

Kingsbarn Capital Management, LLC

1645 Village Center Circle, Suite 200
Las Vegas, Nevada 89134

<https://www.kingsbarncapital.com>

Telephone: 702-483-3139

March 27, 2024

FORM ADV PART 2A BROCHURE

This brochure provides information about the qualifications and business practices of Kingsbarn Capital Management, LLC (hereinafter "Kingsbarn", "Investment Adviser", "Firm", "we" or "KCM").

If you have any questions about the contents of this brochure, please contact Kelly Christopher, KCM's Chief Compliance Officer, at kmchristopher@beaconcompliance.com, or James Fowler, KCM's CEO and CIO, by telephone at 702-483-3139. 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 as an investment adviser with the SEC, or any state securities authority, does not imply a certain level of skill or training.

Additional information about Kingsbarn is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 Summary of Material Changes

Form ADV Part 2 requires registered investment advisers to amend their brochure when information becomes materially inaccurate. If there are any material changes to an adviser's disclosure brochure, the adviser is required to notify you and provide you with a description of the material changes.

Kingsbarn Capital Management ("KCM") filed an amended Form ADV Part 2A on 6/13/2023 to amend its prior Form ADV Part 2A that was filed on March 31, 2023. Since the updating amendment filed 6/13/2023, KCM has the following material changes to report:

- Cover Page: Kelly Christopher has replaced James Fowler as Kingsbarn's Chief Compliance Officer. Mr. Fowler, KCM's Chief Executive Officer and Chief Investment Officer, remains the primary contact for questions regarding the content of the brochure.
- Item 4 Advisory Business: updated to reflect that, as of 3/27/2024, KCM continues to employ three investment professionals that manage two ETFs: the Kingsbarn Tactical Bond ETF ("KDRN") and the Kingsbarn Dividend Opportunity ETF ("DVDN").
- The Kingsbarn Parallel Income Fund ("PINC") referenced in Form ADV Part 1 and Form ADV Part 2A has never commenced operations, has not raised any AUM, and the decision has been made to withdraw its registration. The information is included herein to maintain consistency of information until all parties have been formally notified of KCM's decision to withdraw.

Item 3 Table of Contents

Item 2 Summary of Material Changes	2
Item 3 Table of Contents	3
Item 4 Advisory Business	4
Item 5 Fees and Compensation.....	4
Item 6 Performance-Based Fees and Side-By-Side Management.....	6
Item 7 Types of Clients	7
Item 8 Methods of Analysis, Investment Strategies and Risk of Loss	7
Item 9 Disciplinary Information	20
Item 10 Other Financial Industry Activities and Affiliations	21
Item 11 Code of Ethics, Participation or Interest in Client Transactions and Personal Trading ...	21
Item 12 Brokerage Practices	22
Item 13 Review of Accounts	23
Item 14 Client Referrals and Other Compensation.....	23
Item 15 Custody.....	24
Item 16 Investment Discretion	24
Item 17 Voting Client Securities.....	24
Item 18 Financial Information	26

Item 4 Advisory Business

Description of Firm

Kingsbarn Capital Management, LLC ("KCM") is a registered investment adviser headquartered in Las Vegas, Nevada. KCM is organized as a limited liability company under the laws of the State of Nevada. KCM was created in July 2021 and has been providing investment advisory services since November 2021. KCM is a wholly owned subsidiary of Kingsbarn Realty Capital which is wholly owned by Jeffrey A. Pori. All material business decisions concerning the operations of Kingsbarn Capital Management are decided by a majority of the Board of Managers that includes Jeffrey A. Pori, Founder and CEO of Kingsbarn Realty Capital, James J. Fowler, Chief Executive Officer and Chief Investment Officer of Kingsbarn Capital Management, and Steven Ruoff, KDRN Portfolio Manager. Mr. Fowler has been delegated, by the Board of Managers, oversight of the day-to-day operations of KCM.

Currently, KCM manages (a) an ETF ("KDRN") that invests in fixed income-related ETFs and U.S. treasury futures; and (b) an ETF ("DVDN") that invests in publicly listed equities issued by residential mortgage REITs, commercial mortgage REITs, and Business Development Companies.

KDRN is managed on a day-to-day basis by Steven Ruoff via a consulting agreement between the portfolio manager's firm (which is wholly owned by the portfolio manager) and KCM. DVDN is co-managed by James Fowler and Ignatius Chiang who are both employees of KCM.

Each fund has its own investment objectives set forth in the respective fund's offering materials. KCM provides investment advisory and management services to each of the funds. Furthermore, the funds are advised and managed by KCM in accordance with each fund's investment objectives and restrictions. Any individual considering an investment in either fund should consult an investment professional to determine their investment suitability.

Assets Under Management

As of December 31, 2023, KCM provides continuous management services for \$2,235,725.69 in client assets on a discretionary basis, and \$0 in client assets on a non-discretionary basis.

Item 5 Fees and Compensation

The information provided herein merely summarizes the detailed information provided in both prospectuses for the registered investment companies. Prospective investors in either of the registered investment companies managed by KCM should be aware of the substantial risks associated with the investment as well as the terms applicable to such investment in either fund.

Please see prospectus and/or offering documents for additional information regarding fees and compensation.

Fees and Compensation related to Registered Investment Companies:

Management Fees:

For managing KDRN, KCM is entitled to receive an annual management fee, calculated daily and payable monthly in arrears, of 1.25% (net of any applicable fee waivers in effect) of the registered investment company's average daily net assets. KCM receives an annual management fee of 0.90%

of the registered investment company's average daily net assets for managing DVDN that is payable quarterly in arrears.

Under the Advisory Agreement, Kingsbarn assumes and pays, at its own expense and without reimbursement from the Trust, all ordinary expenses of the Fund, except the fee paid to Kingsbarn pursuant to the Advisory Agreement, distribution fees or expenses under a Rule 12b-1 plan (if any), interest expenses, taxes, acquired fund fees and expenses, brokerage commissions and any other portfolio transaction related expenses and fees arising out of transactions effected on behalf of the fund, credit facility fees and expenses, including interest expenses, and litigation and indemnification expenses and other extraordinary expenses not incurred in the ordinary course of the fund's business. Our annual portfolio management fee is billed and payable, monthly in arrears, based on the average daily balance.

For more detailed information regarding other fees and expenses of the fund, including but not limited to acquired fund fees and expenses and other fund operating expenses, please refer to the applicable registered investment company fund's prospectus.

Fees and Compensation related to PINC:

Management Fee: The private fund will pay Kingsbarn, as of the last business day of each calendar quarter (prorated for any permitted mid-period capital account additions and/or redemptions) a Management Fee, calculated monthly equal to one-twelfth ($1/12^{\text{th}}$) of the annualized fee of 0.50% of the Capital Account balances of each of the Limited Partners as of the last business day of each month. The Management Fee will be paid to KCM quarterly in arrears.

Incentive-based Allocation: In addition, the private fund's General Partner, an affiliate of Kingsbarn through common ownership and control, is entitled to receive an incentive-based allocation subject to each Limited Partner's right to receive a preferred return. The incentive-based allocation is a form of performance-based compensation that is further described in Item 6.

Administration Fee: The private fund has entered into an administration agreement (the "Administration Agreement") with a third-party administrator (the "Administrator") to perform certain financial, accounting, administrative, pricing, and other services on behalf of the Partnership, including but not limited to, the preparation of interim financial statements, the calculation of private fund investment performance, and the preparation of interim reports provided to Kingsbarn and other parties. For its services, the Administrator will be paid its customary fees out of the private fund's assets.

Private Fund Expenses: The General Partner and its affiliates initially bore all costs and expenses incurred in connection with the private fund's organization and establishment and all costs incurred in connection with the initial and continuing offering of Interests (collectively, "Fund Organizational Expenses"). These expenses include, but are not limited to, legal fees, accounting fees, printing costs and out-of-pocket expenses incurred by the general partner or its affiliates. The expenses of organizing the private fund will be borne by the private fund. Such organizational expenses will be shared by all the private fund's Limited Partners and will be amortized over a period of up to 60 months beginning upon commencement of the private fund's operations. The private fund's independent accountant may qualify the private fund's audited financial reports to reflect such departure from generally accepted accounting principles as applied in the U. S. ("GAAP"). The private fund may, in the General Partner's sole discretion, make adjustments to the amortization schedule for financial reporting purposes so that the private fund's audited financial statements conform to current or future GAAP. In the event of any such adjustment, the private fund's fiscal year-end net asset value for all operating purposes (including for purposes of calculating the Management Fee, the Incentive Allocation, and the amount of withdrawal proceeds) will be different from the fiscal year-end net asset

value reported in the private fund's audited financial statements.

