

GM ADVISORY GROUP, INC.

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This Brochure provides information about the qualifications and business practices of GM Advisory Group, Inc ("GMAG"). If you have any questions about the contents of this Brochure, please contact GM Advisory's Chief Compliance Officer ("CCO"), Margaret Iamunno at 631-227-3900 or by e-mail miamunno@gmadvisorygroup.com. Additional information about GM Advisory Group, Inc. also is available on the SEC's website at www.adviserinfo.sec.gov. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority.

Registration of an investment adviser does not imply that GM Advisory Group, Inc. or any of its principals or employees possesses a particular level of skill or training in the investment advisory business or any other business.

Item 2: Material Changes

- Effective November 4, 2016, Margaret Iamunno has been appointed Chief Compliance Officer.
- Effective October 26, 2016, GM Advisory Group has established an office at 375 Park Avenue, 21st Floor, New York, NY 10152.

Item 3: Table of Contents

Item 1: Cover Page	1
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Item 2: Material Changes	2
Item 3: Table of Contents	2
Item 4: Advisory Business	4
Item 5: Fees and Compensation	6
Item 6: Performance-Based Fees and Side-By-Side Management	10
Item 7: Types of Clients	11
Item 8: Methods of Analysis, Investment Strategies and Risk of Loss	11
Item 9: Disciplinary Information	11
Item 10: Other Financial Industry Activities and Affiliations	16
Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal	16
Item 12: Brokerage Practices	17
Item 13: Review of Accounts	19
Item 14: Client Referrals and Other Compensation	20
Item 15: Custody	20
Item 16: Investment Discretion	20
Item 17: Voting Client Securities	21
Item 18: Financial Information	21

Item 4: Advisory Business

GM Advisory Group, Inc. ("**GMAG**", the "**Adviser**", "**we**", "**us**", "**our**" or the "**Firm**") is a corporation organized under the laws of the State of New York. It was founded in 2004 and primarily provides investment advisory services to managed account Clients, including individuals, trusts, estates, charitable organizations, and business entities on a wrap fee basis.

GMAG also serves as the investment manager of GMAG Diversified Opportunities Fund, L.P. (the "**Fund**"), and our affiliate, GMAG Diversified Fund GP, LLC (the "**General Partner**"), is its General Partner. We are responsible for implementing the investment objectives and securities-trading activities of the Fund, pursuant to the Fund's organizational and operative documents.

The Fund and the separately managed accounts are collectively referred to as the "**Clients**" or "**Client Accounts**". The Fund is managed only in accordance with its own characteristics and is not tailored to any particular private fund investor (each an "**Investor**"). Information about the Fund can be found in its offering documents, including its confidential information memorandum.

The General Partner and GMAG receive incentive allocations and management fees, respectively, in connection with the advisory services that each provides to the Fund. The incentive allocation and management fee are different from the fees received by GMAG with respect to its managed accounts. GMAG is registered as an investment adviser with the SEC, and has no intermediate subsidiaries that are publicly held.

GMAG provides Financial Planning Consulting Services on a flat fee basis. These services cover financial planning for a variety of client needs such as education, retirement, insurance needs, cash flow planning, tax planning and wealth preservation. As of December 31, 2016, GMAG had \$596,568,118 of assets under advisement pursuant to its Financial Planning Consulting Services.

Frank Marzano is the sole principal owner and is the Managing Principal of GMAG. Frank Marzano is also the managing member of the General Partner and the manager of the Fund ("**Fund Manager**"). Frank Marzano is solely responsible for managing and investing the Fund's capital, as well as the capital of the separately managed accounts of GMAG.

In addition to Frank Marzano, GMAG employs 24 individuals.

Separately Managed Account Clients

We primarily provide discretionary investment management services to our managed account Clients on a wrap fee basis in accordance with GMAG's investment management wrap fee program (the "**Wrap Fee Program**"). Clients in the Wrap Fee program pay one fee which covers both advisory fees and commissions on trades executed in their accounts. GMAG has personal discussions with its Clients in which goals and objectives based on their particular circumstances are determined. We develop a Client's investment policy and create and manage a portfolio based on that policy, consisting of one or more of the following: individual equities, bonds, exchange traded funds, no-load or load-waived mutual funds, or other investment vehicles. Each of our Clients individually owns the securities in the individual portfolio.

We use a variety of different sources of financial information to analyze securities including financial publications, inspections of corporate activities, research materials and reports, corporate rating services, annual reports, prospectuses, SEC filings, and company press releases. We receive research services in various forms, including written reports and information obtained by electronic sources including the Internet.

To the extent a Client requests financial planning services or financial advice on non-investment related matters, we may provide those services and we may charge additional fees for such services. We may recommend the services of other professionals, including licensed insurance agents; however, our Clients are under no obligation to engage the professionals we recommend. GMAG does not guarantee the services of any recommended professional, and we are not liable for any action, omission, recommendation, decision, or loss as a result of a Client's use of one of these recommended professionals.

Customized Services

GMAG provides customized advisory services to its managed account Clients based upon each Client's unique needs, objectives, and concerns. We clarify Client goals and objectives in meetings and in correspondence, and we use those goals to determine the course of action for each individual Client. We document goals and objectives for each Client. Each Client has the opportunity to place reasonable written restrictions on the types of investments that will be made on their behalf. Unless a Client has advised GMAG in writing to the contrary, GMAG is not subject to restrictions on the management of a particular Client's managed account assets.

