certain broker arrangements available for use.

ITEM 13 - REVIEW OF ACCOUNTS

The Chief Investment Officer (“CIO”) and his delegates of the Achievement Funds, and the portfolio managers of the Sub-Advised Fund portfolios, conduct regular and ongoing reviews of the trading activity of the Achievement Funds and the Sub-Advised Fund portfolios, respectively, to confirm that trading is consistent with stated investment objectives, strategies and restrictions. The CIO and the portfolio managers also monitor investment activities through the establishment and monitoring of risk parameters for the portfolio managers and traders of the Achievement Funds and the Sub-Advised Fund portfolios, respectively. Further, the CIO chairs the Achievement Funds’ investment committee which oversees and evaluates portfolio construction of the Achievement Funds.

AAM and/or the administrator for the Funds provide investors in the Funds with monthly unaudited performance updates, periodic performance information, annual audited financial statements, and income tax reporting information after the end of each calendar year. AAM also may provide investors in the Funds with additional information, such as, but not limited to, estimated performance, leverage, capital allocations, risk limits, returns by strategy, and other summary information upon request.

Specific requests for trade activity, positions, or other information will be evaluated by AAM. Given that AAM honors reasonable requests for such information from investors in the Funds and prospective investors in the Achievement Funds, some investors in the Funds and prospective investors in the Achievement Funds will possess more information than others and may make investment decisions based on the trade activity, position, or other information provided. In general, if AAM releases such information to investors in the Funds and prospective investors in the Achievement Funds, it will release the same information to any investor in the Funds if requested. However, if AAM does not believe that a request for information is reasonable, it reserves the right to refuse the request.

ITEM 14 - CLIENT REFERRALS AND OTHER COMPENSATION

AAM does not receive any economic benefit for providing investment advice or advisory services other than from the Achievement Funds, the Sub-Advised Funds or the Other Funds. AAM may engage placement agents to solicit investors for the Achievement Funds pursuant to a written selling agreement and in compliance with applicable securities laws, including requiring delivery of the relevant Achievement Fund’s offering document and other materials such as this Brochure. AAM may compensate certain placement agents pursuant to a written agreement. AAM may pay a placement agent a monthly fee or a portion of the advisory fees or revenues earned from providing advisory services to an investor referred to us by a placement agent. The payment of fees may cause the placement agent to recommend AAM over another adviser that does not pay solicitation fees. The costs of any such fees are paid entirely by AAM and, therefore, do not result in any additional charges to investors. However, an investor introduced to the Achievement Funds by a placement agent may be charged an asset-based

distribution fee (*i.e.* sales load) equal to the percentage of its gross subscription. Any such fee will be disclosed in advance in a separate disclosure statement provided by the third party or by other means.

ITEM 15 - CUSTODY

The securities and other assets of the Funds are held by qualified custodians, however, under the SEC's rule governing custody of client assets, AAM is deemed to have custody of the securities and other assets of the Funds even though AAM does not physically hold the securities and other assets and these securities and assets are not held or registered in AAM's name. AAM is exempt from many of the provisions of the custody rule 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 are distributed to each investor in the Funds within 120 of the end of each Fund's fiscal year.

ITEM 16 - INVESTMENT DISCRETION

AAM has complete investment authority with respect to all securities owned by the Funds as described in the applicable offering documents, subscription agreements and side letters. In addition, AAM has authority to direct the trading activities of Master Funds, including determining which securities are bought and sold, the total amount to be bought and sold, which broker or dealer will effect such transactions and the commission rates at which the transactions will be effected.

In addition, AAM has been given authority to trade portfolios on behalf of certain Sub-Advised Funds pursuant to the terms and conditions established by the respective advisers.

ITEM 17 - VOTING CLIENT SECURITIES

AAM exercises proxy voting authority on behalf of certain Clients. In voting proxies, AAM is guided by general fiduciary principles and AAM's goal is to act prudently and solely in the best interests of Clients. AAM does not allow Fund investors to direct the vote on proxies.