Kingsbarn will pay the salaries and expenses of its personnel responsible for the day-to-day management of the private fund's operations. The private fund pays all other expenses relating to its operation, including fees, costs and expenses directly related to the holding of investments, distributions (if any), taxes, auditing and accounting fees, fees and expenses of the Administrator, custodians of the private fund's assets and legal counsel, insurance, blue sky filings, and expenses associated with preparing the private fund's tax returns, other administrative expenses as well as printing, marketing and other out-of-pocket costs and expenses incurred in connection with meetings of and reports to the limited partners. Fees, costs, and expenses directly related to the purchase and sale of portfolio securities, litigation and other extraordinary expenses will be borne solely by the private fund.

Offering Fees: The General Partner may pay a portion of any fees or other benefit/s that it receives to officers of the private fund, officers of the General Partner, placement agents, finders and other third parties, including other service providers of the private fund in connection with the placement of Interests in the private fund. In addition, sales charges or placement fees may be imposed by third-party placement agents, finders and other third parties who act in a similar capacity. Such charges and placement fees are paid directly by subscribers to an Interest in the private fund and would reduce a subscriber's net capital contributions.

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

As discussed in Item 5 of this Brochure, the private fund's General Partner, an affiliate of Kingsbarn through common ownership and control, is entitled to receive an incentive allocation (hereafter, "performance-based fees") from the fund in accordance with the terms and conditions of the fund's limited partnership or similar agreement. Such performance-based compensation is calculated based on a share of aggregate net profits of the fund (subject to achieving a preferred return on invested capital as set forth in the applicable fund's offering documents). See the fund's offering documents for additional information.

Kingsbarn may manage accounts that are charged performance-based fees while at the same time managing accounts (perhaps with similar investment objectives or portfolio management strategies) that are not charged performance-based fees ("side-by-side management"). Performance-based fees and side-by-side management creates conflicts of interest, which we have identified and described in the following paragraphs.

Performance-based fees create an incentive for our firm to make investments that may be riskier or more speculative than would be the case absent a performance fee arrangement. To address this potential conflict of interest, a senior officer of our firm periodically reviews each side-by-side management account to ensure the account is being managed according to the investment objectives and risk tolerance as advised by the account's Limited Partner/s.

Performance-based fees may create an incentive for the Adviser to overvalue investments that lack a market quotation. Kingsbarn's private fund, PINC, only invests in publicly issued equities (aka "stocks") for which there are publicly available prices, U.S. treasury futures for which there are publicly available prices, and options on interest rates swaps (aka "swaptions") that trade in liquid markets with quotes available from multiple dealer desks. PINC does not invest in private assets.

Side-by-side management might provide an incentive for our firm to favor accounts for which we receive a performance-based fee. For example, we may have an incentive to allocate limited investment opportunities, such as initial public offerings, to clients who are charged performance-

based fees over clients who are charged asset-based fees only. To address this conflict of interest, we have instituted policies and procedures that require our firm to allocate investment opportunities (if they are suitable) to avoid favoritism among our clients, regardless of whether the client is charged performance fees. Further, as a matter of policy, the private fund will not invest in initial public offerings or secondary offerings of public equity issued by companies in its investment universe.

Item 7 Types of Clients

Kingsbarn presently provides investment advisory services to registered investment companies and private funds.

Although the private fund managed by Kingsbarn has a stated minimum investment amount, the General Partner of the private fund reserves the right to raise or lower this amount at its sole discretion. Because Interests in the private fund was launched by Kingsbarn pursuant to certain exemptions from registration under the Securities Act of 1934 and the Investment Company Act of 1940, any investor or prospective investor in the private fund managed by Kingsbarn must meet certain minimum qualifications as set forth in the private fund's subscription documents. Prospective investors in the private fund should refer to the private fund's offering documents for information regarding that private fund's required qualifications for investment.

Investors in Kingsbarn's private fund, based upon the total income of the private fund, will be charged performance-based compensation. Therefore, all investors in the private fund must meet the financial standards to be considered a "Qualified Client" as defined in Rule 205-3 under the Investment Advisers Act of 1940, as amended (the "Advisers Act"). In addition, the private fund will require all investors to make representations, and provide confirming financial information, concerning their financial eligibility, tax status, corporate and regulatory structure, sophistication as investors, and their ability to bear the risk of loss of their entire investment in the private fund.

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

Methods of Analysis -- KDRN

The portfolio manager for KDRN believes employing an active management approach is important as interest rates are volatile and that fund returns can be enhanced by taking positions based upon short-term trading opportunities compared to longer-term views.

The KDRN portfolio manager's proprietary model – which can be broadly viewed as a market-timing / interest rate signaling model – tracks key interest rate drivers that include fundamental data (economic activity, inflation, & monetary policy), valuation metrics, and market technicals that is synthesized into a single, near-term directional view on longer-term U.S. treasury interest rates.

Methods of Analysis -- DVDN

The following are broad descriptions of the methods of analysis and investment strategies that are employed by KCM when managing DVDN. It should be noted that investing in publicly issued equities involves the risk of loss that clients should be prepared to bear.

- **Investment Universe – DVDN** invests in publicly-listed equities ("stocks") issued by Residential Mortgage Real Estate Investment Trusts ("MREITs"), Commercial Mortgage Real Estate Investment Trusts ("CREITs"), and Business Development Companies ("BDCs"). In aggregate across each of these three categories, the private fund's investment universe totals

approximately 75 companies. DVDN is actively managed with the Adviser typically selecting 12-18 companies from the investment universe for the fund.

- **Investment Objective – DVDN** seeks to provide consistent cash distributions, on a quarterly basis, while preserving the opportunity for capital appreciation. DVDN seeks to achieve its investment objective by investing, under normal market circumstances, a substantial portion of its assets in publicly-listed stocks of dividend-paying Residential Mortgage and Commercial Mortgage REITs and Business Development Companies. DVDN does not utilize leverage nor does it invest in publicly-listed stocks of residential or commercial property REITs or invest directly in residential, commercial, or private business loans or mortgages.
- **Fundamental Analysis** - Involves analyzing the public filings for each company that includes quarterly financial results, company-issued investor decks, and SEC filings which the Adviser uses to develop proprietary longer-term balance sheet and income statement forecasts which allows the Adviser to determine whether it believes a particular company's share price fairly reflects the Advisor's estimation of the company's fundamental value.
- **Investment Portfolio Risk Analysis** – After collecting the *Fundamental Analysis* information described in the prior section for each of the companies in the investment universe, the Advisor creates a financial model for each company under consideration for a fund investment or is currently in the fund's portfolio. To create the financial model, the Advisor uses each company's financial disclosures to model its loan portfolio, securities investments, financial hedges, and borrowings.
 - The Advisor's reasons for using each company's financial disclosure to create a longer-term financial model is two-fold: (a) estimate each company's *book value, or net asset value*, sensitivity to changes in market variables; and (b) estimate each company's future dividend distributions that are compared to its most recently declared dividend.
 - A company's book value, also referred to as its net asset value or equity value, is the difference between the value of its assets less the value of its liabilities. Estimating potential changes in a company's book value is important as stocks issued by companies in the fund's investment universe generally trade in-line with each company's book value,
 - Estimating each company's future dividend distributions is important as the market price for stocks in the fund's investment universe tend to decline if future dividend distributions are lower than recently declared dividends. Conversely, a company's stock price is more likely to increase if future dividends are above its most recently declared dividends.
- **Scenario Analysis: Net Asset Value & Dividend Distributions** – After the Advisor develops its longer-term financial forecast for each company in the fund's portfolio or under investment consideration, the Advisor then creates different scenarios that use alternative assumptions for business volumes, interest rates, investment and funding spreads, and borrower prepayment and/or repayment behaviors. The aggregate financial results for these scenarios result in a calculation of Earnings at Risk, or "EAR", and Net Asset Value ("NAV") at Risk, or "NAR". EAR and NAR are the earnings and NAV sensitivity for each scenario developed by the Advisor.

Investment Strategies

- **Investment Objective** – Kingsbarn endeavors to deliver fund investors an attractive total return consisting of both a consistent dividend distribution while preserving the opportunity for price appreciation of the ETF.