Wrap Fee Programs

As mentioned above, we offer our managed account Clients the option to participate in our Wrap Fee Program. Under the Wrap Fee Program, GMAG offers participants discretionary investment management services for a single specified annual fee, inclusive of execution, custodial, reporting, and investment management fees. GMAG also offers to a limited number of Clients participation in a non-discretionary wrap fee program. GMAG receives a portion of the fee for its services. Execution, reporting, and custodial services for the Wrap Fee Program are generally provided by Pershing Advisor Solutions, LLC ("Pershing") or Charles Schwab & Co., Inc. ("Schwab"). Participation in the Wrap Fee Program may cost more or less than purchasing those services separately. In addition, the fees charged by GMAG for participation in the Wrap Fee Program may be higher or lower than those charged by other sponsors of comparable wrap fee programs. Although most of our managed account Clients choose to participate in the Wrap Fee Program, there is no substantive difference between how we manage wrap fee accounts and how we manage other managed accounts.

GMAG Diversified Opportunity Fund

GMAG provides investment advice to the Fund, a fund of funds, to carry out its primary objective, the achievement of capital appreciation as a multi-strategy fund. Its strategy is to gain exposure to investments structured to enhance performance in volatile markets by minimizing, to the extent possible, the correlation between the volatility of Fund investments and the volatility of the broader equity markets. The Fund invests by choosing portfolio managers who utilize broad range of opportunities and investment styles including, but not limited to, long-short investment strategies, convertible bond arbitrage, event driven strategies including merger arbitrage, risk arbitrage, fixed income strategies, quantitative trading and statistical arbitrage, activist strategies, global macro

strategies, market neutral strategies, and emerging markets. The Fund may also make investments in private equity funds or invest directly in private companies. In addition, the Fund makes direct investments in the securities of public companies. The Fund's offering documents and organizational documents, as amended; explain any restrictions imposed on Fund investments.

As of December 31, 2016, the Firm managed approximately \$623,388,225 million in Regulatory Assets under Management, on a discretionary basis and \$63,350,953 million in Regulatory Assets under Management on a non-discretionary basis.

Item 5: Fees and Compensation

Managed Accounts

As described above in Item 4, most of our managed account Clients participate in our Wrap Fee Program. Each Client pays a single fee ("Program Fee") for our advisory services, as well as a number of third-party services and costs, including execution (including transaction costs), custody, quarterly performance reporting, and investment management. While all fees are subject to negotiation, the current annual Program Fee is based upon a percentage of the managed account Client's assets placed under GMAG's management. The following fee schedule applies:

Assets Under Management	Annual % Fee
Initial \$500,000	2.00%
Next \$500,000	1.75%
Next \$1,000,000	1.25%
Next \$2,000,000	1.00%
Next \$4,000,000	0.75%
All Additional	0.50%

The Program Fee is not charged on the basis of a share of capital gains upon or capital appreciation of the assets or any portion of the assets. In considering the investment programs described in this brochure, you should be aware that the cost of the Wrap Fee Program may exceed the cost of purchasing investment advisory services from other advisers or broker-dealers. In addition, the amount of compensation received by GMAG as a result of a Client's participation in the Wrap Fee Program may be more than the amount that GMAG would receive if that Client paid separately for investment advice, brokerage, and other services.

For an in-depth discussion of the factors that we consider in selecting or recommending broker-dealers for Client transactions and determining the reasonableness of commissions and compensation for those broker-dealers, please see Item 12.

Payments

The Program Fee is prorated and paid quarterly, in advance, based upon the market value of the assets placed under GMAG's management on the last business day of the previous quarter. Based on applicable SEC procedures, the Program Fee is remitted to us only after the custodian of the Client's assets receives the Client's authorization to charge the account.

GMAG, in its sole discretion, may charge a higher or lower Program Fee based upon certain criteria. Examples include: complexity of the engagement, anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, negotiations with a Client, and other items. GMAG will not increase Program Fees until you receive prior written notice of the increase.

You will be charged based on market value or fair market value in the absence of market value, plus any credit balance or minus any debit balance. Fees are prorated for accounts opened during the quarter. An additional fee for the current quarter will be assessed if assets are deposited after the beginning of the quarter, prorated based on the number of calendar days remaining in the quarter during which the service will be in effect. No portion of the fee will be credited to you for the current calendar quarter should any withdrawals from the portfolio occur in the same calendar quarter.

If an account is terminated, any prepaid, unearned fees will be promptly refunded, and any earned, unpaid fees will be due and payable. A managed account Client agreement generally may be canceled at any time, by either party, for any reason upon receipt of prior written notice. Clients have the right to terminate an agreement without penalty within five (5) business days after entering into the agreement.

Mutual Fund Fees and Expenses

If a managed account Client invests in mutual funds or exchange traded funds, the Client may be charged fees and expenses by those funds which are in addition to the fees paid to GMAG for investment advisory services. These fees will generally include a management fee, other mutual or exchange traded fund expenses, and a possible distribution fee. You may invest directly in mutual or exchange traded funds, without the services of GMAG, but if you did you would not receive the services provided by GMAG which would help you determine which mutual or exchange traded funds are most appropriate for your financial condition and objectives. Before choosing to invest directly you should compare the fees charged by the funds (available in each fund's prospectus) and the fees charged by GMAG to assess the value of GMAG's services. If you are also a Client who is an Investor in the Fund, GMAG does not charge fees on the portion of your assets invested in the Fund, except for those fees charged by the Fund itself.

Financial Planning, Consulting & Similar Fees

As described above in Item 4, from time to time GMAG provides certain financial planning and advising services to its Clients on non-investment related matters. Although GMAG generally considers these services incidental to the services it provides under the Wrap Fee Program, GMAG may determine to provide those services on an hourly or fixed fee basis, separate and apart from the Wrap Fee Program. In that event, GMAG may describe those services and fees in a separate agreement between GMAG and the applicable Client. Those agreements may include financial planning agreements and limited consulting agreements and the scope of the services which will be offered. These services cover financial planning for a variety of client needs such as education, retirement, insurance needs, cash flow planning, tax planning and wealth preservation. Fees will be determined on a case by case basis depending on the needs of the client. They will also include a description of the fees to be charged and when they are to be paid. If GMAG agrees to provide these services, GMAG's obligations are expressly limited to the planning and consulting services specifically requested by the Client.

