

ARLINGTON PARTNERS[®], LLC
Part 2A of Form ADV
Firm Brochure

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This brochure provides information about the qualifications and business practices of Arlington Partners[®], LLC. If you have any questions about the contents of this brochure, please contact us at (205) 488-4300. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or any state securities authority.

Additional information about Arlington Partners[®], LLC is also available on the SEC's website at www.adviserinfo.sec.gov.

Any reference to or use of the terms "registered investment adviser" or "registered," does not imply that Arlington Partners[®], LLC or any person associated with Arlington Partners[®], LLC has achieved a certain level of skill or training.

Item 2 - Material Changes

On July 28, 2010, the United States Securities and Exchange Commission (“SEC”) published “Amendments to Form ADV” which requires us to provide clients a brochure and brochure supplement written in plain English. Pursuant to SEC rules, Arlington Partners, LLC (“Arlington Partners”) updates this document annually, or more frequently in the event of certain material changes. Arlington Partners will ensure that clients receive a summary of any material changes to this and following brochures within 120 days of the close of our business’ fiscal year to make sure clients are aware of any material changes to our business philosophies and practices. We will provide clients with other interim disclosures about material changes, as necessary. This March 27, 2024, brochure (the “2024 Annual Update”) is our annual brochure update for 2024 and updates, supplements and replaces our October 26, 2023 brochure (the “2023 Interim Update”), which updated, supplemented and replaced our March 16, 2023 brochure, which was our annual brochure update for 2023 (the “2023 Annual Update”).

This 2024 Annual Update contains the material changes to our 2023 Interim Update summarized below:

- As noted in our October 2023 Interim Update, because the work of Arlington Family Offices, of which Arlington Partners is a part, is to provide holistic family office services for multi-generational families and in light of a growing focus on intergenerational trusts and foundations, in 2023, all of Arlington Partners’ “managed accounts” (i.e., investment advisory accounts for individuals, trusts, estates, foundations, family limited partnerships, and the like) were transitioned from Arlington Partners to its affiliate, Arlington Trust Company, LLC, at which time Arlington Partners ceased offering investment advisory services to “managed account” clients (the “Internal Restructuring”). This transition resulted in a material decrease in our assets under management as these “managed accounts” are no longer included in the calculation. In addition, as a result of this evolution in our structure, we have revised the following sections of our brochure to remove content related to investment advisory services to “managed accounts” and to amplify various of our practices pertaining our investment advisory services on behalf of the “Arlington-Affiliated Private Funds” (i.e., private investment funds for which we or one of our affiliates serve as general partner, manager, managing member, or similar capacity): Item 5 – Fees and Compensation; Item 6 – Performance-Based Fees and Side-by-Side Management; Item 7 – Types of Clients; Item 8 - Methods of Analysis, Investment Strategies and Risk of Loss; Item 10 – Other Financial Industry Activities and Affiliations; Item 11 - Code of Ethics, Participation or Interest in Client Transactions and Personal Trading; Item 12 – Brokerage Practices; Item 13 – Review of Accounts; Item 15 – Custody; Item 16 – Investment Discretion; and Item 17 – Voting Client Securities.

- We have updated the information in Item 4 – Advisory Business regarding the amount of client assets we manage, including to reflect the results of the Internal Restructuring noted above.
- We have updated Item 5 – Fees and Compensation to provide additional information relating to fees and expenses associated with mutual funds and similar publicly traded investment vehicles, including such mutual funds and similar vehicles available through the sub-custodial and securities execution platform maintained by our custodian (Arlington Trust Company, LLC) with Fidelity Brokerage Services LLC and its affiliate, National Financial Services LLC. This sub-custodial and securities execution platform arrangement with Fidelity Brokerage Services LLC and National Financial Services LLC began on March 4, 2024.
- We have updated Item 17 – Voting Client Securities to provide additional information concerning how we vote proxies or exercise other voting rights associated with an investment held by our clients (the Arlington-Affiliated Private Funds).

Note that the above discusses only material changes to our firm brochure and not any other, non-material, changes from our 2023 Interim Update. Although not material, certain disclosures and descriptions throughout this brochure have been amended. Clients should carefully read this brochure in its entirety.

Clients can request additional copies of this brochure by contacting Mr. Kenneth H. Polk, Chief Executive Officer and Chief Investment Officer, at (205) 488-4300. This brochure is also available on our website. <https://arlington.com>. We will provide clients with a copy of this brochure anytime, without charge.

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Item 4 - Advisory Business

BACKGROUND

This brochure provides certain information regarding the investment advisory services Arlington Partners, LLC, an Alabama limited liability company (referred to below as “Arlington Partners,” “Firm,” “we,” “our,” or “us”), provides as a registered investment adviser.

Arlington Partners is owned by Arlington Holdings, LLC (“Arlington Holdings”). Arlington Management Company, Inc. (“Arlington Management”) serves as manager of Arlington Holdings. Arlington Holdings and Arlington Management are privately owned by a group of their officers and managers, including the executive officers of Arlington Partners, each of whom is actively working in the business.

We are affiliated with Arlington Trust Company[®], LLC (“Arlington Trust”), a non-depository bank exercising trust and fiduciary powers, which provides broad family office services, including various wealth management services, to multigenerational families of significant net worth with the goal of enhancing their lives. We also are affiliated with Arlington Associates, LLC (“Arlington Associates”), an accounting and tax services firm. Arlington Family Offices[®] is a trade name under which Arlington Trust and certain of its affiliates offer holistic service to families of significant wealth. Arlington Trust and Arlington Associates are also owned by Arlington Holdings, and thus we are under common control with Arlington Trust and Arlington Associates.

Arlington Family Offices’ work is to provide holistic family office services for multi-generational families. In light of the growing focus on intergenerational trusts and foundations, in 2023, all of Arlington Partners’ managed accounts (i.e., investment advisory accounts for individuals, trusts, estates, foundations, family limited partnerships, and the like) were transitioned to our affiliate, Arlington Trust, at which time Arlington Partners ceased offering investment advisory services to managed account clients (the “Internal Restructuring”). This transition resulted in a material decrease in our assets under management as these “managed accounts” are no longer included in the calculation. Qualifying managed account clients of Arlington Trust are eligible to invest in Arlington-Affiliated Private Funds. See Item 11 – Other Financial Industry Activities and Affiliations for additional information.

Arlington Partners offers investment advisory services to privately placed pooled investment vehicles for which Arlington Partners or one of its affiliates serves as fund manager, general partner, managing member and/or in similar roles (“Arlington-Affiliated Private Funds” or “Funds”). See below under “Arlington-Affiliated Private Funds” for additional information. With the transition described above, Arlington Partners does not offer investment advisory services to persons other than Arlington-Affiliated Private Funds.

As of December 31, 2023, Arlington Partners managed a total of \$1,340,641,610 of client assets, all of which constituted assets of Arlington-Affiliated Private Funds and all of which were managed on a discretionary basis. The reduction in our assets under management reported in our October 26, 2023 brochure, as well as the further reduction reported here, reflects the completion of the Internal Restructuring.

ARLINGTON-AFFILIATED PRIVATE FUNDS

As noted above, we provide investment advisory services to various Arlington-Affiliated Private Funds. In some cases, certain investments or other activities of an Arlington-Affiliated Private Fund will be conducted through one or more special-purpose entities (the “Fund-Related Entities”) in which the applicable Arlington-Affiliated Private Fund (the “Parent Fund Entity”) owns at least a controlling interest. Fund Related Entities will be formed for, among other reasons, the purpose of investing in one or more portfolio companies or other assets in connection with pursuing the investment objectives and strategies of the Parent Fund Entity.