- **Portfolio Construction** – Kingsbarn constructs the fund by selecting publicly listed equities from an investment universe of dividend paying companies from five (5) financial services subsectors that include Residential Mortgage and Commercial Mortgage Real Estate Investment Trusts and Business Development Companies.
 - **Macro-Economic Considerations** – While Kingsbarn does not develop a detailed and proprietary macro-economic forecast, the Adviser does overweight or underweight Fund positioning consistent with its views on the general strength of the overall economy.
 - **Micro-Economic Considerations** – Among a particular subsector the Adviser considers attractive for investment, Kingsbarn endeavors to identify companies within the subsector that have the highest level of earnings with the lowest amount of earnings-at-risk.
- **Portfolio Monitoring** – Kingsbarn updates its base-case financial forecasts with company financial results that are released each quarter. After updating its financial models with updated financials, the Adviser then completes its scenario analyses to identify the adjustments to portfolio positioning or portfolio hedging necessary to deliver upon the fund's Investment Objective.

Risk of Loss

Investing in securities involves risk of loss that you should be prepared to bear. We do not represent or guarantee that our services or methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines. We cannot offer any guarantees or promises that your financial goals and objectives will be met. Past performance is in no way an indication of future performance.

In addition to the risks described below, investors in any of the registered investment company funds or private funds currently managed by Kingsbarn or launched by Kingsbarn in the future should also consider the risks and other factors described in the appropriate fund's private placement memorandum or prospectus, as applicable.

Asset-Backed Securities Risk. Underlying bond funds in client accounts may buy interests in asset-backed securities which are fractional interests in pools of loans, receivables or other assets. They are issued by trusts or other special purpose vehicles and are collateralized by the loans, receivables or other assets that make up the pool. The trust or other issuer passes the income from the underlying asset pool to the investor. Neither the underlying bond fund nor its investment adviser selects the loans, receivables or other assets that are included in the pools or the collateral backing those pools. Asset-backed securities are subject to interest rate risk and credit risk. These securities are subject to the risk of default by the issuer as well as by the borrowers of the underlying loans in the pool. Certain asset-backed securities are subject to prepayment and extension risks.

Business Development Companies (“BDCs”). BDCs, which typically operate to invest in, or lend capital to, early stage-to-mature private companies as well as small public companies. BDCs are regulated under the 1940 Act and are generally taxed as regulated investment companies under the Internal Revenue Code. BDCs realize operating income when their investments are sold off or as income is received in connection with lending, and therefore maintain complex organizational, operational, tax and compliance requirements. For tax purposes, BDCs generally intend to qualify for taxation as regulated investment companies. To so qualify, BDCs must satisfy certain asset diversification and source of income tests and must generally distribute at least 90% of their taxable earnings as dividends. Under the 1940 Act, BDCs are also required to invest at least 70% of their total assets primarily in securities of private companies or thinly traded U.S. public companies, cash, cash

equivalents, U.S. government securities and high quality debt investments that mature in one year or less. Generally, little public information exists for private and thinly traded companies in which a BDC may invest, and therefore there is a risk that investors may not be able to make a fully informed decision. In addition, investments made by BDCs are typically illiquid and may be difficult to value. A BDC may only incur indebtedness in amounts such that the BDC's asset coverage, subject to certain conditions, equals at least 150% after such incurrence. These limitations on asset mix and leverage may prohibit the way that the BDC raises capital.

Derivatives Risk. A client account may use derivative instruments such as futures contracts and the underlying bond funds in client accounts may use derivative instruments such as swaps, foreign currency exchange forward contracts, futures contracts and options on futures contracts. The value of derivatives may rise or fall more rapidly than other investments. For some derivatives, it is possible to lose more than the amount invested in the derivative. Other risks of investments in derivatives include imperfect correlation between the value of these instruments and the underlying assets; risks of default by the other party to the derivative transactions; risks that the transactions may result in losses that offset gains in portfolio positions; and risks that the derivative transactions may not be liquid. If the client account or underlying bond fund is not successful in employing such instruments in managing its portfolio, its performance will be worse than if it did not invest in such instruments. In utilizing certain derivatives, a fund's losses are potentially unlimited. Derivative instruments may also involve the risk that other parties to the derivative contract may fail to meet their obligations, which could cause losses to the underlying bond fund and the client account.

Exchange Traded Funds ("ETFs"). Generally, ETFs are pooled investment vehicles that seek to track the performance of particular securities or an index. ETFs may be organized as open-end funds or as unit investment trusts. Their shares are listed on stock exchanges and can be traded throughout the day at market-determined prices. An ETF generally issues of its shares known in large quantities known as "Creation Units." The shares comprising such Creation Units are then listed on an exchange where secondary market transactions in such shares occur. Shares of ETFs are not individually redeemable back to the ETF, except upon termination of the ETF. To redeem shares of an ETF, an investor must accumulate enough shares of the ETF to reconstitute a Creation Unit. The liquidity of small holdings of ETF shares, therefore, will depend upon the existence of a secondary market for such shares. The price of ETF shares is based upon (but not necessarily identical to) the value of the securities held by the ETF. Accordingly, the level of risk involved in the purchase or sale of ETF shares is similar to the risk involved in the purchase or sale of traditional common stock, with the exception that the pricing mechanism for ETF shares is based on a basket of stocks. Disruptions in the markets for the securities underlying ETF shares purchased or sold by the client account could result in losses on such shares. There is no assurance that the requirements of the national securities exchanges necessary to maintain the listing of shares of any ETF will continue to be met. The ability of an investment adviser to an ETF that hedges interest rates will be subject to the same types of risks described in this Memorandum to which the client account is subject when it attempts to hedge its interest rate risks directly.

Fixed-Income Securities Risk. While fixed-income securities normally fluctuate less in price than stocks, there have been extended periods of increases in interest rates that have caused significant declines in fixed income securities prices. The values of fixed-income securities may be affected by changes in the credit rating or financial condition of their issuers. Generally, the lower the credit rating of a security, the higher the degree of risk as to the payment of interest and return of principal.

- **Spread Risk** – As the basis, or spread, between the interest rate for a security or a loan varies relative to a relevant index, the market value of the asset increases or decreases. Generally, when market interest rates rise, spreads will widen resulting in decreased asset values, and vice versa.

- **Liquidity Risk.** If lenders that provide companies financing to purchase securities or loans become unwilling, or are unable, to finance assets, a company could be forced to sell its investments at an inopportune time when prices are depressed. If liquidity becomes constrained on a systemic basis, numerous companies may be forced to sell assets Kingsbarn would have deemed to be relatively easy to finance at prices injurious to net asset values.
- **Credit Risk.** The issuer of a fixed-income security may not be able to make interest and principal payments when due. Generally, the lower the credit rating of a security, the greater the risk that the issuer will default on its obligation.
- **Change in Rating Risk.** If a rating agency gives a debt security a lower rating, the value of the debt security will decline because investors will demand a higher rate of return.
- **Inflation and Interest Rate Risk.** Security prices and portfolio returns will likely vary in response to changes in inflation and interest rates. Inflation causes the value of future dollars to be worth less and may reduce the purchasing power of a client's future interest payments and principal. Inflation also generally leads to higher interest rates which may cause the value of many types of fixed income investments to decline.
- **Duration Risk.** Prices of fixed-income securities with longer effective maturities are more sensitive to interest rate changes than those with shorter effective maturities.
- **Prepayment Risk.** Almost all of a company's non-derivative investments allow the underlying borrowers to prepay their loans at their discretion which gives rise to risk to Fund earnings and Net Asset Value. Kingsbarn believes faster or slower prepayments, versus those expected at the time a company invests in an asset, is the primary economic risk for the client account.
- **Income Risk.** The client account's income could decline due to falling market interest rates. In a falling interest rate environment, the client account or an underlying bond fund may invest its assets in lower-yielding securities. Because interest rates vary, it is impossible to predict the income or yield of the client account or any underlying bond fund for any particular period. In a falling interest rate environment, there may be lower-yielding securities.

General Economic and Market Conditions. The success of a client account's investment program may be affected by general economic and market conditions, such as interest rates, availability of credit, inflation rates, economic uncertainty, changes in laws, and national and international political circumstances. These factors may affect the level and volatility of securities prices and the liquidity of investments held by the client account. Unexpected volatility or illiquidity could impair the client account's profitability or result in losses. Russia's recent military interventions in Ukraine have led to and may lead to additional sanctions being levied by the United States, European Union and other countries against Russia. Russia's military incursion and the resulting sanctions could adversely affect global energy and financial markets and thus could affect the value of the client account's investments, even beyond any direct exposure the client account may have to Russian issuers or the adjoining geographic regions. The extent and duration of the military action, sanctions and resulting market disruptions are impossible to predict, but could be substantial. Any such disruptions caused by Russian military action or resulting sanctions may magnify the impact of other risks described in the applicable private placement memorandum or prospectus, as applicable.