Miscellaneous Fees

The Program Fee does not include transaction charges (excluding mark-ups and mark-downs) resulting from trades effected through or with a broker-dealer other than Pershing or Schwab, transfer taxes, odd lot differentials, exchange fees, interest charges, American Depository Receipt agency processing fees, any charges, taxes or other fees mandated by any federal, state or other applicable law or any other fees which GMAG and the Client agree should be charged.

The Fund

GMAG, the investment manager of the Fund, charges the Fund a "**Management Fee**" and the Fund's General Partner earns an "**Incentive Allocation**." The Fund offers two separate classes of limited partnership interests, the "Class A Interests" and the "Class B Interests," each of which is subject to different fee structures. GMAG and the General Partner each has the right to reduce or waive any fees and allocations chargeable to any Investor's capital account without the consent of or notice to any other Investor. In addition, GMAG and the General Partner each has the right to share, participate or assign any fees and allocations chargeable to any partner's account that would otherwise be payable to GMAG or the General Partner, as applicable, from the Fund.

Subject to applicable law and the organizational documents of the Fund, the General Partner, without the approval of any other Investor may enter into side letters or similar written agreements with one or more Investors that have the effect of establishing rights under, or altering or supplementing the terms of, the organizational documents of the Fund. Those agreements may alter, without limitation, the Management Fees, Incentive Allocations, and withdrawal rights of an Investor. Any rights established, or any terms of the organizational documents of the Fund altered or supplemented, in such an agreement with an Investor will be binding on the Investor even though a provision of the Fund's organizational documents might have different provisions.

Management Fee

We charge Fund Investors a monthly Management Fee, which is paid in advance, with respect to Class A Interests and Class B Interests in the Fund. The monthly Management Fee payable with respect to the Class A Interests is equal to one-twelfth of two and three-quarters percent (a 2.75% annual rate) of the opening capital account balance of each Investor that owns Class A Interests, as of the beginning of each fiscal month, after taking account of any capital contribution or withdrawal in connection with Class A Interests made by such Investor at the beginning of the month and the value of that Investor's interest in any "designated investment."

The monthly Management Fee payable with respect to the Class B Interests is equal to one-twelfth of one and three-quarters percent (a 1.75% annual rate) of the opening capital account balance of each Investor (with respect to such Class B Interests) as of the beginning of each fiscal month, after taking account of any capital contribution or withdrawal in connection with Class B Interests made by that Investor at the beginning of the month and the value of such Investor's interest in any "designated investment."

Incentive Allocation

The General Partner charges Investors who own Class B Interests an incentive allocation at the end of each fiscal year (or at the time of an Investor's withdrawal if the withdrawal occurs on a date other than the last day of the fiscal year). The incentive allocation equals fifteen percent (15%) of the net gains allocated to that Investor's capital account (only with respect to Class B interests) during that fiscal year, after accounting for the amount of any loss carry forward (which effects a traditional "high-watermark") applicable to that Investor's capital account only with respect of its Class B Interests). Investors who own Class A Interests are not charged an Incentive Allocation.

The Fund Manager may designate any investment as a "designated investment," as described in the offering and organizational documents of the Fund, subject to certain limitations including that no more than fifty percent (50%) of the Fund's net asset value (measured at the time of a prospective purchase) would be comprised of "designated investments." The computation of net gain and net loss for "designated investments" shall include only the net profits and net losses actually realized with respect to the value of the "designated investment" (or upon the determination of the Fund Manager that the "designated investment" no longer should be a designated investment), rather than unrealized appreciation or depreciation. Net profits and net losses will be allocated solely to Investors that are participating in each "designated investment", in proportion to their respective participation; any net profits or net losses allocated in this way will be considered for purposes of determining the amount of any net gain to be reallocated to the General Partner as the Incentive Allocation (depending on the class of interest held by an Investor in the Fund) or the amount of each Investor's loss carry forward.

Payment

The Fund's partners pay their Management Fees monthly in advance by deduction from Fund assets and debits from capital accounts. If applicable, unearned but pre-paid fees are refunded with withdrawal proceeds or other distributions. The ability of a partner to withdraw all or portions of its capital account from the Fund are described in detail in the Fund's offering and organizational documents. As mentioned above, the Incentive Allocation generally is charged at the end of each fiscal year, and is deducted from the net gains allocated to the Investor's capital account.

Other Fees

In addition to the Management Fee and the Incentive Allocation, the Fund is responsible for all of its operating expenses, including, but not limited to, organizational expenses, legal, audit, accounting fees, insurance premiums, regulatory filing fees, custodial, administration and other fees, commissions, and its share of expenses directly related to its purchase and sale of securities. GMAG, in its sole discretion may charge the Fund for research, due diligence and travel expenses incurred in researching potential investments and portfolio managers.

We may contract with third party service providers from time to time to provide research and due diligence services for the Fund. The Fund will pay for expenses incurred in connection with third party service contracts, provided, that we may elect to pay those expenses.

We may use soft or commission dollars to obtain "brokerage and research" services on behalf of the Fund. We intend to limit the use of "soft dollars" to obtain services that constitute research and brokerage services within the meaning of the "safe harbor" of Section 28(e) of the Securities and

Exchange Act of 1934. For an in-depth discussion of the factors that we consider in selecting or recommending broker-dealers for Client transactions and determining the reasonableness of commissions and compensation for those broker-dealers, please see Item 12.

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

As mentioned above, the General Partner receives an incentive allocation from the annual net gains of the Fund.