The general partner, manager or managing member (or entity holding a similar capacity) of the Arlington-Affiliated Private Funds and Fund-Related Entities (the “Fund Managers”) are, in each case, Arlington Partners or an entity that is under common control with Arlington Partners. In addition to any applicable management fees, often the Fund Manager or another designated affiliate of Arlington Partners will be entitled to receive a profits interest, carried interest, incentive fees of other types of performance-based compensation from Arlington-Affiliated Private Funds and/or Fund-Related Entities.

Arlington-Affiliated Private Funds typically are organized as domestic limited partnerships or limited liability companies. Investments in Arlington-Affiliated Private Funds involve significant risk factors, including, but not limited to, potential for loss of principal, liquidity constraints and a lack of transparency found in public market investments. Unlike liquid investments, Arlington-Affiliated Private Funds do not provide daily liquidity or pricing. Therefore, investors should consider whether an Arlington-Affiliated Private Fund meets their investment objectives, liquidity needs, and risk tolerance before investing. Some Arlington-Affiliated Private Funds are illiquid and have no readily available market or sales price, and some Arlington-Affiliated Private Funds only produce a return on capital invested when making distributions or when liquidating the investment entities themselves.

The respective offering documents for an Arlington-Affiliated Private Fund, including private offering memorandums or similar documents (the “Offering Documents”), contain a detailed discussion about the applicable Arlington-Affiliated Private Fund, including important information concerning applicable investment objectives, fees and expenses, risk factors and conflicts of interest. In addition to completing and signing the Arlington-Affiliated Private Fund’s subscription agreement and other required documentation, each investor generally is required to certify, among other things, that the investor is an “accredited investor” (as defined in Rule 501, Regulation D

under the Securities Act of 1933) and a “qualified purchaser” (as defined in Section 2(a)(51) of the Investment Company Act of 1940, as amended).

WRAP FEE PROGRAMS

Arlington Partners does not sponsor or participate in wrap fee programs.

Item 5 - Fees and Compensation

OUR FEES AND COMPENSATION

We, the Fund Managers and certain of our other affiliates will be entitled to receive various types of fees and other compensation for fund management services, investment advisory services, custody services and other administrative and support services provided to the Arlington-Affiliated Private Funds. The fees and other compensation Arlington Partners and the Fund Managers receive from the Arlington-Affiliated Private Funds for investment advisory and fund management services (“Fund Management Fees”) are determined on a fund-by-fund basis. Fund Management Fees and Fund Investment Advisory Fees typically are calculated as a percentage of the Arlington-Affiliated Private Fund’s net asset value or committed capital and are payable quarterly. Eligible investors should review the applicable fund Offering Documents for information regarding fees and other compensation payable to Arlington Partners for investment advisory services to the fund (the “Fund Investment Advisory Fees”) and for management fees payable to the Fund Manager (the “Fund Management Fees”).

In those cases in which Fund Management Fees and/or Fund Investment Advisory Fees are assessed at the fund level, the Fund Investment Advisory Fees and Fund Management Fees are payable, directly or indirectly, from the assets of the applicable Arlington-Affiliated Private Fund. In some cases, the Fund Investment Advisory Fees are paid by the fund to Arlington Partners directly and, in other cases, are paid from the Fund Management Fees. In the case of some, but not all, Arlington-Affiliated Private Funds, a waiver, rebate, reimbursement, or similar accommodation will apply to the Fund Management Fees and/or Fund Investment Advisory Fees in the case of investors who are Arlington Family Offices clients and who satisfy certain criteria. Under the Offering Documents for some Arlington-Affiliated Private Funds, Fund Management Fees and Fund Investment Advisory Fees will not be charged at the fund level, but investors who did not at the time they invested, or after investing ceased to, maintain a qualifying managed account relationship with Arlington Family Offices agree to pay us fees that are calculated as a stated percentage of the investor’s capital commitment or capital account balance and payable quarterly in advance.

In the case of some Arlington-Affiliated Private Funds and Fund-Related Entities, certain types of performance-based compensation (such as incentive fee, profits interest and carried interest arrangements) are payable to Arlington Partners, the Fund Manager, or other affiliates of Arlington

Partners. See Item 6 – Performance-Based Fees and Side-By-Side Management for additional information.

In addition to applicable fees payable by the Arlington-Affiliated Private Funds and Fund-Related Entities, we, the Fund Managers, and our affiliates are entitled to payment or reimbursement of expenses incurred in connection with the establishment and operation of the Arlington-Affiliated Private Funds and Fund-Related Entities, subject to any applicable conditions, limitations and restrictions set forth in the Offering Documents. See below under “Expenses of the Arlington-Affiliated Private Funds and Fund-Related Entities.”

CUSTODY SERVICES FEES AND RELATED COMPENSATION

Arlington Trust serves as the custodian for the Arlington-Affiliated Private Funds and Fund-Related Entities and Arlington Trust, Arlington Associates and other of our affiliates provide a variety of other services to the Arlington-Affiliated Private Funds, including but not limited to administrative services, accounting services, bookkeeping services, legal services, tax preparation services, compliance support services, technology support services and other services, for which they receive fees and/or other forms of compensation from the Arlington-Affiliated Private Funds, in addition to payment or reimbursement of applicable expenses incurred (see below in this Item 5 under “Expenses of the Arlington-Affiliated Private Funds and Fund-Related Entities”).

Arlington Trust’s custody services fees are charged to the Arlington-Affiliated Private Funds and Fund-Related Entities as a percentage of assets held under custody of 0.12% per annum on the first \$25 million of fund assets and 0.06% of fund assets over \$25 million.

Unless otherwise directed by us, cash and cash equivalent balances of the Arlington-Affiliated Private Funds and Fund-Related Entities are swept into interest-bearing deposits of one or more banks participating in the “Arlington Trust Bank Sweep Program.” Arlington Trust receives servicing fees from those banks as part of the Arlington Trust Bank Sweep Program. These servicing fees materially reduce the interest received by the Arlington-Affiliated Private Funds and Fund-Related Entities compared to the interest that they could expect to receive if those banks did not pay Arlington Trust such servicing fees. The receipt of such servicing fees by Arlington Trust presents conflicts of interest for us. See Item 10 – Other Financial Industry Activities and Affiliations.

INDIRECT FEES AND EXPENSES

When one of the Arlington-Affiliated Private Funds invests in an investment fund, strategy or portfolio company, additional and separate fees and other forms of compensation, expenses and charges will be incurred by each of the Arlington-Affiliated Private Funds (and, as a result, by the investors in such Funds) at the “investment level,” which will be in addition to the Fund Investment Advisory Fees, Fund Management Fees, custody fees and other fees and compensation applicable to an Arlington-Affiliated Private Fund.