High Yield ("Junk") Bond Risk. Junk bonds are speculative, involve greater risks of default, downgrade, or price declines and are more volatile and tend to be less liquid than investment-grade securities. Companies issuing high yield bonds are less financially strong, are more likely to encounter

financial difficulties, and are more vulnerable to adverse market events and negative sentiments than companies with higher credit ratings. Junk bonds are generally less liquid than higher-quality securities. Many of these securities are not registered for sale under the federal securities laws and/or do not trade frequently. When they do trade, their prices may be significantly higher or lower than expected. At times, it may be difficult to sell these securities promptly at an acceptable price, which may limit the underlying bond fund's ability to sell securities in response to specific economic events or to meet redemption requests. As a result, certain high-yield debt instruments may pose greater illiquidity and valuation risks.

Leverage Risk. Leverage, through either borrowing or the use of derivatives, will cause the value of a client account to be more volatile than if the account did not use leverage. This is because leverage tends to exaggerate the effect of any increase or decrease in the value of an account's portfolio securities. Certain strategies may engage in transactions or purchase instruments that give rise to forms of leverage. Such transactions and instruments may include, among others, the use of reverse repurchase agreements and other borrowings, the investment of collateral from loans of portfolio securities, or the use of when issued, delayed delivery or forward commitment transactions. The use of derivatives and short sales may also involve leverage. The use of leverage may cause an account to liquidate portfolio positions when it would not be advantageous to do so in order to satisfy its obligations or to meet segregation requirements.

Market Risk. The market price of securities owned by a client account may go up or down, sometimes rapidly or unpredictably. Securities may decline in value due to factors affecting securities markets generally or particular industries represented in the securities markets. The value of a security may decline due to general market conditions that are not specifically related to a particular company, such as real or perceived adverse economic conditions, changes in the general outlook for corporate earnings, changes in interest rates, adverse changes to credit markets or adverse investor sentiment generally. The value of a security may also decline due to factors that affect a particular industry or industries, such as labor shortages or increased production costs and competitive conditions within an industry. In addition, market risk includes the risk that geopolitical events will disrupt the economy on a national or global level. The continuing spread of an infectious respiratory illness caused by a novel strain of coronavirus (known as COVID-19) has caused volatility, severe market dislocations and liquidity constraints in many markets, including securities the client account holds, and may adversely affect the client account's investments and operations. Effects of COVID-19 have caused disruptions to business operations, supply chains and consumer activity, as well as general concern and uncertainty that has negatively affected the economic environment. These disruptions have led to instability in the marketplace, including stock and credit market losses and overall volatility. The impact of COVID-19, and other infectious illness outbreaks, epidemics or pandemics that may arise in the future, could adversely affect the economies of many nations or the entire global economy, the financial performance of individual issuers, borrowers and sectors and the health of the markets generally in potentially significant and unforeseen ways.

Mortgage-Related Securities Risk. The underlying bond funds in client accounts may buy interests in pools of residential or commercial mortgages in the form of "passthrough" mortgage securities. The prices and yields of mortgage-related securities are determined, in part, by assumptions about the rate of payments of the underlying mortgages and are subject to the risks of unanticipated prepayment and extension risks. Mortgage-related securities are also subject to interest rate risk, and the market for mortgage-backed securities may be volatile at times and may be less liquid than the markets for other types of securities.

Other Investment Company Securities Risk. When a client account invests in underlying bond funds, it is subject to the risks associated with those investment companies, (such as the risk that the fund will be concentrated in a particular issuer, market, industry or sector, and therefore will be

especially susceptible to loss due to adverse occurrences affecting that issuer, market, industry or sector). The client account may be affected by losses of the underlying bond funds and the level of risk arising from the investment practices of the underlying bond funds (such as the use of derivative transactions by the underlying bond funds). The ability of the Fund to meet its investment objective is affected by the ability of the underlying bond funds to meet their investment objectives. The client account has no control over the investments and related risks taken by the underlying bond funds in which it invests. Underlying bond funds incur operating expenses that are separate from those of the client account. As a result, the client or its shareholders will indirectly bear a proportionate share of the operating expenses of the underlying bond funds, in addition to client account expenses.

Publicly Traded Real Estate Investment Trusts ("REITs"). Investments in the securities of publicly traded residential or commercial mortgage REITs will be subject to a variety of risks affecting those REITs directly. Share prices of publicly traded REITs may decline because of adverse developments affecting the residential and commercial real estate industry, residential and commercial property values, including supply and demand for residential and commercial properties, the credit performance of residential and commercial mortgages, the economic health of the country or of different regions, and interest rates. REITs often invest in highly leveraged residential and commercial properties. Returns from REITs, which typically are small or medium capitalization stocks, may trail returns from the overall stock market. In addition, changes in interest rates may hurt residential and commercial real estate values or make REIT shares less attractive than other income-producing investments. REITs are also subject to heavy cash flow dependency and defaults by borrowers and tenants. The Fund may pay higher fees than shareholders in funds that do not hold shares of underlying publicly traded REITS because the underlying REITS impose fees in addition to those imposed by the Fund.

Risk of Investing in Futures. Futures contracts can be highly volatile and using futures can increase the volatility of a fund's net asset value ("NAV") and/or lower total return. Additionally, a relatively small movement in the price or value of a futures transaction may result in substantial losses to the client account, and the potential loss from futures can exceed the client account's initial investment in such contracts. Futures contracts involve the risk of mispricing or improper valuation and the risk that changes in the value of a futures contract may not correlate perfectly with the underlying indicator. A liquid secondary market may not always exist for the futures contract positions held by the client account or an underlying bond fund at any time. While futures contracts are generally liquid instruments, under certain market conditions they may become illiquid. As a result, the client account or an underlying bond fund, may not be able to close out a position in a futures contract at a time that is advantageous. The price of futures can be highly volatile; using them could lower total return, and the potential loss from futures can exceed the initial investment of the client account or underlying bond fund in such contracts. The use of derivatives by the client account and underlying bond funds in client accounts may magnify losses for the client account and the underlying bond funds in client accounts.

Swap Agreements Risk. Swap agreements are contracts among a fund and a counterparty to exchange the return of the pre-determined underlying investment (such as the rate of return of a specified index). Swap agreements may be negotiated bilaterally and traded OTC between two parties or, in some instances, must be transacted through a futures commission merchant and cleared through a clearinghouse that serves as a central counterparty. Risks associated with the use of swap agreements are different from those associated with ordinary portfolio securities transactions, due in part to the fact they could be considered illiquid and many swaps trade on the OTC market. Swaps are particularly subject to counterparty credit, correlation, valuation, liquidity and leveraging risks.

Venture Debt Lenders ("VDLs"). VDLs are direct lenders to private companies that are backed by private equity or venture capital investment firms. Generally, these companies have reached a stage in their business life cycle whereby their sponsors are comfortable raising debt capital to fund growth

rather than investing additional equity capital. Since venture debt lending is a method of financing for early-stage and growth stage companies, these companies may not have positive cash flow, assets, a proven credit history or reliable revenue streams. A venture debt lender assumes risks associated with such companies. There is significant competition in the industry for VDLs. Loans issued by VDLs can have fixed rates or floating rates with net interest margin variability managed by borrowing similar amounts of fixed and floating rate debt.

Methods of Analysis -- PINC

The following are broad descriptions of the methods of analysis and investment strategies that is employed by Kingsbarn when managing the private fund ("PINC"). It should be noted that investing in publicly issued equities and derivative securities involves the risk of loss that clients should be prepared to bear.