In furtherance of AAM's goal to vote proxies in the best interest of its Clients, AAM generally utilizes a third party proxy voting service to assist in voting and recordkeeping of proxies. This service may also help mitigate conflicts of interest that may arise between AAM's own interests and those of the relevant client before voting proxies on its behalf. The third party service will vote in favor of proposals that are a standard and necessary aspect of business operations that is believed to not typically have a significant effect on the value of an investment. Such proposals include:

- name changes;
- election of directors;
- ratification of auditors;
- maintenance of current levels of directors' indemnification and liability;
- increases in authorized shares (common stock only) if there is no intention to significantly dilute shareholders' proportionate interest; and
- employee stock purchase and ownership plans.

In addition, the third party service may provide recommendations for (for, against or abstain) other proposals pursuant to their guidelines, including, but not limited to:

- executive compensation;

- shareholder rights plans (poison pills);
- reincorporation; and
- exclusive forum provisions.

Further, the third party service generally does not provide recommendations for the following types of events:

- noteholder meetings;
- bondholder meetings;
- consent meetings;
- bankruptcy meetings; and
- corporate action proposals.

In the event the third party service does not provide a recommendation, or AAM chooses to vote contrary to a third party service recommendation, it is AAM's policy generally to vote against any management proposals that AAM believes:

- could prevent companies from realizing their maximum market value;
- may insulate companies and/or management from accountability to shareholders; or
- should be voted against for prudent regulatory compliance.

Recordkeeping of AAM's rationale along with evidence of advance approval by the CIO, or his delegates, with respect to the Achievement Funds, and a portfolio manager with respect to the Sub-Advised Funds, will be maintained by AAM's Director of Operations. AAM will seek to avoid possible conflicts of interest in connection with proxy voting when it votes, either in the event the third party service does not provide a recommendation or in the event AAM chooses to vote contrary to the third party service recommendation. A potential conflict of interest could exist, for example, where AAM, or one of its employees, is affiliated or associated with the issuer, or AAM holds the issuer's securities on a proprietary basis. In the event of a conflict of interest, Client conflicts will be escalated to AAM's Chief Operating Officer ("COO").

Where a CIO, or its delegate, or a portfolio manager determines that a vote should be cast other than as recommended by the third party service, and there is the potential for a conflict of interest, the COO will be consulted and a determination will be made as to whether one or more of the following steps will be taken:

- inform Achievement Fund investors or the Sub-Advised Funds of the material conflict and AAM's voting decision;
- discuss the proxy vote with Achievement Fund investors or the Sub-Advised Funds;
- fully disclose the material facts regarding the conflict and seek the Achievement Fund investors' or Sub-Advised Funds' consent to vote the proxy as intended; and/or
- seek the recommendation of an independent third party.

Any employee who brings forth a request to vote a proxy other than as recommended by the third party service and who has a direct or indirect pecuniary interest in any issue presented for voting, or any relationship with the issuer, must inform AAM's Chief Compliance Officer and recuse him or herself from decisions regarding that proxy vote. Under AAM's proxy policy, the CIO or his delegates, or portfolio manager, as applicable, will evaluate such employee request and decide whether to proceed to vote other than as recommended by the third party service. If it is decided that the vote should be other than as recommended, the CIO, or his delegates, or portfolio manager will document the steps taken to evidence that the proxy vote or abstention was in the best interest of the Client and not the product of any material conflict. AAM also maintains a record of proxy statements received, votes cast on behalf of each Client and any documents prepared by AAM that were material to how a proxy was voted or the basis for a voting decision. AAM's proxy policy also specifies that it will discuss the record of proxy votes cast by AAM or the third party engaged to vote certain proxies for a Client upon request.

Investment adviser clients of AAM or investors in the Funds may request a copy of AAM's Proxy Voting Policy, as well as relevant proxy voting records by contacting Donna MacDonald, AAM's Chief Compliance Officer, at 141 West Jackson Blvd, Suite 800, Chicago, IL 60604.

ITEM 18 - FINANCIAL INFORMATION

AAM is not aware of any financial condition that could impair its ability to meet its contractual commitments to its Clients. AAM is not required to include a balance sheet for its most current fiscal year, is not aware of any financial conditions reasonably likely to impair its ability to meet contractual commitments to Clients and has not been the subject of a bankruptcy petition at any time during the past ten years.