In some instances an Arlington-Affiliated Private Fund will conduct some of its investment activities through one or more Fund-Related Entities, in which case the expenses of the Fund-Related Entity (including applicable fees and other compensation payable to us, the Fund Manager or other of our affiliates) will be borne by the Arlington-Affiliated Private Fund (and, as a result by the investors in the Fund). Such expenses will include custody, administrative services, accounting services, bookkeeping services, legal support services, tax preparation services, compliance support services, technology support services and other services, in addition to payment or reimbursement of applicable expenses incurred (see below in this Item 5 under “Expenses of the Arlington-Affiliated Private Funds and Fund-Related Entities”). In many instances in which a management fee or performance-based compensation (incentive fee, profits interest or carried interest) is not charged directly at the “fund level,” a management fee and/or performance-based compensation (such as incentive fee, profits interest and carried interest arrangements) will be charged to the Fund-Related Entity and payable to us, the Fund Manager or one or more of our affiliates as additional compensation.

Mutual Funds and Other Publicly Traded Fund Vehicles

When deemed consistent with the Arlington-Affiliated Private Fund’s objective and strategy, assets of the Arlington-Affiliated Private Fund and/or a Fund-Related Entity will be invested in various mutual funds (including, without limitation, money market mutual funds), exchange-traded funds, closed-end funds, unit investment trusts and similar SEC-registered pooled investment vehicles (collectively, “Publicly Traded Fund Vehicles”). In addition, the Arlington-Affiliated Private Funds and the Fund-Related Entities will utilize certain types of Publicly Traded Fund Vehicles (e.g., money market mutual funds and other types of short-term mutual funds), among other investment alternatives, to invest assets that are not otherwise needed for long-term investment. All fees paid to Arlington Partners, the Fund Managers and other of our affiliates for services to the Arlington-Affiliated Private Funds are separate and distinct from the fees and expenses that will be incurred (directly or indirectly) in connection with investments of assets of an Arlington-Affiliated Private Funds in Publicly Traded Fund Vehicles and other securities or investment products.

Beginning on March 4, 2024, Arlington Trust, as custodian, has sub-custodial arrangements with Fidelity Brokerage Services LLC and its affiliate, National Financial Services LLC (collectively, “Fidelity”) which provides Arlington Trust and its custody clients the benefits offered by Fidelity’s platform for execution of securities transactions (the “Fidelity Platform”). The Fidelity Platform provides access to a broad range of Publicly Traded Investment Vehicles across numerous fund providers and managers and all major categories of equities and fixed income securities. Typically, when we determine that investing in a Publicly Traded Fund Vehicle is appropriate in pursuing the objectives and strategy of an Arlington-Affiliated Private Fund, we will select a Publicly Traded Fund Vehicle from among those Publicly Traded Fund Vehicles available on the Fidelity Platform.

Typically, the Arlington-Affiliated Private Funds and Fund-Related Entities will not pay a sales load or commission in connection with the purchase of mutual funds. In addition, as discussed below,

transaction charges will not apply in connection with mutual fund purchase and sale transactions conducted through the Fidelity Platform. However, all mutual funds charge their own fund-level fees (including, for example, custody, transfer agent, investment advisory or management fees, “12b-1” fees, shareholder servicing fees, administrative service fees, omnibus accounting fees, and fees for sub-administration), which fund-level fees (together with other operating expenses of the fund, including, for example, accounting, legal, and audit fees and expenses) are assessed against the assets of the mutual fund and ultimately are borne by the fund’s investors and, accordingly, will reduce the applicable returns received by the Arlington-Affiliated Private Fund and Fund-Related Entities from its investment in the mutual fund.

Some mutual funds available on the Fidelity Platform are transaction-fee (“TF”) mutual funds, while others are institutional no-transaction-fee (“iNTF”) mutual funds. Although a transaction charge typically applies in the case of the purchase or sale of TF funds, Fidelity has agreed to waive transaction charges in connection with TF fund purchases by Arlington Trust’s custody clients (including the Arlington-Affiliated Private Funds and the Fund-Related Entities) through the Fidelity Platform. In addition, transaction charges are not assessed in connection with the purchase of iNTF funds through the Fidelity Platform. However, most iNTF funds have higher internal expenses than TF funds and other funds that do not participate in an iNTF program. Where applicable, the higher internal expenses for iNTF funds are charged to the fund’s investors (including the Arlington-Affiliated Private Fund and Fund-Related Entities) who hold iNTF funds and will affect the long-term performance of their accounts when compared to funds (or share classes of the same fund) that assess lower internal expenses (such as most TF funds).

Our process for selecting mutual funds (and applicable share classes of mutual funds) focuses primarily on the fund’s portfolio risk and return characteristics, investment objective and strategy, historical performance, and manager/sponsor experience and capabilities. When available to us, we will invest the assets of the Arlington-Affiliated Private Funds and Fund-Related Entities in institutional shares or similar share classes that do not incur sales charges or 12b-1 service fees and that have lower expenses than “retail” share classes. While we will take applicable fund-level expenses into account in selecting mutual funds for the Arlington-Affiliated Private Funds and Fund-Related Expenses, we will not restrict our search and due diligence process to TF funds and, in some cases, we will not necessarily select the lowest cost fund or share class.

Fidelity negotiates agreements directly with the mutual funds or mutual fund companies under which the fund or fund companies agree to make periodic service fee or revenue-sharing payments to Fidelity in connection with shares of the funds held at or through the Fidelity platform (“Fidelity Fund Revenues”). Service fee payments (including, if applicable, “12b-1 service fees”) typically are paid from the assets of the fund and thus reduce the return to investors, while revenue sharing payments typically are paid by the mutual fund provider from its own assets. Fidelity Fund Revenue payments to Fidelity typically are higher in the case of iNTF funds than TF funds. We, Arlington Trust, and our affiliates are not parties to the agreements or negotiations between Fidelity and the

mutual funds/mutual fund providers and therefore have no input into, or control over, the amount of the Fidelity Fund Revenues payable to Fidelity or the source of the payments. In the event Fidelity remits to us any mutual fund service fee payments (including 12b-1 fees) or revenue-sharing payments based on assets of an Arlington-Affiliated Private Fund or Fund-Related Entity invested in a mutual fund, such payments will be credited to the applicable Arlington-Affiliated Private Fund or Fund-Related Entity.

SEPARATE FEES AND CHARGES

In the case of an investor in the Arlington-Affiliated Private Funds who is a wealth management or custody client of Arlington Trust and/or an accounting or tax services client of Arlington Associates, the fees, charges, compensation, and expenses applicable to the Arlington-Affiliated Private Funds that the investor holds will be in addition to all fees, charges, compensation and expenses applicable to the services they receive from Arlington Trust and/or Arlington Associates.

EXPENSES OF THE ARLINGTON-AFFILIATED PRIVATE FUNDS AND FUND-RELATED ENTITIES

Subject to any restrictions or limitations described in the Offering Documents or established under applicable law, rule or regulation, each Arlington-Affiliated Private Fund (and, ultimately, its investors) will be responsible for all fees, costs and expenses incurred by the Fund Manager, Arlington Partners as investment adviser, the applicable custodian or otherwise in connection with the organization and operation of such Arlington-Affiliated Private Fund. In addition, the investors in an Arlington-Affiliated Private Fund will ultimately bear the fees and expenses payable or incurred by any Fund-Related Entity formed to conduct investment or other activities on behalf of such Arlington-Affiliated Private Fund. Such fees, costs and expenses will include, without limitation, legal, auditing, accounting and other fees incurred in connection with the formation and operation of the Arlington-Affiliated Private Fund or Fund-Related Entity; tax preparation and professional fees, costs and expenses; investment related fees, costs and expenses, including but not limited to any fees, costs and expenses related to identification, evaluation, negotiation, acquisition, due diligence, restructuring, closing, holding, monitoring and disposing of any portfolio company, investment fund or other investment (whether or not the Arlington-Affiliated Private Fund or Fund-Related Entity actually invests in the investment), including, without limitation, all investment expenses, travel expenses, brokerage fees, commissions and expenses; costs associated with any subscription line; all organizational expenses; the Arlington-Affiliated Private Fund's or Fund-Related Entity's allocated share of employee costs (including compensation, benefits and attributable overhead) of us, the Fund Manager and/or its affiliates; insurance expenses; third party valuation services expenses; and fees, costs, and expenses (including, in the case of services provided "in-house," the allocated share of all employee costs (including compensation, benefits and attributable overhead)) for the performance of administrative services, accounting services, bookkeeping services, legal services, tax preparation services, compliance support services, technology support services and other services.