- **Investment Universe** – Kingsbarn's private fund invests in publicly-listed equities ("stocks") issued by Residential Mortgage Real Estate Investment Trusts ("MREITs"), Commercial Mortgage Real Estate Investment Trusts ("CREITs"), and Business Development Companies ("BDCs"). In aggregate across each of these three categories, the private fund's investment universe totals 75 companies. The private fund is actively managed with the Adviser typically selecting 12-18 companies from the investment universe for the fund.
- **Investment Objective** – Kingsbarn's private fund seeks to provide consistent cash distributions, on a quarterly basis, while employing a hedging strategy intended to limit the risk of loss due to significant movements in longer-term U.S. treasury interest rates. The private fund seeks to achieve its investment objective by investing, under normal market circumstances, a substantial portion of its assets in publicly-listed stocks of dividend-paying Residential Mortgage and Commercial Mortgage REITs and Business Development Companies. The private fund intends to use leverage via margin loans secured by its investment portfolio positions. The private fund does not invest in publicly-listed stocks of residential or commercial property REITs nor does it invest directly in residential, commercial, or private business loans or mortgages.
- **Fundamental Analysis** - Involves analyzing the public filings for each company that includes quarterly financial results, company-issued investor decks, and SEC filings which the Adviser uses to develop proprietary longer-term balance sheet and income statement forecasts which allows the Adviser to determine whether it believes a particular company's share price fairly reflects the Advisor's estimation of the company's fundamental value.
- **Investment Portfolio Risk Analysis** – After collecting the *Fundamental Analysis* information described in the prior section for each of the companies in the investment universe, the Advisor creates a financial model for each company under consideration for a fund investment or is currently in the fund's portfolio. To create the financial model, the Advisor uses each company's financial disclosures to model its loan portfolio, securities investments, financial hedges, and borrowings.
 - The Advisor's reasons for using each company's financial disclosure to create a longer-term financial model is two-fold: (a) estimate each company's *book value, or net asset value*, sensitivity to changes in market variables; and (b) estimate each company's future dividend distributions that are compared to its most recently declared dividend.
 - A company's book value, also referred to as its net asset value or equity value, is the difference between the value of its assets less the value of its liabilities. Estimating

potential changes in a company's book value is important as stocks issued by companies in the fund's investment universe generally trade in-line with each company's book value.

- Estimating each company's future dividend distributions is important as the market price for stocks in the fund's investment universe tend to decline if future dividend distributions are lower than recently declared dividends. Conversely, a company's stock price is more likely to increase if future dividends are above its most recently declared dividends.
- **Scenario Analysis: Net Asset Value & Dividend Distributions** – After the Advisor develops its longer-term financial forecast for each company in the fund's portfolio or under investment consideration, the Advisor then creates different scenarios that use alternative assumptions for business volumes, interest rates, investment and funding spreads, and borrower prepayment and/or repayment behaviors. The aggregate financial results for these scenarios result in a calculation of Earnings at Risk, or "EAR", and Net Asset Value ("NAV") at Risk, or "NAR". EAR and NAR are the earnings and NAV sensitivity for each scenario developed by the Advisor.
- **Portfolio Hedge Construction** – After completing the scenario analysis and concluding each company's EAR and NAR, the Advisor aggregates each company's earnings and book value exposures into the PINC portfolio-level EAR and NAR. After doing so, the Advisor will execute and manage PINC portfolio-level hedges in amounts and for maturity terms it believes will offset the aggregate portfolio earnings and net asset value exposures to the movements in longer-term U.S. treasury interest rates.

Investment Strategies

- **Investment Objective** – Kingsbarn endeavors to deliver fund investors an attractive total return consisting of both a consistent dividend distribution and a risk-adjusted net asset value that is hedged from changes in longer-term U.S. treasury interest rates.
- **Portfolio Construction** – Kingsbarn constructs the fund by selecting publicly listed equities from an investment universe of dividend paying companies from five (5) financial services subsectors that include Residential Mortgage and Commercial Mortgage Real Estate Investment Trusts and Business Development Companies.
- **Macro-Economic Considerations** – While Kingsbarn does not develop a detailed and proprietary macro-economic forecast, the Adviser does overweight or underweight Fund positioning consistent with its views on the general strength of the overall economy.
- **Micro-Economic Considerations** – Among a particular subsector the Adviser considers attractive for investment, Kingsbarn endeavors to identify companies within the subsector that have the highest level of earnings with the lowest amount of earnings-at-risk.
- **Portfolio Monitoring** – Kingsbarn updates its base-case financial forecasts with company financial results that are released each quarter. After updating its financial models with updated financials, the Adviser then completes its scenario analyses to identify the adjustments to portfolio positioning or portfolio hedging necessary to deliver upon the fund's Investment Objective.

Risk of Loss

Investing in securities involves risk of loss that you should be prepared to bear. We do not represent or guarantee that our services or methods of analysis can or will predict future results, successfully

identify market tops or bottoms, or insulate clients from losses due to market corrections or declines. We cannot offer any guarantees or promises that your financial goals and objectives will be met. Past performance is in no way an indication of future performance.

In addition to the risks described below, investors in any of the registered investment company funds or private funds currently managed by Kingsbarn or launched by Kingsbarn in the future should also consider the risks and other factors described in the appropriate fund's private placement memorandum or prospectus, as applicable.

Asset-Backed Securities Risk. Underlying bond funds in client accounts may buy interests in asset-backed securities which are fractional interests in pools of loans, receivables or other assets. They are issued by trusts or other special purpose vehicles and are collateralized by the loans, receivables or other assets that make up the pool. The trust or other issuer passes the income from the underlying asset pool to the investor. Neither the underlying bond fund nor its investment adviser selects the loans, receivables or other assets that are included in the pools or the collateral backing those pools. Asset-backed securities are subject to interest rate risk and credit risk. These securities are subject to the risk of default by the issuer as well as by the borrowers of the underlying loans in the pool. Certain asset-backed securities are subject to prepayment and extension risks.

Business Development Companies ("BDCs"). BDCs, which typically operate to invest in, or lend capital to, early stage-to-mature private companies as well as small public companies. BDCs are regulated under the 1940 Act and are generally taxed as regulated investment companies under the Internal Revenue Code. BDCs realize operating income when their investments are sold off or as income is received in connection with lending, and therefore maintain complex organizational, operational, tax and compliance requirements. For tax purposes, BDCs generally intend to qualify for taxation as regulated investment companies. To qualify, BDCs must satisfy certain asset diversification and source of income tests and must generally distribute at least 90% of their taxable earnings as dividends. Under the 1940 Act, BDCs are also required to invest at least 70% of their total assets primarily in securities of private companies or thinly traded U.S. public companies, cash, cash equivalents, U.S. government securities and high-quality debt investments that mature in one year or less. Generally, little public information exists for private and thinly traded companies in which a BDC may invest, and therefore there is a risk that investors may not be able to make a fully informed decision. In addition, investments made by BDCs are typically illiquid and may be difficult to value. A BDC may only incur indebtedness in amounts such that the BDC's asset coverage, subject to certain conditions, equals at least 150% after such incurrence. These limitations on asset mix and leverage may prohibit the way that the BDC raises capital.

Derivatives Risk. A client account may use derivative instruments such as futures contracts and the underlying bond funds in client accounts may use derivative instruments such as swaps, foreign currency exchange forward contracts, futures contracts, and options on futures contracts. The value of derivatives may rise or fall more rapidly than other investments. For some derivatives, it is possible to lose more than the amount invested in the derivative. Other risks of investments in derivatives include imperfect correlation between the value of these instruments and the underlying assets; risks of default by the other party to the derivative transactions; risks that the transactions may result in losses that offset gains in portfolio positions; and risks that the derivative transactions may not be liquid. If the client account or underlying bond fund is not successful in employing such instruments in managing its portfolio, its performance will be worse than if it did not invest in such instruments. In utilizing certain derivatives, a fund's losses are potentially unlimited. Derivative instruments may also involve the risk that other parties to the derivative contract may fail to meet their obligations, which could cause losses to the underlying bond fund and the client account.

Exchange Traded Funds ("ETFs"). Generally, ETFs are pooled investment vehicles that seek to

track the performance of particular securities or an index. ETFs may be organized as open-end funds or as unit investment trusts. Their shares are listed on stock exchanges and can be traded throughout the day at market-determined prices. An ETF generally issues its shares known in large quantities known as "Creation Units." The shares comprising such Creation Units are then listed on an exchange where secondary market transactions in such shares occur. Shares of ETFs are not individually redeemable back to the ETF, except upon termination of the ETF. To redeem shares of an ETF, an investor must accumulate enough shares of the ETF to reconstitute a Creation Unit. The liquidity of small holdings of ETF shares, therefore, will depend upon the existence of a secondary market for such shares. The price of ETF shares is based upon (but not necessarily identical to) the value of the securities held by the ETF. Accordingly, the level of risk involved in the purchase or sale of ETF shares is similar to the risk involved in the purchase or sale of traditional common stock, with the exception that the pricing mechanism for ETF shares is based on a basket of stocks. Disruptions in the markets for the securities underlying ETF shares purchased or sold by the client account could result in losses on such shares. There is no assurance that the requirements of the national securities exchanges necessary to maintain the listing of shares of any ETF will continue to be met. The ability of an investment adviser to an ETF that hedges interest rates will be subject to the same types of risks described in this Memorandum to which the client account is subject when it attempts to hedge its interest rate risks directly.

