

Part 2A of Form ADV: *Firm Brochure*

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This brochure provides information about the qualifications and business practices of Absolute Investment Advisers, LLC. If you have any questions about the contents of this brochure, please contact us at 781-740-1904, or info@absoluteadvisers.com.

The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. Absolute Investment Advisers, LLC is registered with the SEC as an investment adviser. Being a “registered investment adviser” or describing ourselves as being “registered” does not imply a certain level of skill or training.

Additional information about Absolute Investment Advisers, LLC also is available on the SEC’s website at www.adviserinfo.sec.gov. You can search this site by a unique identifying number, known as a CRD number. Our firm's CRD number is 132436.

ITEM 2: MATERIAL CHANGES

Absolute Investment Advisers, LLC has created Form ADV Part 2A (Brochure) as part of the annual amendment process; reflecting AIA Finn Associates GP, LLC is newly created adviser and General Partner to the Absolute Finn Investment Partners L.P., a 3(c)1 privately offered investment vehicle.

A copy of this Brochure may be requested by sending an email to info@absoluteadvisers.com or via the SEC web site www.adviserinfo.sec.gov. The Brochure is available free of charge.

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ITEM 4: ADVISORY BUSINESS

Absolute Investment Advisers, LLC ("Absolute", "we" or "us") is an SEC-registered investment adviser with its principal place of business located in Rosemary Beach, Florida. Absolute is a limited liability company that began conducting business in 2004.

Absolute's principal owner (i.e., those individuals and/or entities controlling 25% or more of the partnership) is James P. Compson.

Mutual Fund Portfolio Management

Absolute is the investment adviser for the Absolute Convertible Arbitrage Fund, Absolute Flexible Fund, Absolute Capital Opportunities Fund, Absolute Strategies Fund and the Absolute Select Value ETF (together, the "Funds" or the "Absolute Funds"). Absolute serves as the investment advisor to the Funds, and continuously manages the Absolute Fund assets based on the investment goals and objectives as outlined in each Absolute Fund's prospectus.

Interested investors should refer to each Absolute Fund's Prospectus and Statement of Additional Information ("SAI") for important information regarding objectives, investments, time-horizon, risks, fees, expenses, and additional disclosures. These documents are available on-line at www.absoluteadvisers.com.

Private Fund Portfolio Management

Absolute provides investment management services to collective investment funds that are not registered as investment companies (the "Private Funds"). The Private Funds that are managed by Absolute include:

Absolute Finn Investment Partners, L.P.

AIA Finn Associates GP, LLC ("General Partner") is the General Partner to the Absolute Finn Investment Partners L.P. (the "Partners Fund" or "Partnership"), a privately offered pooled investment vehicle. The General Partner has appointed Absolute to serve as the Partners Fund's investment adviser. The General Partner is a relying adviser of Absolute and is under common control and collectively conduct a single advisory business. Absolute is the manager of the Partners Fund's assets, and the General Partner has no employees or other persons acting on its behalf other than officers, directors, partners or employees of Absolute.

Separate Account Portfolio Management

Absolute provides continuous asset management of client portfolios based on the individual needs of the client. Through discussions in which goals and objectives based on the client's particular circumstances are established, Absolute develops the client's investment guidelines. Absolute creates and manages a portfolio based on those guidelines.

Absolute manages these advisory accounts on a discretionary basis. Account supervision is guided by the client's stated objectives and guidelines (e.g., maximum capital appreciation, growth, income, or growth and income), as well as tax considerations.

Clients can impose reasonable restrictions on investing in certain securities, types of securities, or industry sectors, or such other investment restrictions as may be agreed between a client and Absolute, but in general management of an account is discretionary on the part of Absolute.

Amount of Managed Assets

All Absolute's accounts are managed on a discretionary basis. As of December 31, 2023, Absolute was managing approximately \$1,625,721,283 of client assets.