Arlington Partners and/or the Fund Manager is permitted to engage a third-party firm to perform due diligence on potential portfolio companies, investment funds and other investments or otherwise to source potential investments, and the fees and expenses of the third-party service provider will be borne by the Arlington-Affiliated Private Fund or Fund-Related Entity, as applicable.

CONTRACT TERMINATION

In the case of each of the Arlington-Affiliated Private Funds, Arlington Partners and the applicable Arlington-Affiliated Private Fund enters into a separate Investment Management Agreement with the Fund to document the services Arlington Partners will provide and the investment advisory fees it will receive for such services. The Fund Manager retains the right to terminate the Investment Management Agreement with specified notice to Arlington Partners.

In the case of Arlington-Affiliated Private Funds, the Fund's Offering Documents govern termination of investments in the Fund. In most cases, liquidations, and transfer of investors' holdings in an Arlington-Affiliated Private Fund are prohibited, severely limited (by significant advance notice requirements, lockups, holdbacks and other restrictions and requirements) or subject to the discretion of the Fund Manager. Therefore, investors in Arlington-Affiliated Private Funds typically are required to hold their investments in the Funds for an indefinite period of time.

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

In the case of some Arlington-Affiliated Private Funds, certain types of performance-based compensation (such as incentive fee, profits interest and carried interest arrangements) is payable to Arlington Partners, the Fund Manager or to other designated affiliates of Arlington Partners. Any applicable performance or incentive fee arrangement will be structured in accordance with the requirements and conditions of Section 205(a)(1) of the Investment Advisers Act of 1940 and available exemptions.

Performance-based fee arrangements create incentives for us and our affiliates to recommend investments that can be riskier than those we would recommend under a different fee arrangement. However, material investment decisions are approved by our Investment Committee (comprised of our Chief Investment Officer and senior investment personnel) taking into account an investment memorandum prepared by our investment team. In addition, principals of Arlington Partners typically hold interests in the Arlington-Affiliated Private Funds on the same terms as other investors (except for waiver of certain fees), which serves to alleviate the incentive to pursue investment without appropriately balancing the risks against the potential rewards.

As discussed above (see Item 4 – Advisory Business – Arlington-Affiliated Private Funds), we provide investment advisory services to various Arlington-Affiliated Private Funds. However, we do

not provide investment advisory services to any mutual funds or other registered investment companies or provide investment advisory services to natural persons or entities other than Arlington-Affiliated Private Funds.

Item 7 - Types of Clients

Arlington Partners provides investment advisory services to Arlington-Affiliated Private Funds, including in connection with their investment activities through Fund-Related Entities, where applicable. Neither Arlington Partners nor any of the Fund Managers provides investment advisory services to other types of entities and does not provide investment advisory services to natural persons, including to investors in the Arlington-Affiliated Private Funds.

In the case of each of the Arlington-Affiliated Private Funds, Arlington Partners and the applicable Arlington-Affiliated Private Fund enters into a separate Investment Management Agreement with the Fund to document the services Arlington Partners will provide and the investment advisory fees it will receive for such services.

Each Arlington-Affiliated Private Fund imposes minimum investment amounts, which are described in the applicable Offering Documents. In addition to completing and signing the Arlington-Affiliated Private Fund's subscription agreement and other required documentation, each investor generally is required to certify, among other things, that the investor is an "accredited investor" (as defined in Rule 501, Regulation D under the Securities Act of 1933) and a "qualified purchaser" (as defined in Section 2(a)(51) of the Investment Company Act of 1940, as amended).

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

METHODS OF ANALYSIS

The investment advice we provide to the Arlington-Affiliated Private Funds is primarily driven by the applicable Fund's investment objective and strategy as established in the Offering Documents. We consider those factors in light of the then current market landscape, including appropriate asset-classes, asset-class returns (historical and projected) and correlations, various asset-class risk metrics, and general global and domestic economic conditions.

The following overarching principles help guide the investment advice we provide to the Arlington-Affiliated Private Funds:

- “Valuation-driven” investment decisions offer a margin of safety that results in a lower probability of losing permanent capital, which may ultimately lead to long term wealth accumulation.
- Investment discipline structured around (a) *strategic* asset allocation that is focused on clients’ long-term objectives and (b) *tactical* asset allocation that, from time to time, requires us to reduce overpriced assets and purchase underpriced assets, will naturally create a “buy low, sell high” framework to protect capital in down markets and reduce volatility.
- Collectively pooling capital for certain investment objectives can provide advantages such as (a) diversification benefits, (b) greater manager access, (c) tax-efficiencies, (d) increased responsiveness to market/economic changes, and (e) cost/expense efficiencies.
- Capital allocation, when appropriately allocated to both traditional and alternative investment strategies, has potential to produce more consistent and less volatile returns, as well as provide opportunities to gradually position portfolios towards greater value propositions.
- Allocating meaningful capital to highly qualified managers and ideas is better than over diversifying a portfolio.
- It is unlikely that a single investment firm can internally employ the “best” talent to internally trade all types of securities and strategies; therefore, in instances in which we pursue a Fund’s investment strategy through the use of independent third-party managers, we will typically select third party managers on an asset class by asset class basis.
- Mean-reversion (of returns) of high-quality assets can be a powerful tool in constructing a portfolio.

When deemed appropriate in pursuing the identified investment objective and strategy of an Arlington-Affiliated Private Fund, we seek to identify highly qualified independent third-party managers to provide investment management services for all or a portion of the Arlington-Affiliated Private Fund, either directly as manager or sub-manager or through one or more private investment funds managed by such third-party manager. Key factors we consider in connection with evaluating third party managers under our investment manager search, selection, evaluation, and monitoring process are due diligence regarding the manager’s investment process, investment philosophy, investment team, risk management, historical performance, investment strategy and style, fees and operating expenses, fund size, and tax-efficiencies.

In evaluating third-party managers, we also incorporate both qualitative and quantitative fundamental analysis to validate and confirm a manager’s investment style and skill, as well as compare them to other managers of similar style. We utilize various research databases, proprietary models, financial periodicals, prospectuses and filings with the SEC, industry contacts and manager data, among other items, as part of the research process.

If we believe that a particular third-party manager is no longer suitable for an Arlington-Affiliated Private Fund, or that a different manager is more suitable, then we will contract with a different third-party manager.

INVESTMENT STRATEGIES

Currently, the Arlington-Affiliated Private Funds focus on specific investment objectives falling into one of the following categories:

- ***Global Equities.*** Long-term capital appreciation with a primary focus on long-only global stocks.
- ***Hedged Strategies.*** Diversified long-term capital appreciation and income through a variety of long and long/short strategies including, but not limited to, value driven long/short, credit oriented, private lending, event driven, tail-risk hedging and multi-strategy managers that invest in both public and privately structured equity and debt securities.
- ***Real Estate & Private Equity.*** Illiquid investments in buyouts, minority equity and debt positions, and/or real estate for which there is no readily available "market" or sales price.