Fixed-Income Securities Risk. While fixed-income securities normally fluctuate less in price than stocks, there have been extended periods of increases in interest rates that have caused significant declines in fixed income securities prices. The values of fixed-income securities may be affected by changes in the credit rating or financial condition of their issuers. Generally, the lower the credit rating of a security, the higher the degree of risk as to the payment of interest and return of principal.

- **Spread Risk** – As the basis, or spread, between the interest rate for a security or a loan varies relative to a relevant index, the market value of the asset increases or decreases. Generally, when market interest rates rise, spreads will widen resulting in decreased asset values, and vice versa.
- **Liquidity Risk.** If lenders that provide companies financing to purchase securities or loans become unwilling, or are unable, to finance assets, a company could be forced to sell its investments at an inopportune time when prices are depressed. If liquidity becomes constrained on a systemic basis, numerous companies may be forced to sell assets Kingsbarn would have deemed to be relatively easy to finance at prices injurious to net asset values.
- **Credit Risk.** The issuer of a fixed-income security may not be able to make interest and principal payments when due. Generally, the lower the credit rating of a security, the greater the risk that the issuer will default on its obligation.
- **Change in Rating Risk.** If a rating agency gives a debt security a lower rating, the value of the debt security will decline because investors will demand a higher rate of return.
- **Inflation and Interest Rate Risk.** Security prices and portfolio returns will likely vary in response to changes in inflation and interest rates. Inflation causes the value of future dollars to be worth less and may reduce the purchasing power of a client's future interest payments and principal. Inflation also generally leads to higher interest rates which may cause the value of many types of fixed income investments to decline.
- **Duration Risk.** Prices of fixed-income securities with longer effective maturities are more sensitive to interest rate changes than those with shorter effective maturities.

- **Prepayment Risk.** Almost all of a company's non-derivative investments allow the underlying borrowers to prepay their loans at their discretion which gives rise to risk to Fund earnings and Net Asset Value. Kingsbarn believes faster or slower prepayments, versus those expected at the time a company invests in an asset, is the primary economic risk for the client account.
- **Income Risk.** The client account's income could decline due to falling market interest rates. In a falling interest rate environment, the client account or an underlying bond fund may invest its assets in lower-yielding securities. Because interest rates vary, it is impossible to predict the income or yield of the client account or any underlying bond fund for any particular period. In a falling interest rate environment, there may be lower-yielding securities.

General Economic and Market Conditions. The success of a client account's investment program may be affected by general economic and market conditions, such as interest rates, availability of credit, inflation rates, economic uncertainty, changes in laws, and national and international political circumstances. These factors may affect the level and volatility of securities prices and the liquidity of investments held by the client account. Unexpected volatility or illiquidity could impair the client account's profitability or result in losses. Russia's recent military interventions in Ukraine have led to and may lead to additional sanctions being levied by the United States, European Union and other countries against Russia. Russia's military incursion and the resulting sanctions could adversely affect global energy and financial markets and thus could affect the value of the client account's investments, even beyond any direct exposure the client account may have to Russian issuers or the adjoining geographic regions. The extent and duration of the military action, sanctions and resulting market disruptions are impossible to predict, but could be substantial. Any such disruptions caused by Russian military action or resulting sanctions may magnify the impact of other risks described in the applicable private placement memorandum or prospectus, as applicable.

High Yield ("Junk") Bond Risk. Junk bonds are speculative, involve greater risks of default, downgrade, or price declines and are more volatile and tend to be less liquid than investment-grade securities. Companies issuing high yield bonds are less financially strong, are more likely to encounter financial difficulties, and are more vulnerable to adverse market events and negative sentiments than companies with higher credit ratings. Junk bonds are generally less liquid than higher-quality securities. Many of these securities are not registered for sale under the federal securities laws and/or do not trade frequently. When they do trade, their prices may be significantly higher or lower than expected. At times, it may be difficult to sell these securities promptly at an acceptable price, which may limit the underlying bond fund's ability to sell securities in response to specific economic events or to meet redemption requests. As a result, certain high-yield debt instruments may pose greater illiquidity and valuation risks.

Leverage Risk. Leverage, through either borrowing or the use of derivatives, will cause the value of a client account to be more volatile than if the account did not use leverage. This is because leverage tends to exaggerate the effect of any increase or decrease in the value of an account's portfolio securities. Certain strategies may engage in transactions or purchase instruments that give rise to forms of leverage. Such transactions and instruments may include, among others, the use of reverse repurchase agreements and other borrowings, the investment of collateral from loans of portfolio securities, or the use of when issued, delayed delivery or forward commitment transactions. The use of derivatives and short sales may also involve leverage. The use of leverage may cause an account to liquidate portfolio positions when it would not be advantageous to do so in order to satisfy its obligations or to meet segregation requirements.

Market Risk. The market price of securities owned by a client account may go up or down, sometimes rapidly or unpredictably. Securities may decline in value due to factors affecting securities markets generally or particular industries represented in the securities markets. The value of a security may

decline due to general market conditions that are not specifically related to a particular company, such as real or perceived adverse economic conditions, changes in the general outlook for corporate earnings, changes in interest rates, adverse changes to credit markets or adverse investor sentiment generally. The value of a security may also decline due to factors that affect a particular industry or industries, such as labor shortages or increased production costs and competitive conditions within an industry. In addition, market risk includes the risk that geopolitical events will disrupt the economy on a national or global level. The continuing spread of an infectious respiratory illness caused by a novel strain of coronavirus (known as COVID-19) has caused volatility, severe market dislocations and liquidity constraints in many markets, including securities the client account holds, and may adversely affect the client account's investments and operations. Effects of COVID-19 have caused disruptions to business operations, supply chains and consumer activity, as well as general concern and uncertainty that has negatively affected the economic environment. These disruptions have led to instability in the marketplace, including stock and credit market losses and overall volatility. The impact of COVID-19, and other infectious illness outbreaks, epidemics or pandemics that may arise in the future, could adversely affect the economies of many nations or the entire global economy, the financial performance of individual issuers, borrowers and sectors and the health of the markets generally in potentially significant and unforeseen ways.

Mortgage-Related Securities Risk. The underlying bond funds in client accounts may buy interests in pools of residential or commercial mortgages in the form of "passthrough" mortgage securities. The prices and yields of mortgage-related securities are determined, in part, by assumptions about the rate of payments of the underlying mortgages and are subject to the risks of unanticipated prepayment and extension risks. Mortgage-related securities are also subject to interest rate risk, and the market for mortgage-backed securities may be volatile at times and may be less liquid than the markets for other types of securities.

Other Investment Company Securities Risk. When a client account invests in underlying bond funds, it is subject to the risks associated with those investment companies, (such as the risk that the fund will be concentrated in a particular issuer, market, industry or sector, and therefore will be especially susceptible to loss due to adverse occurrences affecting that issuer, market, industry or sector). The client account may be affected by losses of the underlying bond funds and the level of risk arising from the investment practices of the underlying bond funds (such as the use of derivative transactions by the underlying bond funds). The ability of the Fund to meet its investment objective is affected by the ability of the underlying bond funds to meet their investment objectives. The client account has no control over the investments and related risks taken by the underlying bond funds in which it invests. Underlying bond funds incur operating expenses that are separate from those of the client account. As a result, the client or its shareholders will indirectly bear a proportionate share of the operating expenses of the underlying bond funds, in addition to client account expenses.

Publicly Traded Real Estate Investment Trusts ("REITs"). Investments in the securities of publicly traded residential or commercial mortgage REITs will be subject to a variety of risks affecting those REITs directly. Share prices of publicly traded REITs may decline because of adverse developments affecting the residential and commercial real estate industry, residential and commercial property values, including supply and demand for residential and commercial properties, the credit performance of residential and commercial mortgages, the economic health of the country or of different regions, and interest rates. REITs often invest in highly leveraged residential and commercial properties. Returns from REITs, which typically are small or medium capitalization stocks, may trail returns from the overall stock market. In addition, changes in interest rates may hurt residential and commercial real estate values or make REIT shares less attractive than other income-producing investments. REITs are also subject to heavy cash flow dependency and defaults by borrowers and tenants. The Fund may pay higher fees than shareholders in funds that do not hold shares of underlying publicly traded REITS because the underlying REITS impose fees in addition to those imposed by the Fund.