Performance based fee arrangements may create an incentive for us to recommend investments that may be riskier or more speculative than those that we may recommend under a different fee arrangement. In the allocation of investment opportunities, performance based fee arrangements may also create (i) an incentive for us to favor accounts with performance or incentive fee arrangements over accounts that are not charged, or from which we will not receive, a performance fee; and (ii) an incentive for us to favor accounts from which we will receive a greater performance fee over accounts from which we will receive a lesser performance fee. We have adopted aggregation and allocation of investments procedures (the "**Allocation Procedures**") designed to ensure that all of our Clients are treated fairly and equally and to prevent this form of conflict from influencing the allocation of investment opportunities among our Clients. We will offer Clients the right to participate in all investment opportunities that we determine are appropriate for the Client in view of relative amounts of capital available for new investments, the investment programs, and the portfolios of our Clients. In accordance with our Allocation Procedures, we will endeavor to treat each of our Clients in a fair and equitable manner.

GMAG may recommend an investment in the Fund to one or more of its managed account Clients, as appropriate, based upon the investment objectives, strategies and suitability of those Clients. GMAG regularly monitors the performance and investment portfolio of its managed accounts and simultaneously manages the investment activities of the Fund. This dual role may result in potential or actual conflicts of interest between the management of the Fund and other business activities. For example, GMAG may determine in its sole discretion to allocate certain investment opportunities to the Fund and not to the managed accounts (or vice versa), or to one or more managed accounts and not to all managed accounts or the Fund. GMAG may also pursue and execute trades in the same or different securities for the Fund and one or more managed accounts at different times.

Those trades may cause to different performance results among the Fund and the managed accounts or amongst the various managed account Clients. GMAG may purchase securities for one or more Client or the Fund at the same time as GMAG sells securities for other Clients of GMAG, or sell securities for a Client or the Fund at the same time as GMAG purchases those securities for other Clients of GMAG. GMAG will attempt to service the individual needs of each of its Clients, including the Fund. Conflicts of interest between a particular Client, the Fund, and other Clients could exist, including a conflict with the allocation of investment opportunities, time and resources among the Fund and the Client.

As noted above, GMAG, as part of an overall Client asset allocation strategy, may recommend that a Client consider allocating a portion of that Client's investment assets among private investment funds, including the Fund. If the Client determines to invest in a private investment fund recommended by GMAG, GMAG may be compensated based upon the value of the assets placed in private investment funds in accordance with the Program Fee schedule. The Program Fee paid to GMAG is in addition to the fees paid to the private investment fund sponsors and managers, as described in the offering documents of any of those private investment funds. Despite its ability to take two fees, GMAG does

not charge its Clients a Program Fee on that portion of their assets that are invested in the Fund. However, GMAG and the General Partner will charge those Clients the Management Fee and Incentive Allocation, as discussed above. The decision whether to invest in a fund (including the Fund) always rests with each Client, after that Client has received and reviewed the fund's offering materials (including a confidential private placement memorandum that details, among other items, the terms, risks and conflicts of interest pertaining to an investment in that fund).

No other hourly, flat or asset-based fees are charged to the Fund.

Item 7: Types of Clients

Our Clients are the separately managed accounts and the Fund. GMAG provides portfolio management services to high net worth individuals, trusts, estates, charitable organizations, and business entities. These types of persons may also be Investors in the Fund. The minimum initial investment for the Fund is US \$250,000. Investors in the Fund must be sophisticated in matters of finance and business, and in investing in securities generally. In addition, each U.S. Investor must be an "Accredited Investor," as that term is defined in Rule 501 of Regulation D, adopted pursuant to Section 4(2) of the Securities Act of 1933, as amended. Each U.S. Investor must also be a "Qualified Client," as defined in the Advisers Act.

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

Methods of Analysis & Investment Strategy

With respect to managed account Clients, GMAG utilizes a variety of different sources of financial information in connection with its analysis of securities. Those sources include financial publications, inspections of corporate activities, research materials and reports, corporate rating services, annual reports, prospectuses, SEC filings, and company press releases. Research services are received in various forms, which may include, without limitation, written reports and information obtained via electronic sources including the internet. Employees of GMAG also attend industry conferences.

Frank Marzano and other research analysts on GMAG's staff will review each person or firm that manages a privately placed pooled investment vehicle for which an investment is being considered. They will use one or more of the following methods of due diligence: meetings/ongoing conference calls with such persons and his or her staff; verification of references; background reviews with respect to regulatory matters, education and professional history; reviews of audited financial statements; and verification of performance claims.

Investment Strategies

Managed Account Clients

The primary investment strategy we use for Client accounts is strategic asset allocation. The investment strategy for a specific Client is based upon the objectives, income needs, and tax situation stated by the Client during consultations. The Client may change these objectives at any time. In performing our services, we are not required to verify any information received from the Client or from the Client's other professionals, and are expressly authorized to rely on information from the Client. Moreover, each Client is advised that it remains his/her/its responsibility to promptly notify GMAG if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing/evaluating/revising GMAG's previous recommendations and/or services.

The Fund

The Fund invests by utilizing, and seeking portfolio managers that may invest by utilizing, a broad range of opportunities and investment styles including, but not limited to, long-short investment strategies, convertible bond arbitrage, event driven strategies including merger arbitrage, risk arbitrage, fixed income strategies, quantitative trading and statistical arbitrage, activist strategies, global macro strategies, market neutral strategies, and emerging markets.

The Fund may invest its assets in a combination of, among other things, a portfolio of hedge funds and other pooled investment vehicles, which may be formed as partnerships, limited liability companies, or other entities. The Fund may also invest its assets in managed accounts. Such underlying portfolio companies and managed accounts may invest in a variety of securities and other instruments. In addition, the Fund will invest directly in a variety of securities and other instruments, including, but not limited to, individual securities and options that may be both public and/or private.