As deemed appropriate in pursuing the investment objectives and strategy of an Arlington-Affiliated Private Fund, fund assets will be invested in various short-term money market instruments, money market mutual funds, certificates of deposit, money market deposit accounts and other bank deposits, and US Treasury Bills, as well as other cash-equivalent holdings. See below under Item 10 – Other Financial Industry Activities and Affiliations – Other Affiliations – Arlington-Advised Arlington-Affiliated Private Funds for additional information.

Investors should carefully review the respective Offering Documents for the Arlington-Affiliated Private Funds, which contain a detailed discussion about the applicable Arlington-Affiliated Private Fund, including important information concerning applicable investment objectives, expenses, risk factors, fees, and other compensation (including fees and other compensation payable to Arlington Partners and its affiliates), and conflicts of interest.

RISK OF LOSS

All investments involve the risk of loss, including the loss of principal, the risk of reduction in earnings (including interest, dividends, and other distributions), and the risk of loss of future earnings. These risks include, but are not limited to, risks such as market risk, interest rate risk, credit risk and general economic risk. Although we manage assets in a manner consistent with clients' risk tolerances, there can be no guarantee that these efforts will be successful. Investor in the Arlington-Affiliated Private Funds should be prepared to bear the risk of loss.

Our investment approach seeks to keep the risk of loss in mind. The Offering Documents for a particular Arlington-Affiliated Private Fund will contain important disclosures regarding the types of

risks, including investment risks, applicable to an investment in such Fund. Such investment risks include, among other things, the following:

- **Market Risk.** The price of a security, bond, or mutual fund can drop in reaction to tangible and intangible events and conditions. This risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic, and social conditions can trigger market events.
- **Interest-rate Risk.** Fluctuations in interest rates can cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market value to decline.
- **Credit Risk.** The risk that an issuer of securities will be unable to pay principal and interest when due, or that the value of the security will suffer because investors believe the issuer is less able to pay.
- **Currency Risk.** Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also known as exchange rate risk.
- **Investment Risk.** When securities are sold from a portfolio, they could be worth less than what was paid for them. As with any investment, some or all of the invested capital may be lost.
- **Liquidity Risk.** Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while investments like Arlington-Affiliated Private Funds and real estate properties are not.
- **Inflation Risk.** When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.
- **Reinvestment Risk.** This is the risk that future proceeds from investments will have to be reinvested at a potentially lower rate of return (i.e., interest rate). This primarily relates to fixed income securities.
- **Business Risk.** These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.

- ***Financial Risk.*** Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations can result in bankruptcy and/or a declining market value.
- ***Travel and Work From Home Restrictions.*** Our operations could be adversely impacted by quarantine measures, work from home restrictions or government mandated travel restrictions. Such restrictions could materially and adversely affect our ability to source, manage and divest its clients' investments and its ability to fulfill investment objectives.
- ***General Economic and Market Conditions.*** The success of our activities will be affected by general economic and market conditions, including but not limited to interest rates, inflation rates, economic uncertainty, availability of credit, credit defaults, changes in laws (including laws relating to taxation of the client investments), trade barriers, currency exchange controls, energy prices, commodity prices, pandemics, national and international political circumstances (including government intervention in financial markets, wars, terrorist acts or security operations), natural disasters, and coordinated investor actions (e.g., rise of user boards influence on specific securities). These factors generally affect the level and volatility of securities prices and the liquidity of the client investments. Volatility or illiquidity could impair the profitability of, or result in losses by, one or more Arlington-Affiliated Private Funds. Arlington-Affiliated Private Funds may maintain substantial trading positions that can be adversely affected by the level of volatility in the financial markets.
- ***Cyber Security Risk.*** As technology becomes more engrained in businesses, information about the Arlington-Affiliated Private Funds and their investors may be more susceptible to cyber security breaches. Cyber security breaches and risks include both intentional and unintentional events and may include but are not limited to the following: third parties purposefully hacking our systems to access confidential client information; attacks designed to disrupt our normal business operations; corruption or destruction of data; and inadvertent disclosure by us or our service providers of confidential information. In addition, we use third parties for a variety of services. Such third parties may have access to certain of our systems or confidential information, or we may rely on the third party's systems to perform certain business functions. If the third party suffers a cyber-security event, confidential information about us and our clients may be exposed, or we may not be able to access the systems. Moreover, a security in a client's account may decline in value if the issuer or counterparty to such security suffers a cyber-security event. We have adopted both a business continuity plan and a program designed to reduce the risk of cyber security breaches. However, there are no guarantees that these actions will prevent cyber security breaches or foresee future threats.

- **Valuation Risk.** In some cases, assets held in Arlington-Affiliated Private Funds are not widely traded and therefore cannot be valued on the basis of reasonably available exchange-traded security data. In the case of securities and investments held in Arlington-Affiliated Private Funds that are widely traded, we use good faith efforts to obtain reliable data on which to base values for such securities and investments; however, in some cases we will receive or use inaccurate data, which could adversely affect security/investment valuations, transaction size for purchase or sales and/or calculation of the advisory fees payable to us or our affiliates.

Item 9 - Disciplinary Information

Neither Arlington Partners nor any of its management personnel have reportable events to disclose.

Item 10 - Other Financial Industry Activities and Affiliations

Arlington Partners is part of an affiliated group of companies, operating under the trade name Arlington Family Offices[®], providing holistic family office services to multigenerational families of significant net worth with the goal of enhancing their lives. As described in this brochure, Arlington Partners provides the Arlington-Affiliated Private Funds with investment advisory services and Arlington Partners or its affiliates serve as the general partner, manager or managing member (or in a comparable capacity) of the Arlington-Affiliated Private Funds. In addition, Arlington Trust, Arlington Associates, and various other affiliates of Arlington Partners provide services to the Arlington-Affiliated Private Funds and Fund-Related Entities, including administrative services, accounting services, tax preparation services, legal support, compliance support, custody services and technology support services. See above Item 4 – Advisory Business – Background for additional information concerning the direct and indirect ownership of Arlington Partners, Arlington Trust, and Arlington Associates.

ARLINGTON TRUST

Arlington Trust is an Alabama chartered, non-depository bank, based in Birmingham, Alabama with a branch office located in Franklin, Tennessee that offers, among other services, trust, fiduciary, investment advisory and custody services and related administrative and cash management services. Among other services, Arlington Trust provides a discreet and private setting for its clients to custody their assets, manage their complex estate plans and obtain tailored investment advice. The activities of Arlington Trust are supervised by the State of Alabama Department of Banking.

As noted above and in Item 4 – Advisory Business – Background, Arlington Trust and we are under common control. The individual owners of Arlington Holdings each serve as officers of both

Arlington Partners and Arlington Trust and each also serve on the Board of Managers for Arlington Trust. In addition, most officers and employees of Arlington Partners also serve in similar capacities on behalf of Arlington Trust.