Risk of Investing in Futures. Futures contracts can be highly volatile and using futures can increase the volatility of a fund's net asset value ("NAV") and/or lower total return. Additionally, a relatively small movement in the price or value of a futures transaction may result in substantial losses to the client account, and the potential loss from futures can exceed the client account's initial investment in such contracts. Futures contracts involve the risk of mispricing or improper valuation and the risk that changes in the value of a futures contract may not correlate perfectly with the underlying indicator. A liquid secondary market may not always exist for the futures contract positions held by the client account or an underlying bond fund at any time. While futures contracts are generally liquid instruments, under certain market conditions they may become illiquid. As a result, the client account or an underlying bond fund may not be able to close out a position in a futures contract at a time that is advantageous. The price of futures can be highly volatile; using them could lower total return, and the potential loss from futures can exceed the initial investment of the client account or underlying bond fund in such contracts. The use of derivatives by the client account and underlying bond funds in client accounts may magnify losses for the client account and the underlying bond funds in client accounts.

Swap Agreements Risk. Swap agreements are contracts between a fund and a counterparty to exchange the return of the pre-determined underlying investment (such as the rate of return of a specified index). Swap agreements may be negotiated bilaterally and traded OTC between two parties or, in some instances, must be transacted through a futures commission merchant and cleared through a clearinghouse that serves as a central counterparty. Risks associated with the use of swap agreements are different from those associated with ordinary portfolio securities transactions, due in part to the fact they could be considered illiquid and many swaps trade on the OTC market. Swaps are particularly subject to counterparty credit, correlation, valuation, liquidity and leveraging risks.

Venture Debt Lenders ("VDLs"). VDLs are direct lenders to private companies that are backed by private equity or venture capital investment firms. Generally, these companies have reached a stage in their business life cycle whereby their sponsors are comfortable raising debt capital to fund growth rather than investing additional equity capital. Since venture debt lending is a method of financing for early-stage and growth stage companies, these companies may not have positive cash flow, assets, a proven credit history or reliable revenue streams. A venture debt lender assumes risks associated with such companies. There is significant competition in the industry for VDLs. Loans issued by VDLs can have fixed rates or floating rates with net interest margin variability managed by borrowing similar amounts of fixed and floating rate debt.

Item 9 Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of the firm or the integrity of the firm's management in this item. Kingsbarn nor its management personnel have legal or disciplinary events to disclose.

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to a client's or potential client's evaluation of Kingsbarn or the integrity of Kingsbarn's management. There are no material legal/compliance disciplinary events involving Kingsbarn or any of its management personnel. From time to time, Kingsbarn may be involved in regulatory examinations or litigation that may arise in the ordinary course of business. Kingsbarn is not aware of any regulatory matters or litigation that it believes would be material to an evaluation of its advisory business or the integrity of its management.

Item 10 Other Financial Industry Activities and Affiliations

PINC / DVDN

The general partner for DVDN and PINC are managed by Kingsbarn and are related to Kingsbarn through common ownership and control. Kingsbarn is also affiliated with a real estate brokerage firm through common ownership and control. Kingsbarn shares the same physical location and certain supervised persons with both affiliated entities.

KCM employees do not serve on boards of directors, creditor committees or in other management capacities at companies in which it invests on behalf of clients.

KDRN

KDRN is managed by a portfolio manager who operates under a consulting agreement with KCM. The consulting agreement is between the portfolio manager's firm, wholly owned by the portfolio manager, and KCM. The monthly research report written by the portfolio manager is based upon the output from his proprietary market timing model, and is used to manage KDRN's portfolio positioning, is also "sold" to other asset managers. KCM has confirmed that this report is delivered to all clients of the portfolio manager's firm at the same time and prior to executing any KDRN portfolio trades. KCM does not believe investors in KDRN are disadvantaged by the KDRN portfolio manager selling his research as all of the trades dictated by the market timing model placed in the 10-year U.S. treasury futures market which is one of the deepest and most liquid of all financial securities market segments.

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

Description of Kingsbarn's Code of Ethics

Kingsbarn strives to comply with applicable laws and regulations governing its practices. Therefore, Kingsbarn's Code of Ethics includes guidelines for professional standards of conduct for persons associated with the firm. Kingsbarn's goal is to protect clients' interests at all times and to demonstrate its commitment to its fiduciary duties of honesty, good faith, and fair dealing with clients. All persons associated with Kingsbarn are expected to adhere strictly to these guidelines. Persons associated with the firm are also required to report any violations of Kingsbarn's Code of Ethics. Additionally, Kingsbarn will maintain and enforce written policies reasonably designed to prevent the misuse or dissemination of material, nonpublic information about clients or client account holdings by persons associated with the firm.

In recognition of Kingsbarn's fiduciary obligations to its clients, and Kingsbarn's desire to maintain its high ethical standards, Kingsbarn has adopted this Code of Ethics containing provisions designed to: (i) prevent improper personal trading by employees; (ii) prevent improper use of material, non-public information about recommendations made by Kingsbarn or holdings of its clients; (iii) identify conflicts of interest; and (iv) provide a means to resolve any actual or potential conflict in favor of clients. All employees are required to report their personal securities transactions to the Chief Compliance Officer ("CCO"). Kingsbarn also requires pre-clearance before purchasing an IPO or limited offering (i.e., private placement), requires periodic reporting of employees' personal securities transactions and holdings, and requires prompt internal reporting of Code of Ethics violations.

Kingsbarn utilizes a restricted list which includes a list of securities that, for business or legal reasons, employees may not transact in for a specified time period. Any trading activity with respect to a security

or a derivative thereof on the restricted list must be pre-cleared and approved in writing by the CCO. Kingsbarn's Code of Ethics applies to all employees. Further, employees must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices. A copy of Kingsbarn's Code of Ethics is available to current clients and investors as well as prospective clients and investors upon request.

Participation or Interest in Client Transactions

Neither Kingsbarn nor any persons associated with Kingsbarn has any material financial interest in client transactions beyond the provision of investment advisory services as disclosed in this brochure.

Item 12 Brokerage Practices

Best Execution

As a registered investment adviser, Kingsbarn recognizes its fiduciary obligation to seek best execution of clients' transactions. Best execution has been defined as the "execution of securities transactions for clients in such a manner that the clients' total cost or proceeds in each transaction is the most favorable under the circumstances." The best execution responsibility applies to the circumstances of each particular transaction and an investment adviser must consider the full range and quality of a broker-dealer's services, including execution capability, commission rates, value of research, and financial responsibility and responsiveness, among other things. Kingsbarn (or to the extent Kingsbarn engages a sub-adviser subject to its oversight), will evaluate the quality and cost of services received from broker/dealers on a periodic basis (at least annually). As part of the evaluations, the quality and cost of services available from alternative broker/dealers will be considered. In addition, consideration will be given to time and cost of changing broker-dealers (cost/benefit) and the impact on clients.

Trade Aggregation and Allocation

Kingsbarn may give advice and take action with respect to one client that differs from advice given or the timing or nature of action taken with respect to another client. It is, however, Kingsbarn's policy not to favor or disfavor consistently or consciously any clients or class of clients in the allocation of investment opportunities, with the result that, to the extent practicable, all investment opportunities will be allocated among clients over a period of time on a fair and equitable basis. The general principles on which Kingsbarn's trade allocation procedures are based are: (a) fairness to advisory clients, both in priority of order execution and in the allocation of aggregated orders or trades; (b) timeliness and efficiency in the execution of orders; and (c) accuracy of the investment adviser's records both as to trade orders and maintenance of client account positions. When Kingsbarn allocates investment opportunities, it takes into account the factors noted above, as applicable, and as a result, some or all of the eligible accounts may not receive a pro rata allocation, or any allocation. In certain cases, portfolio transactions may be executed in an aggregated transaction. Kingsbarn believes that aggregation of transactions may enable it, on average and over time, to obtain enhanced execution and lower brokerage commissions (although there is no certainty that such objectives will be achieved).

Directed Brokerage

Kingsbarn does not have directed brokerage arrangements where brokerage is directed. In addition, Kingsbarn will not compensate any broker-dealer for promoting or selling shares of a registered investment company client by directing, committing, promising, agreeing or otherwise undertaking to direct any portfolio securities transactions to such broker-dealer. Associated Persons of Kingsbarn are responsible for selecting broker-dealers for portfolio transactions and must not take into account any

broker-dealer's promotion or sale of Fund shares in making such selections. Kingsbarn believes that aggregation of transactions may enable it, on average and over time, to obtain enhanced execution and lower brokerage commissions (although there is no certainty that such objectives will be achieved).

Soft Dollars

Kingsbarn does not intend to enter into any formal soft dollar programs. Notwithstanding the foregoing, Kingsbarn may take into consideration the value of research obtained from a broker or dealer in trading on behalf of client accounts, and Kingsbarn intends to trade with brokers that provide research on securities in which Kingsbarn invests on behalf of client accounts and expects to gain access to such research as the result of using such brokers.