The authority to make all business decisions (including the selection of investments and portfolio managers) is entrusted to the ultimate discretion of GMAG. In selecting investments, the Fund Manager seeks to create a diverse universe of strategies, sectors, geographic origins, and portfolio managers.

We, however, may concentrate the Fund's investment activities in a particular industry, market sector, or portfolio manager and, from time to time, may invest a significant portion of the Fund's assets in a single strategy, industry, market sector, or portfolio manager. We invest the Fund's assets based on the Fund's investment objective and strategy (as described more fully in the offering documents of the Fund) and not based on the investment objectives or strategies of any individual Investor in the Fund.

We have sole authority to select investments for the Fund. The Fund's success depends, to a great extent, on our ability to invest the Fund's assets, to select successful portfolio managers, and the allocation of the Fund's assets among the selected investments. The Fund places few limitations on these selections and does not require diversification. We have wide latitude in determining, adjusting, and implementing the Fund's investment strategy without the consent of Investors in the Fund. The Fund is unlike a registered investment company, which must adopt certain fundamental investment policies and restrictions that cannot be changed without Investor approval. Our failure to continue to make those investment decisions would have a material adverse effect on the operations of the Fund.

Material Risks of Strategies and Securities

Investing in securities involves a risk of loss that Clients and Investors in the Fund should be prepared to bear. Our investment programs are speculative and may entail substantial risk. Clients or Investors may lose all or substantially all of their investment. There can be no assurance that the investment objective of our Clients and Investors will be achieved and that Clients and Investors will not incur losses. In addition to the risks listed below, Clients should review the respective offering or similar

documents of each mutual fund, ETF and other security or instrument in its portfolio or recommended for purchase by us (including the Fund), for a detailed description of risk factors associated with a particular investment or portfolio. We encourage all of our Clients to meet with us on a regular basis to review the assets in the account and the specific risk parameters for the account.

Managed Account Risks

An investment with us requires a long-term commitment with no certainty of return. Because of the nature of our investment programs, we cannot promise that you will be able to realize returns on your investments in a timely manner or at all. It is uncertain as to when profits, if any, will be realized. Losses on unsuccessful investments may be realized before gains are realized on successful investments. You may not get a return of capital or realize any gains on your investments. If you do, those returns or gains may not occur for a substantial period of time after investing with us.

Although we generally limit our investments for Clients to listed securities, mutual funds and exchange-traded funds ("ETFs"), we are not required to diversify our strategies. We may invest in a limited number of strategies or with a limited number of mutual funds and ETFs. In addition, we may invest underlying funds in the same or similar securities, further limiting the diversification of managed accounts.

We may invest in strategies or markets that underperform as compared to other strategies or securities markets generally. This strategy may cause your accounts to underperform as compared to other investment vehicles that invest in different asset classes. Different types of securities (for example, large-, mid- and small- capitalization stocks or growth or value stocks) tend to go through cycles of performing better—or worse—than the securities markets generally. In the past, these periods have lasted in excess of several years.

All investments made by us risk the loss of capital. We may utilize such investment techniques as leverage, margin transactions, short sales, option transactions, and forward and futures contracts. These practices can, in certain circumstances, maximize the adverse impact to which your accounts may be subject. We cannot guarantee or represent that our investment strategy will be successful, and investment results may vary substantially over time.

Changes in interest rates will affect the value of fixed income investments. In general, as interest rates rise, bond prices fall, and conversely, as interest rates fall, bond prices rise. Interest rate risk is generally greater for high yield securities; however, higher-rated fixed income securities are also subject to this risk. Increased interest rate risk is also a factor when investing in fixed income securities paying no current interest (such as zero coupon securities and principal-only securities), interest-only securities and fixed income securities paying non-cash interest in the form of other securities.

The trading prices of equity securities fluctuate in response to a variety of factors. These factors include events impacting a single issuer, as well as political, market and economic developments that affect specific market segments and the stock market as a whole. The value of your accounts, like stock prices generally, will fluctuate within a wide range in response to these factors. As a result, your accounts could lose value over short or even long periods.

The value of assets or income from investments may be less in the future as inflation decreases the value of money. As inflation increases, the value of fixed assets can decline. This risk is greater for fixed-income securities with longer maturities.

The issuer or guarantor of a fixed income security may be unable or unwilling to make timely payments of interest or principal. This risk is magnified for lower-rated debt securities, such as high yield securities. High yield securities are considered predominantly speculative with respect to the ability of the issuer to make timely payments of interest or principal. In addition, funds that invest in fixed income securities issued in connection with corporate restructurings by highly leveraged issuers or in fixed income securities that are in default may be subject to greater credit risk because of those investments.

Changes in the financial condition of an issuer or counterparty, changes in specific economic or political conditions that affect a particular type of security or issuer, and changes in general economic or political conditions can affect a security's or instrument's value. The value of securities or instruments of smaller, less-well known issuers can be more volatile than that of larger issuers. Issuer-specific events can have a negative impact on the value of Client accounts.

Clients must promptly apprise us of any material changes in their financial condition, or of any other change having a material effect on your investment objectives or goals. If you fail to inform us of any change and we do not modify our strategy to account for these changes, your accounts could suffer, adverse consequences.

Fund Risks

We advise Clients on investments in private investment funds which may be in limited partnerships, limited liability companies, corporations or other entities. Any decision to invest in the Fund itself, however, rests with you, the Investor (as a result of our conflicts of interest with respect to the Fund).

Private investment funds, such as the Fund, generally involve various risk factors and liquidity constraints, a complete discussion of which is set forth in the Fund's offering documents, which will be provided to each prospective Investor for review and consideration. Each prospective Client or an Investor will be required to complete a subscription agreement to establish qualification for investing in the Fund and also to acknowledge understanding and acceptance of the merits and risks of the investment.