Investment of Arlington Trust's Client Assets in the Arlington-Affiliated Private Funds

Typically, investors in the Arlington-Affiliated Private Funds are wealth management clients of Arlington Trust. When determined by Arlington Trust to be appropriate and consistent with its responsibilities to its clients to which it provides investment advisory services, Arlington Trust will exercise its investment discretion, if applicable, to invest client assets in one or more Arlington-Affiliated Private Funds or recommend to a non-discretionary client that the client consider an investment in one of more Arlington-Affiliated Private Funds, in each case subject to a determination that Arlington Trust has a good faith belief that the client is eligible to invest in the Arlington-Affiliated Private Fund in question. When the assets of Arlington Trust clients are invested in an Arlington-Affiliated Private Fund, we, and our affiliates, including Arlington Trust (and, indirectly, the owners and principals of Arlington Holdings), will receive additional compensation because of the fees and other compensation that will be received through the Arlington-Affiliated Private Funds. However, Arlington Trust's policies and procedures require, among other things, the development of an investment policy statement tailored to the financial circumstances, investment objective and risk tolerance of each of its investment advisory clients and the conduct of investment reviews for each investment advisory client on at least an annual basis, which processes are overseen by designated committees established by Arlington Trust's Board of Managers. When a client receiving discretionary investment services from Arlington Trust makes an initial investment into an Arlington-Affiliated Private Fund, the client will be required to sign applicable subscription documents and/or other documentation to acknowledge the client's approval of the investment and the associated risk factors; however, following the initial investment, additions to or withdrawals from (if any) the investment will be within Arlington Trust's discretionary authority but Arlington Trust will proceed only after consultation with the client. In the case of clients receiving non-discretionary investment services from Arlington Trust, the client will be responsible to make both the initial decision to invest in any Arlington-Affiliated Private Fund and decisions regarding any additions to or withdrawals/redemptions from the fund.

Arlington Trust Serves as Custodian of the Arlington-Affiliated Private Funds

Arlington Trust serves as the custodian for each of the Arlington-Affiliated Private Funds and, where applicable, the Fund-Related Entities. Because we and Arlington Trust are both wholly owned by Arlington Holdings, and fees and other compensation received by Arlington Trust accrue to the benefit of the owners and principals of Arlington Holdings, Arlington Partners and the Fund Managers have a conflict of interest in selecting Arlington Trust to act as custodian for the Arlington-Affiliated Private Funds and Fund-Related Entities. These conflicts of interest are mitigated by the operational efficiencies that are gained by using an affiliated custodian that has established processes designed to help ensure a high-level of service to the Arlington-Affiliated

Private Funds and their investors and that will be responsive to changes in the needs of the Arlington-Affiliated Private Funds and their investors.

The compensation received by Arlington Trust in connection with its services to the Arlington-Affiliated Private Funds and Fund-Related Entities are separate and distinct from, and in addition to, the compensation Arlington Trust receives for the custody, trust, fiduciary, investment advisory and cash management services provided to its wealth management and family office clients.

Fidelity Platform. Arlington Trust, as custodian, utilizes the sub-custody and securities trade execution platform (the “Fidelity Platform”) provided by Fidelity Brokerage Services LLC and its affiliate, National Financial Services LLC (collectively, “Fidelity”). Typically, purchases and sales by us or the Fund Managers of publicly traded securities (including Publicly Traded Fund Vehicles) on behalf of the Arlington-Affiliated Private Funds and Fund-Related Entities will be conducted through the Fidelity Platform. See also Item 5 – Fees and Compensation for additional information regarding certain fees and expenses associated with Publicly Traded Fund Vehicles purchased for the Arlington-Affiliated Private Funds and/or Fund-Related Entities through the Fidelity Platform.

Arlington Trust Bank Sweep Program. Unless otherwise directed by us, cash and cash equivalent balances of the Arlington-Affiliated Private Funds and Fund-Related Entities are swept into interest-bearing deposits of one or more banks participating in the “Arlington Trust Bank Sweep Program” (the “Program”). Arlington Trust receives servicing fees as part of the Program. The servicing fees received by Arlington Trust are calculated based on the total interest rate paid by the participating bank to Arlington Trust on deposits held under the Program less the rate of interest (the “client sweep rate”) credited to Arlington Trust’s custody clients (the “client sweep rate”), including the Arlington-Affiliated Private Funds and Fund-Related Entities. The servicing fees received by Arlington Trust are expected to be significantly more than the client sweep rate and, accordingly, will materially reduce the interest received by the Arlington-Affiliated Private Funds and Fund-Related Entities compared to the interest that they could expect to receive if those banks did not pay Arlington Trust such servicing fees.

The servicing fees Arlington Trust receives under the Program vary from bank-to-bank and will be higher in the case of banks that agree to pay a higher total interest rate on deposits held under the Program. Conflicts of interest are presented in connection with the selection of the banks that will participate in the Program and in the establishment of the client sweep rate because the servicing fee compensation Arlington Trust receives will increase proportionately to the difference between the total interest rate paid by a bank and the designated client sweep rate. As a result, there is an incentive for Arlington Trust to select banks that pay a higher total interest rate on deposits they hold under the Program and to designate a lower client sweep rate. Although the ultimate decisions regarding the selection of the participating banks and the applicable client sweep rate are made by Arlington Trust, the officers of Arlington Trust who participate in those decisions are also officers of Arlington Partners and the Fund Managers and participate in management and investment

advisory decisions relating to our clients (i.e., the Arlington-Affiliated Private Funds). These conflicts of interest are mitigated by the following:

- While the selection of a bank to participate in the Program takes into account the willingness of the bank to pay competitive all-in rates of interest on deposits, the selection process also takes into account a number of other criteria, including the bank's ability to provide services in Arlington Trust's markets, the bank's projected capacity to accept significant deposits under the Program, the bank's ability to process net sweep transactions on a daily basis, the bank's general reputation for service reliability and protection of customer privacy and data, and the acceptability of the bank's financial strength and stability.
- In establishing the client sweep rate from time to time, Arlington Trust (with the participation of officers of Arlington Trust who are also officers of Arlington Partners and the Fund Managers as described above) makes a good faith determination that the client sweep rate is reasonable based on a review of the rates available under identified cash sweep programs of third-party providers.

We also have a conflict of interest in the form of a financial incentive to maximize the assets of the Arlington-Affiliated Private Funds and Fund-Related Entities held in cash because Arlington Trust (and, indirectly, our owners) will receive compensation in the form of servicing fees based on the amount of cash assets held in bank deposits under the Program. However, our decisions regarding the allocation of assets of an Arlington-Affiliated Private Fund or Fund-Related Entity to cash are based on factors such as the anticipated timing of funding of investment purchases, capital calls and expense payments and, in some instances, market conditions, and such decisions are not based on the fact that Arlington Trust will receive servicing fees based on cash held under the Program. Conflicts of interest related to cash of Arlington-Affiliated Private Funds and Fund-Related Entities being held under the Program also are mitigated by the fact that we have a strong incentive to generate favorable returns for the Arlington-Affiliated Private Funds and Fund-Related Entities and holding excess cash will create a drag on those returns during rising markets.

ARLINGTON ASSOCIATES

Arlington Associates is an accounting and tax services firm built to serve the unique needs of clients of Arlington Family Offices. Services offered by Arlington Associates include tax compliance and management, tax risk management, and tax controversy resolution.