Principal or Agency Cross Transactions

Kingsbarn does not participate in either principal or agency cross transactions.

Trade Errors

In the event a trading error occurs in a client account, Kingsbarn's policy is that orders are effected correctly, promptly and in the best interests of clients. In the event any error occurs, Kingsbarn to restore the client account to the position it should have been in had the trading error not occurred, without disadvantaging the client or benefiting Kingsbarn in any way. If the error is the responsibility of Kingsbarn, the transaction will be corrected, and Kingsbarn will be responsible for any client loss resulting from the inaccurate or erroneous order. Depending on the circumstances, corrective actions may include canceling the trade, adjusting an allocation, and/or reimbursing the account.

Item 13 Review of Accounts

Kingsbarn's review of client accounts is an integral part of Kingsbarn's investment process. Portfolio managers review each of their accounts on a regular basis and select investments for clients in accordance with each client's investment objectives and consistent with the investment philosophy of Kingsbarn. Kingsbarn will also review company public financial disclosures and continually update its financial models and projections. General conditions in the capital markets are continuously monitored. Factors triggering further reviews may also include a change in general capital market conditions, changes in management of underlying portfolio holdings, and exceptional short-term volatility in broad capital markets or individual securities. All accounts are reviewed by Kingsbarn's portfolio management team.

Item 14 Client Referrals and Other Compensation

Kingsbarn does not receive any compensation from any third party in connection with providing investment advice to you nor does Kingsbarn compensate any individual or firm for client referrals.

Kingsbarn may, however, in the future, enter into arrangements whereby it appoints placement agents in connection with the offer and sale of interests in certain private funds. The general partner will pay each placement agent a placement fee based upon the amount of Interests committed to by investors that each such placement agent introduces to the general partner. Although common, such referral arrangements do create a potential conflict of interest because, in theory, the referrer may be motivated, at least partially, by financial gain and not because the Fund is the most suitable to the respective investor's needs. To address this potential conflict of interest, all referred investors will be required to meet certain eligibility criteria (although each investor must assess independently whether

an investment in the Fund would meet its investment needs, objectives, and risk tolerance before investing), and any such referral arrangements will be adequately disclosed.

Item 15 Custody

Kingsbarn does not maintain physical custody over client funds or securities. Such funds and securities will be held with a bank, broker-dealer, or other qualified custodian. Pursuant to Rule 206(4)-2 under the Advisers Act, however, Kingsbarn is deemed to have custody of private funds that it manages because Kingsbarn is affiliated with each private fund's general partner through common ownership and control. On an annual basis, investors in private funds will receive financial statements audited by an independent public accounting firm that is both registered with and subject to regular inspection by the Public Company Accounting Oversight Board (PCAOB). After the audited financial statements are prepared, Kingsbarn will send them, directly or through a third party, to each private fund investor within 120 days of the Fund's fiscal year. Kingsbarn urges clients and investors to carefully review such statements and compare such official custodial records to the account statements that Kingsbarn provides to clients and investors. Account statements produced by Kingsbarn may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

Item 16 Investment Discretion

Kingsbarn exercises full investment discretion for all of its client accounts on a discretionary basis. Kingsbarn observes the investment guidelines, limitations, recommendations, and restrictions of the clients for which it advises.

Item 17 Voting Client Securities

Rule 206(4)-6 and rule amendments under the Advisers Act addresses an investment advisor's fiduciary obligation to its clients when the adviser has authority to vote their proxies. Kingsbarn may be granted by its clients the authority to vote proxies of the securities held in client accounts.

Kingsbarn typically votes proxies as part of its discretionary authority to manage accounts unless the client has explicitly reserved the authority for itself. When voting proxies, Kingsbarn seeks to make voting decisions solely in the best interests of its clients and to enhance the economic value of the underlying portfolio securities held in its clients' accounts.

Kingsbarn will generally vote proxies in accordance with management recommendations as described below. Kingsbarn reserves the right to deviate from the general provisions contained within any part of this policy, and to vote against any issue regardless of the nature of the issue if by doing so we protect the client's interest and value. In the event of such deviation, documentation regarding such vote will be maintained in Kingsbarn's books and records.

Routine Matters

On routine matters, Kingsbarn will support management and vote in accordance with the following:

- In analyzing directors and boards, the policy we follow generally supports the election of incumbent and newly appointed directors except when a majority of the company's directors are not independent or where a director fails to attend at least 75% of board and committee meetings. In a contested election we will vote in accordance with what we feel is in the best interests of clients.

- Our policy will support auditor ratification;
- We generally support management proposals on executive compensation including equity compensation plans, allowing management and board discretion to design and implement effective compensation programs. However, recognizing that at some point the dilutive effect of equity compensation plans can negatively affect overall shareholder returns, the guidelines will vote against plans that would result in total overhang greater than 25%. Similarly, our guidelines will support management advisory votes on compensation and will vote in favor of executive compensation arrangements in connection with merger transactions with the belief that an independent compensation committee is in the best position to design an appropriate compensation program for the company. Further, we follow management's recommendation for proposals on the frequency of such advisory votes;
- We recognize that having sufficient available authorized common and preferred shares allows companies flexibility to take advantage of rapidly developing opportunities as well as to effectively operate the business. Therefore, we will support proposals to increase both common and preferred shares;
- We will generally support proposals relating to treatment of shareholders and changes to corporate structure except for management proposals to classify the board of directors which we will vote against to preserve director accountability;
- We will undertake a thorough examination of the economic implications of a proposed merger or acquisition to determine the transaction's likelihood of maximizing shareholder return. We will examine the process used to negotiate the transaction as well as the terms of the transaction in making the vote recommendation. We will vote in accordance with our belief in what is in the best interests of shareholders on mergers, acquisitions, and other financing transactions; and
- We will vote against shareholder proposals not supported by management, thereby allowing management and the board discretion to address issues generally raised by shareholder proponents, including those relating to governance, compensation, environmental, and social issues.

Voting Procedures

Proxy statements are to be reviewed and voted by the portfolio manager/s or another designated person with respect to client accounts. A record will be made and maintained of all votes. Kingsbarn reserves the right to vote contrary to its stated policy if it believes in its sole opinion that to do so would be in the best interests of its clients.

Kingsbarn may abstain from voting a proxy if it concludes that the effect on the client's economic interests or the value of the portfolio holding is indeterminable or insignificant. Kingsbarn may also abstain from voting if it concludes the cost of voting is disproportionate to the economic impact the vote would have on the portfolio holdings. A record of reasons for any such abstention by Kingsbarn will be maintained.

Conflicts of Interest

Any conflict of interest will be resolved in the best interests of its clients. In the event that a material conflict of interest is identified or believed to exist, Kingsbarn will review such conflict with its Chief Compliance Officer.

Kingsbarn shall also maintain record of any conflicts of interest that were identified with any specific vote, and if so, what action was taken to resolve the conflict with respect to each vote cast.

Proxy Vote Record Retention

Kingsbarn shall maintain records of proxies voted in accordance with Section 204-2 of the Act, including proxy statements, and a record of each vote cast. Kingsbarn shall also keep a copy of its policies and procedures and each written request from a client for proxy voting records and Kingsbarn's written response to any client request, either written or oral, for such records. All proxy voting records are to be retained for five years, with the first two years in the offices of Kingsbarn.

Form N-PX Filing for Registered Investment Company Clients

Kingsbarn shall be responsible for ensuring that it maintains a complete proxy vote log and confirms the timely voting of proxies. The proxy vote log will be maintained in such a manner that the following information is contained within the log in accordance with the requirements of submitting Form N-PX for proxies voted on behalf of Kingsbarn's registered investment company clients:

- the name of the issuer;
- the exchange ticker symbol, if available;
- the CUSIP number, if available;
- the shareholder meeting date;
- a brief identification of the matter voted on;
- whether the matter was proposed by the issuer or a security holder;
- whether Kingsbarn cast its vote on the matter;
- how Kingsbarn cast its vote on the matter (for, against, abstain, or withhold regarding the election of directors); and
- whether Kingsbarn cast its vote for or against management.

Kingsbarn shall provide the information necessary to complete the Form N-PX to the appropriate fund service provider/administrator who will timely submit the filings, generally prior to August 31 for the 12-month period ended June 30 each year.

Item 18 Financial Information

Kingsbarn does not require or solicit prepayment of its fees. Kingsbarn is not aware of any financial condition that is reasonably likely to impair its ability to meet contractual and fiduciary commitments to clients and has not been the subject of a bankruptcy proceeding.