Although the Fund intends to make direct investments and investments in unregistered pooled investment vehicles, there are no requirements imposed on the Fund with respect to diversity among strategies, investments, or the selection of portfolio managers. We may invest in a limited number of strategies, a limited number of direct investments, and with a limited number of portfolio managers. In addition, underlying funds with which the Fund invests may invest in the same or similar securities as those invested in directly by the Fund or by other underlying funds, in which the Fund invests, further limiting the diversification of the Fund.

The performance of the Fund will be dependent in part upon the integrity, skill, and judgment of its underlying portfolio managers. Among the principal risks inherent in investing in underlying funds, as the Fund does through the selection of portfolio managers, is our lack of direct control of the asset allocation and risk control procedures utilized by those underlying portfolio managers.

We conduct the amount and depth of due diligence that we believe is adequate to select the appropriate portfolio managers with which to invest. However, due diligence is not a guarantee and may not uncover problems associated with a particular portfolio manager or an investment. We may rely upon representations made by hedge fund managers, accountants, attorneys, prime brokers and other investment professionals. If any representation is misleading, incomplete, or false, it may result in the selection of portfolio managers that might otherwise have been eliminated from consideration had complete and accurate information been made available.

The separate fees payable to GMAG and the Fund's General Partner with respect to interests in the Fund will result in a layering of fees, which will reduce the rate of return that you as an Investor will derive from the underlying investments.

The Fund has invested in certain types of securities, such as non-investment grade debt securities, small capitalization stocks, securities issued by real estate investment trusts, and emerging market securities which are subject to the risk that the securities may not be sold at the quoted market price within a reasonable period of time. A pooled investment vehicle holding these securities may experience substantial losses if it is required to liquidate them.

We may have an inability to exit underlying funds because of, among other things, poor performance by those underlying funds, regulatory actions or complaints against those underlying funds, or volatility in the markets in which those funds invest. Underlying funds in which we invest have the right to defer or suspend withdrawals in the event those situations arise, or that a suspension is otherwise considered to be in the best interest of those underlying funds. The organizational documents of the underlying funds may impose additional limitations on withdrawal.

Managed Account Liquidity Risks

We may invest our Clients' assets in a blend of liquid, publicly traded mutual funds and ETFs which may, in turn, invest in or be comprised of a variety of securities and other instruments. Certain types of securities, such as non-investment grade debt securities, small capitalization stocks, securities issued by real estate investment trusts, and emerging market securities are subject to the risk that the securities may not be sold at the quoted market price within a reasonable period of time. A managed account holding those securities may experience substantial losses if required to liquidate these holdings.

The mutual funds and ETFs in which we may invest our Clients' assets may, in turn, invest in non-U.S. securities and other financial instruments denominated in non-U.S. currencies. Investments in securities of non-U.S. issuers and securities denominated in non-U.S. currencies pose currency exchange risks to the extent they are not hedged. In addition, foreign securities regulators may exercise less regulatory supervision than those in the United States, and foreign governments may afford less legal protection to the pooled investment vehicles as Investors than that of the U.S. government.

We may invest our Clients' assets in emerging or developing markets. Investments in emerging or developing markets involve exposure to economic structures that are generally less diverse and mature, and to political systems which have less stability than those of more developed countries. Investments in securities in developing market countries are also generally more volatile and less liquid than investments in securities in markets of developed countries. Emerging market securities may be subject to currency transfer restrictions and may experience delays and disruptions in securities settlement procedures. Certain emerging markets are closed in whole or part to the direct purchase of equity securities by foreigners. In addition, a fund that invests in foreign securities or securities denominated in

foreign currencies may be adversely affected by changes in currency exchange rates, exchange control regulations, foreign country indebtedness and indigenous economic and political developments.

We may invest our Clients' assets in high yield securities. High yield securities, also known as "junk bonds," are below investment grade quality and may be considered speculative with respect to the issuer's continuing ability to make principal and interest payments. These types of securities may be more susceptible to real or perceived adverse economic and competitive industry conditions than investment grade securities. Yields on high yield securities will fluctuate. The secondary markets in which lower-rated securities are traded may be less liquid than the markets for higher-rated securities. A lack of liquidity in the secondary trading markets could adversely affect the price at which Clients or the funds they own could sell a particular high yield security when necessary to meet liquidity needs or in response to a specific economic event, such as a deterioration in the creditworthiness of the issuer, and could adversely affect and cause fluctuations in the value of Client accounts. Adverse publicity and Investor perceptions may decrease the values and liquidity of high yield securities generally.

We may invest our Clients' assets in real estate investment trusts, or REITs, which may be subject to certain risks associated with the direct ownership of real property, including declines in the value of real estate, risks related to general and local economic conditions, overbuilding and increased competition, increases in property taxes and operating expenses and variations in rental income.

Item 9: Disciplinary Information

Neither we nor any of our management personnel are subject to or have in the past been subject to any criminal or civil action in any domestic or foreign court, and neither we nor any of our management personnel have been subject to any administrative proceedings before the SEC or any other state, federal or foreign financial regulatory authority.

Item 10: Other Financial Industry Activities and Affiliations

Neither GMAG nor any of our employees have any relationships or arrangements with other financial service companies that pose material conflicts of interest.

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

Participation or Interest in Client Transactions

We serve as the investment adviser to the Client Accounts. Employees, affiliates of the employees, and relatives of the employee may make investments in the Client Accounts. We may or may not receive any compensation from such investments from employees.

We and our affiliates and employees have a financial interest in the Fund through performance allocation or a direct investment interest in the Fund. As such, we could be considered to have recommended to Investors that they buy or sell securities or investments in which the Firm or a related person has some financial interest.