Arlington Associates will provide tax preparation and related services to the Arlington-Affiliated Private Funds and Fund-Related Entities. The compensation Arlington Associates receives for its tax preparation and related services are in addition to the compensation received by us, Arlington Trust, the Fund Managers, and their affiliates for services to the Arlington-Affiliated Private Funds and Fund-Related Entities. Because Arlington Associates, Arlington Partners and the Fund Managers are wholly owned by Arlington Holdings, and fees and other compensation earned by

Arlington Associates accrue to the benefit of the owners and principals of Arlington Holdings, we have a conflict of interest in selecting Arlington Associates to provide tax preparation and related services to the Arlington-Affiliated Private Funds and Fund-Related Entities. These conflicts of interest are mitigated by the benefits our clients (the Arlington-Affiliated Private Funds) receive by virtue of the efficiencies afforded by having tax preparation and related services performed by professionals who are familiar with the day-to-day operations of the Arlington-Affiliated Private Funds rather than engaging a third-party firm who would have less familiarity with such operations.

Arlington Associates' tax services do not include the authority to sign checks or disburse funds on behalf of any Arlington-Affiliated Private Fund or Fund-Related Entity.

OTHER AFFILIATIONS

We provide investment advisory services to the Arlington-Affiliated Private Funds and we or one of our affiliates serve as Fund Manager of the Arlington-Affiliated Private Funds and/or receive performance-based compensation (such as incentive fees, carried interest or a profits interest) from certain of the Arlington-Affiliated Private Funds and Fund-Related Entities. Designated affiliates of ours also serve as manager, general partner, managing member or in a similar capacity in the case of various of the Fund-Related Entities and, in some instances, receive performance-based compensation (such as an incentive fee, carried interest or a profits interest) in those capacities.

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

CODE OF ETHICS

We have adopted a Code of Ethics (“Code”) to address the securities-related conduct of our employees. It is our policy to establish such procedures and guidelines governing the conduct of our business to prevent actual or potential conflicts of interest with our clients and to prevent violations of securities laws.

In addition to our fiduciary duty to our clients, which requires each employee to act solely for the benefit of the clients, employees also have a duty to act in the best interests of the firm. Therefore, it is in our best interest to avoid potential conflicts of interest, or even the appearance of such conflicts, in the conduct of our officers and employees.

While it is impossible to define all situations that might pose a risk of securities laws violations or create conflicts, the Code is designed to address those circumstances where such concerns are most likely to arise. The Code sets out the basic principles to help guide the daily conduct of all supervised employees, with particular focus on employee personal trading.

The Code also includes protecting the confidentiality of client information and complying with ethical restraints relating to clients and their own accounts. We expect all of its supervised persons to comply with the spirit and letter of all applicable laws, regulations, and company policies. We expect employees to be sensitive to, and act appropriately in, situations that give rise to actual as well as perceived conflicts of interest or violations of this Code.

The Code prohibits certain either prohibits or requires pre-clearance for identified types of personal securities transactions by employees. It also reinforces the principles of fiduciary responsibility that our employees are to follow. The Code places de minimis limits on gifts given to and received from employees.

All employees must promptly report any violation of the Code to the Chief Compliance Officer. Violations of the Code can result in disciplinary action, including termination.

A copy of our Code is available to any client or prospective client, as well as any investor or prospective investor in an Arlington-Affiliated Private Fund, upon written request to the Chief Compliance Officer at our principal office address located on the front of this brochure.

PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS

Participation in client transactions always involves real or perceived conflicts of interest. In some cases, we will give advice and take action on one client that differ from advice given and action taken by us for other clients. This conflict of interest is mitigated by the fact that each of our clients (i.e., each of the Arlington-Affiliated Private Funds) has an identified investment objective and investment strategy that is disclosed to investors in its Offering Documents and we have an incentive to pursue those investment objectives and strategies in a manner that will generate favorable results for each of the Arlington-Affiliated Private Funds.

We are permitted to invest our client's assets (i.e., assets of the Arlington-Affiliated Private Funds) in securities or other investments in which we, our affiliates or other related persons (e.g., owners of Arlington Holdings and managers, officers and/or employees of one or more of our affiliates) have a financial interest. We mitigate this conflict of interest by disclosing it in the Offering Documents and through the procedures described below under "Personal Trading."

PERSONAL TRADING

Conflicts of interest can arise when our supervised persons (directors, officers, members, and certain employees) buy or sell securities for their personal accounts that are identical to or different from those recommended to our clients and when supervised persons have an interest or position in certain securities that we also recommend to our clients.

We have instituted the following restrictions governing personal investment activities by our supervised persons:

- The interests of client accounts will at all times be placed first;
- All personal securities transactions will be conducted in such manner as to avoid any actual or potential conflict of interest or any abuse of an individual's position of trust and responsibility; and
- Supervised persons must not take inappropriate advantage of their positions.

We require designated employees (defined as access persons under the Investment Advisers Act) to submit certain reports regarding their personal investment accounts and trading within those accounts. This information is reviewed through a third-party employee compliance monitoring platform managed by our Compliance Department. This includes trades and accounts in which they or their immediate family members have a beneficial interest. Employees who are access persons must obtain pre-approval prior to investing in initial public offerings or private placements.

Item 12 - Brokerage Practices

BROKER SELECTION & BEST EXECUTION

In any instance in which any client (i.e., an Arlington-Affiliated Private Fund) purchases or sells a publicly traded security directly (i.e., other than through a third-party fund managed by an unaffiliated manager) and we are responsible for directing the manner of the purchase or sale, we endeavor to conduct such purchase or sale transaction (including, to the extent applicable, in the selection of any broker or dealer or other securities intermediary) in such a manner that the client's total costs or proceeds are the most favorable under the circumstances, considering, however, the nature of the security and the proposed transaction. While competitive spreads or commissions will be sought where applicable, the lowest spread or commission will not necessarily be obtained. In selecting a broker, dealer or other securities intermediary (an "executing intermediary") to conduct the purchase or sale of a publicly traded security for an Arlington-Affiliated Private Fund, we will take into account, to the extent relevant under the circumstances, (a) the executing intermediary's execution capabilities with respect to the relevant type of order, (b) the reasonableness of the commissions or similar compensation (e.g., mark-up, mark-down) to be charged by the executing intermediary, (c) the executing intermediary's reputation and (d) the executing intermediary's responsiveness to requests for trading data, market quotes and other financial information relevant to the proposed purchase or sale transaction.

As noted in Item 10 – "Other Financial Industry Activities and Affiliations," purchases and sales by us or the Fund Managers of publicly traded securities (including Publicly Traded Fund Vehicles) on behalf of the Arlington-Affiliated Private Funds and Fund-Related Entities typically will be conducted through the Fidelity Platform. We will periodically review the execution quality obtained and trading costs incurred through the Fidelity Platform. In any instances in which we determine that the Fidelity Platform does not support execution of a particular purchase or sale transaction or

does not offer competitive pricing relating to such transaction, we will seek to engage a different executing intermediary.

In instances in which a client (i.e., an Arlington-Affiliated Private Fund) invests in a fund managed by an unaffiliated third-party manager that invests in publicly traded securities and/or private assets, the third-party manager typically determines the type and quantity of securities purchased and sold, whether an executing intermediary is used in connection with a trade and, if so, the selection of the executing intermediary, and the commission or other compensation to be paid to the executing intermediary.

RESEARCH AND OTHER SOFT DOLLAR BENEFITS

We do not receive research or other products or services other than execution services from any executing intermediary in connection with securities transactions for our clients.

DIRECTED BROKERAGE

Directed brokerage transactions occur when a client directs an investment adviser to use a particular broker-dealer to conduct a sale or purchase transaction for the client's account. Where applicable, Arlington Partners will retain the authority and responsibility to select broker-dealers to conduct securities trades for its clients (i.e., the Arlington-Affiliated Private Funds). As a result, it is not anticipated that we will participate in directed brokerage transactions. In the event any directed brokerage transactions should arise, however, the directed-brokerage instructions, if any, must be in writing and will be maintained and documented in our records.

AGGREGATED TRADES

We have adopted policies and practices to ensure trading practices are fair to all clients and that no client is unfairly advantaged or disadvantaged over any other. The aggregation or blocking of client transactions allows an investment adviser to execute transactions in a more timely, equitable, and efficient manner and seeks to reduce overall commission charges to clients. Because of our limited trade volume in publicly traded securities, we typically do not meet aggregation eligibility requirements. In the event we are able to aggregate in a particular circumstance, clients participating in any aggregated transactions will receive an average share price and transaction costs will be shared equally and on a pro-rata basis. Transactions for our own account or the accounts of any of its employees or principals ("proprietary accounts") will not be aggregated with client transactions unless it is determined that such aggregation will not provide more favorable treatment to proprietary accounts than to other client accounts.

TRADE SETTLEMENT

As the custodian for our clients (i.e., the Arlington-Affiliated Private Funds), Arlington Trust is authorized to settle on an ongoing basis, in accordance with Arlington Trust's standard securities processing practices, all security transactions initiated by us for an Arlington-Affiliated Private Fund. Our policies prohibit any allocation of trades in a manner that any particular Arlington-Affiliated

Private Fund will receive more favorable treatment than any other Arlington-Affiliated Private Fund or any Arlington-Affiliated Private Fund will receive less favorable treatment than any of our proprietary accounts or affiliated accounts.

INITIAL PUBLIC OFFERINGS

We currently do not participate in initial public offerings.

Item 13 - Review of Accounts

The investments and portfolio holdings of the Arlington-Affiliated Private Funds and Fund-Related Entities are reviewed and monitored on an ongoing basis by our Investment Committee (comprised of our Chief Investment Officer, Chief Investment Strategist, and other senior investment personnel) taking into account material changes such as the market, political and economic environment. When deemed appropriate or desirable in the pursuit of an Arlington-Affiliated Private Fund's investment objectives, we will allocate all or a portion of a Fund's entire portfolio to third party managers. Our Investment Committee reviews the performance of third-party managers on a regular basis.

In the case of Arlington-Affiliated Private Funds for which audited financial statements are obtained, copies of such audited financial statements will be distributed to Fund investors within the timeframe specified under SEC rules. In the case of Arlington-Affiliated Private Funds that are not audited on an annual basis, investors in the Arlington-Affiliated Private Funds will receive written reports at least quarterly that reflect the holdings and transactions of the Arlington-Affiliated Private Funds they hold.

Item 14 - Client Referrals and Other Compensation

We will not engage any current client or Arlington-Affiliated Private Fund investor to provide any compensated testimonial on our behalf. However, we are permitted to enter into arrangements under which designated unaffiliated third parties (other than current clients or Arlington-Affiliated Private Fund investors) refer investment advisory clients to us or engage in related solicitation activities in exchange for compensation ("Third-Party Promoter Relationships"). Compensation paid to third-party promoters under a Third-Party Promoter Relationship will be negotiated on a case-by-case basis but typically would represent a stated percentage of fees generated by us (and, in some cases, certain of our affiliates) from referred clients who establish investment advisory relationships with us over an identified period of time. Any referral arrangement entered into by us for the solicitation of advisory clients by a third-party that constitutes a "testimonial" or "endorsement" will be structured and implemented in accordance with the SEC's "Marketing Rule." The details of the particular referral arrangement and a description of the compensation paid to the promoter will be

disclosed to each referred client through a separate written disclosure. We do not currently participate in any Third-Party Promoter Relationships.

We have established policies and procedures under which identified “Arlington Affiliated Persons” (e.g., partners, officers, directors, employees of Arlington Partners or any our affiliated entities) are authorized to provide “testimonials” and “endorsements” on our behalf under circumstances that are exempt from the disclosure and written agreement requirements of the Marketing Rule.

Certain of our officers and principals, through Arlington Holdings or individually, have ownership interests in Arlington Trust, Arlington Associates, Arlington Management, and the Fund Managers ("Related Entities"). Fees and other compensation will be payable to the Related Entities in the event a client directly engages Arlington Trust and/or Arlington Associates to provide services to the client or in the event the client invests in an Arlington-Affiliated Private Fund that pays fees or other compensation to the Related Entity. In those instances, the fees or other compensation received by the Related Entities will accrue to the benefit of our officers and principals and thus create a conflict of interest. See Item 5 – “Fees and Compensation” and Item 10 – Other Financial Industry Activities and Affiliations for additional information.

Item 15 - Custody

Arlington Trust, which is a “qualified custodian” under applicable rules of the SEC, holds our client assets (i.e., the assets of the Arlington-Affiliated Private Funds). Fees charged by Arlington Trust for its services can be more, or less, than fees charged by other similar financial institutions. See Item 10 – Other Financial Industry Activities and Affiliations – Arlington Trust for additional information.

In addition to other fees and compensation, Arlington Trust receives compensation and other benefits in connection with custody of the assets of the Arlington-Affiliated Private Funds. The receipt by Arlington Trust or its affiliates of such additional compensation presents conflicts of interest for Arlington Partners. See Item 5 – Fees and Compensation – Trust Services Fees, Custody Services Fees and Related Compensation and Item 10 – “Other Financial Industry Activities and Affiliations – Arlington Trust for additional information.

Item 16 - Investment Discretion

We have investment discretion over the assets of our clients (i.e., the Arlington-Affiliated Private Funds). Any generally applicable limitations on the exercise of our investment discretion relating to an Arlington-Affiliated Private Fund typically are set forth in the Offering Documents for the fund.

In some instances, “side letters” we enter into with one or more fund investors of an Arlington-Affiliated Private Fund will have the effect of obligating us to obtain the consent of such investors before pursuing certain investments for the Arlington-Affiliated Private Fund to which the side letter relates.

Item 17 - Voting Client Securities

Arlington-Affiliated Private Funds (an “Impacted Fund Client”) advised by us will, from time to time, have the opportunity to vote proxies or exercise other voting rights associated with an investment held by the Impacted Fund Client (collectively, “Voting Rights”), including, for example, proxies, tender offers and similar matters for publicly traded companies, mutual funds or other investment vehicles held by the Impacted Fund Client and actions subject to the approval of an identified percentage of the equity owners of a portfolio company held by the Impacted Fund Client. We will endeavor to exercise Voting Rights in the manner it determines in good faith to be most likely to cause the Impacted Fund Client’s investment to increase the most or decline the least in value. In exercising Voting Rights, we will consider both the short-term and the long-term implications of the proposed action.

In some cases, we will refrain from exercising an Impacted Fund Client’s Voting Rights if it is determined that the time and expense of exercising the Impacted Fund Client’s Voting Rights under the circumstances, are not justified in relation to the expected benefit to the Impacted Fund Client.

Item 18 - Financial Information

We have never filed for bankruptcy, and we are not aware of any financial condition that is reasonably likely to impair our ability to meet our contractual commitments to our clients. We do not require or solicit prepayment of more than \$1,200 in fees per client six months or more in advance.