Code of Ethics & Personal Trading

Pursuant to Rule 204A-1 of the Advisers Act, we have adopted a Code of Ethics and an Employee Investment Policy that established various procedures with respect to investment transactions in accounts in which our employees or related persons have a beneficial interest or accounts over which an employee has investment discretion.

The foundation of the Code of Ethics and Employee Investment Policy is based on the underlying principles that:

- Employees must at all times place the interests of the Clients first;
- Employees must make sure that all personal securities transactions are conducted consistent with the Code of Ethics and Employee Investment Policy; and
- Employees should not take inappropriate advantage of their position at GMAG.

All GMAG employees are deemed to be "Access Persons" and are required to adhere to a comprehensive Code of Ethics and Employee Investment Policy, which covers the duty of confidentiality as well as personal trading. All employees are required to certify their adherence to the Code of Ethics and Employee Investment Policy upon commencement of employment and quarterly thereafter.

In general, transactions that would give rise to a conflict of interest with GMAG or its Clients are prohibited. No employee of GMAG is permitted to trade securities or encourage another person to trade securities on the basis of "Inside Information". The spirit of the Code of Ethics and the Employee Investment Policy is to discourage trading. All employees must pre-clear certain personal trades for their covered account(s). The CCO must pre-clear all personal trades with the Director of Operations.

Our Code of Ethics and Employee Investment Policy are available to Clients upon request.

Item 12: Brokerage Practices

As an adviser and a fiduciary to our Clients, we require that the Clients' interests must always be placed first and foremost, and our trading practices and procedures prohibit unfair trading practices and seek to disclose and avoid any actual or potential conflicts of interests or resolve such conflicts in the Clients' favor. We have adopted the following policies and practices to meet the Firm's fiduciary responsibilities and to ensure our trading practices are fair to the Fund and that no Client is advantaged or disadvantaged over any other.

Aggregation

The aggregation or blocking of Client transactions allows an adviser to execute transactions in a more timely, equitable, and efficient manner and seeks to reduce overall commission charges to the Clients. Our policy is to aggregate Client transactions where possible and when advantageous to the Clients. In these instances, the Fund participating in any aggregated transactions will receive an average share price and transaction costs will be shared equally and on a pro-rata basis. We currently seek to achieve this by executing transactions in the Client Accounts. Those blocked orders may include orders on behalf of Clients that participate in the Wrap Fee Program as well as Clients that do not participate in the Wrap Fee Program, including the Fund. Trading of aggregate batches of securities composed of assets from multiple Client accounts allows us to execute equity trades in a timely and equitable manner and to reduce overall transaction charges incurred by us. Any reduction in transaction charges incurred by us will not reduce the fees charged to Clients participating in the Wrap Fee Program. In connection with the execution of any such trade, no advisory Client will be favored over any other advisory Client,

and each Client that participates in an aggregated batch order will participate at the average share price for all of GMAG's transactions in the applicable securities during the applicable business day.

We may have, through our clearing/custodial firm relationships, limited access to initial public offerings of shares ("IPO") and in limited circumstances may purchase and recommend for purchase IPOs for its Client accounts, including the Fund. If one or more managed account Clients request that GMAG purchase a specific IPO, GMAG will evaluate the suitability of the investment and may, if available, purchase that IPO for each of the requesting managed account Clients' accounts and the Fund on a pro-rata basis among all requesting Clients and the Fund. We shall use reasonable efforts to allocate available IPO shares on a fair and equitable basis, and applicable laws, rules, and regulations, including FINRA Rule 5130.

Allocation

Our policy prohibits any allocation of trades in a manner that results in more favorable treatment for our proprietary accounts, affiliated accounts, or any Client Account.

We have adopted a policy for the fair and equitable allocation of transactions that generally analyzes each trade, taking into consideration the specifics of each trade and the characteristics of each Client Account. To the extent that the Fund and the separately managed accounts participate in a particular transaction such transaction will generally be allocated pro-rata among such Client Accounts, unless facts specific to the transaction and Client Accounts warrant an alternative allocation methodology.

Best Execution

As an investment advisory firm, we have a fiduciary duty to seek best execution for Client transactions. As a matter of policy and practice, we seek to obtain best execution for Client transactions, i.e., seeking to obtain not necessarily the lowest commission but the best overall qualitative execution in the particular circumstances. Other components that we analyze in seeking best execution are timeliness of having a transaction executed by a broker, the value of research provided, the responsiveness of the broker to us and the financial responsibility of the broker.

Principal Trading

Our policy and practice is to not engage in any principal transactions.

Soft Dollars

We currently use "soft dollars" generated by our trading activities to purchase research services or products that would otherwise have been an expense of GMAG. We intend to keep any such arrangements within the parameters of Section 28(e) of the United States Securities Exchange Act of 1934, as amended.

Generally, research services provided by broker-dealers may include information on the economy, industries, groups of securities, individual companies, statistical information, accounting and tax law interpretations, political developments, legal developments affecting portfolio securities, technical market action, pricing and appraisal services, credit analysis, risk measurement analysis, performance analysis, and analysis of corporate responsibility issues. Such research services are received primarily in the form of written reports, telephone contacts and industry conferences. In addition, such research

services may be provided in the form of access to various computer-generated data, software, and meetings arranged with corporate and industry spokespersons, economists, academicians, and government representatives. The receipt of such research services (and brokerage) will be subject to, and limited by, prevailing interpretive guidance provided by the SEC as falling within Section 28(e).

There is no corresponding commitment made by GMAG to Pershing, Schwab, or any other any entity to invest any specific amount or percentage of Client assets in any specific mutual funds, securities, or other investment products as a result of the above soft-dollar arrangement.

Although the commissions paid by our Wrap Fee Program Clients comply with our duty to obtain best execution, a Client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction. Where GMAG determines, in good faith, that the commission is reasonable in relation to the value of the brokerage and research services received it may effect that transaction. Also, where the investment research products and services that GMAG obtains will generally be used to service all of our Clients, a brokerage commission paid by a specific Client may be used to pay for research that is not used in managing that specific Client's account. We do not seek to allocate soft dollar benefits to Client accounts proportionately to any soft dollar credits the accounts generate.

Trade Errors

As a fiduciary, we have the responsibility to effect orders correctly, promptly and in the best interests of the Fund. In the event any error occurs in the handling of the Fund transactions, due to our actions, or inaction, or actions of others, our policy is to assess each trade error on a case-by-case basis.

Item 13: Review of Accounts

Review of Accounts

Client accounts are reviewed by the Frank Marzano, the Managing Principal, and other associated persons. While the underlying securities within these Client accounts are continuously monitored, those accounts are formally reviewed at least quarterly. More frequent reviews may be triggered by material changes in variables such as the Client's individual circumstances, or the market, political or economic environment. We advise all of our managed account Clients that it is their responsibility to advise us of any changes in their investment objectives or financial situation. We ask all of our managed account Clients to review financial planning issues (to the extent applicable), investment objectives, and account performance, with us on an annual basis.

We also review and monitor investment opportunities and investments of the Fund on an ongoing basis.

The broker-dealer/custodian provides managed account Clients with transaction confirmation notices and regular summary account statements directly and applicable mutual fund companies or partnerships. We shall provide quarterly performance reports for each Client's account. Clients are encouraged to contact GMAG to discuss ongoing access to account information for their accounts. Investors in the Fund will receive annual audited financial reports and quarterly unaudited statements of net asset value. GMAG has arranged for an auditor to examine and report upon the financial statements of the Fund at the end of each fiscal year. Copies of the audited financial statements will be furnished to each Investor as soon as practicable after the end of each fiscal year. The Fund reserves the right to make interim

reports available solely in electronic form on the web site (with appropriate password protections) of the Fund, GMAG, or the Fund's custodian.

We review the Client accounts on a continual basis to assure conformity with investment objectives and guidelines. We engage in active management for the Client accounts and, accordingly review our transactions, positions and cash balances on a daily basis.

Reporting

We will distribute an audited financial report for the Fund with respect to the previous fiscal year to all Investors in such Fund within 180 days of year-end. In addition, the Fund will generally distribute net asset value updates and performance reports on a quarterly basis.

Item 14: Client Referrals and Other Compensation

We do not compensate any person, either directly or indirectly, for Client referrals who is not our supervised person.

Item 15: Custody

We will comply with the requirements of the Rule 206(4)-2 of the Advisers Act with regards to custody of assets of the Fund ("**Custody Rule**").

We currently utilize Pershing, LLC, and Charles Schwab & Co., as custodians. Managed account Clients should receive at least quarterly statements from the custodian. GMAG urges Clients to carefully review those statements and compare the official custodial records to the ~~performance reports~~ that we may provide to you. Our reports may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

Annually, upon completion of the Fund's annual audit, we will distribute the audited financials along to Investors in the Fund. The CCO shall ensure that the Fund's audited financials are delivered to all Investors within 180 days of the fiscal year end. For certain Client accounts, we are deemed to have custody. In order to comply with the Custody Rule, we have an independent accounting firm perform a surprise examination annually.

An investment adviser to a private fund need not arrange for the custodian to send to each Investor (or the fund itself) a quarterly account statement or have an annual surprise examination if the fund (i) is subject to an audit (as defined in section 2(d) of Article 1 of Regulation S-X) by an accountant registered with the Public Company Accounting Oversight Board at least annually and upon liquidation, and (ii) distributes its audited financial statements prepared in accordance with generally accepted accounting principles to all Investors (or, in certain cases, the Fund itself) within 180 days of the end of the fund's fiscal year. We rely upon this audit exception for the Fund.

Item 16: Investment Discretion

We generally have discretionary authority to determine, without obtaining specific consent, securities to be bought or sold, the amount of securities to be bought or sold, broker-dealer to be used and he commission rates paid. This authority is established by the Wrap Fee Investment Advisory Agreement

signed by the Client and GMAG. We exercise that discretion based on the stated investment objectives for the particular Client Account. In addition, managed accounts Clients provide us with a power of attorney.

When selecting securities and determining amounts, GMAG observes the investment policies, limitations and restrictions of the Clients for which it advises. Any limitations of discretionary authority will be included in the written agreement between each Client and GMAG. Clients may amend those limitations in writing submitted to us.

For the Investors in the Fund, any limitations on authority are included in the Fund's and the Client Accounts' investment management agreement, or governing documents, as applicable.

Item 17: Voting Client Securities

Generally, we do not vote proxies.

To the extent we have been delegated proxy voting authority on behalf of our Clients, we comply with our proxy voting policies and procedures that are designed to ensure that in cases where we vote proxies with respect to Client securities, such proxies are voted in the best interest of the Client.

The Investors in the Fund may not direct voting of proxies. If a material conflict of interest between us and a Fund exists, we will determine whether voting in accordance with the guidelines set forth in the proxy voting policies and procedures is in the best interests of the Fund or take some other appropriate action.

Upon request, we will provide Clients with a copy of our proxy voting policies and procedures and/or a record of all proxy votes cast by the Fund.

If we inadvertently receive proxy information for a security held in a managed account Client's account, we shall immediately forward that information to the appropriate Client, but will not, and will not be obligated to, take further action to vote the proxy. Upon termination of its agreement with a Client, we shall make a good faith attempt to forward proxy information we receive on behalf of the Client to the forwarding address provided to us by the Client.

Item 18: Financial Information

We have no financial commitment that impairs its ability to meet contractual and fiduciary commitments to Investors, and have not been the subject of a bankruptcy proceeding.