ITEM 5: FEES AND COMPENSATION

Private Funds

The Partners Fund pays Absolute a fixed quarterly management fee as of the beginning of each fiscal quarter that ranges from 0.25% to 0.375% (1.00% - 1.50% annualized) of the Private Fund's opening net asset value for that quarter. Such fixed management fees payable by the Private Fund are generally not negotiable, although in certain circumstances management fees may be waived or reduced. In addition, the Private Fund also typically pays a performance-based fee or profit allocation of 15% to 20% of the net realized and unrealized capital appreciation in the Private Fund. This performance-based compensation is subject to waiver by Absolute, in its sole discretion, and is waived for certain Limited Partners in the Private Fund. Absolute has waived the performance-based compensation for certain affiliates of Absolute (the General Partners of the Private Funds), family members of the Principals of the General Partner of the Private Fund, and other entities created for a family member's benefit. The performance-based compensation is charged only on profits in excess of the Private Fund's previous "high water mark."

Mutual Funds

Absolute charges an asset-based fee for Absolute Fund investment management services. The fee arrangement, termination, and refund policies are described in each Absolute Fund's prospectus and Statement of Additional Information ("SAI").

For these services, Absolute typically charges annual management fees that range from 0.85% to 1.40% of the average daily total assets or net assets of the Absolute Fund, depending on the type of assets being managed. Fees charged with respect to Absolute Funds are subject to annual review and approval by the Board of Trustees of each Absolute Fund. These fees and expenses are described in each Absolute Fund's prospectus, and clients should review the fees charged by the Absolute Funds and the fees charged by Absolute to fully understand the total amount of fees to be paid by the client.

Separately Managed Accounts

For separately managed accounts, management fees are normally charged based on a percentage of assets under management. Absolute may be paid a management fee in advance at the beginning of each calendar quarter based on an agreed percentage of the market value of the holdings in the separately managed client account as of the beginning of the quarter, or the client may pay the management fee based on an agreed percentage of the market value of the holdings in the separately managed client account quarterly in arrears based on the average of the net asset value as of the last day of each month during such calendar quarter. Management fees are generally billed to the client, not deducted from the client's account. Absolute is also entitled to be paid a performance-based fee as mutually agreed between a separately managed account client and Absolute (so long as the client is a "qualified client" under the applicable securities regulations). The performance-based fee is based on an agreed percentage of net realized and unrealized capital appreciation on an annual basis and may be subject to a hurdle or target performance amount that must be reached before the performance-based fee will be paid. In addition, the performance-based fee will be subject to a "high-water" mark such that if the account suffers a net capital loss, no performance-based fee will be charged until the account has recovered that loss. If a client with a separately managed account invests a portion of its assets in the Private Fund, then no separate account management fee is paid on the portion of assets in the Private Fund, but rather, only the management and performance-based fees of the Private Fund are charged on those assets. Fees charged to separately managed accounts are subject to negotiation and are included in a written contract between the client and Absolute.

A minimum of \$25 million of assets under management is required for separately managed accounts, subject to Absolute's discretion to accept more or less. This account size may be negotiable under certain circumstances.

A separately managed client account agreement generally may be canceled at any time, by either party, for any reason upon receipt of written notice. The Investment Management Agreement between the client and Absolute will give the specific notice period required, which is generally 30 days. As disclosed above, certain fees are paid in advance of services provided. Upon termination of any separately managed account that pays management fees in advance, any prepaid, unearned fees will be promptly refunded. In calculating a client's reimbursement of fees, Absolute will pro rate the reimbursement according to the number of days remaining in the billing period.

Other Fees and Expenses

In addition to our advisory fees, our clients are also responsible for the fees and expenses charged by custodians and imposed by broker-dealers, including, but not limited to, any transaction charges imposed by a broker-dealer that effects transactions for the client's account(s).

Our clients will generally also bear all other costs and expenses related to their investments and operations, including, without limitation, brokerage commissions and other transaction costs, clearing and settlement charges, interest and commitment fees on debit balances or borrowings, borrowing charges on securities sold short, stock borrowing fees, proxy solicitation expenses, costs of liability insurance obtained on behalf of a client, initial and variation margin, custodial fees,

costs of any litigation or investigation involving client activities, indemnification expenses, consulting expenses, the fees and expenses of professionals providing services to the client, including legal and other professional fees relating to potential and actual investments, audit, accounting, tax and administration, regulatory costs, any issue or transfer taxes chargeable in connection with any securities transactions, any entity level taxes, regulatory filing and license fees, costs of reporting and providing information to investors in such clients (if any), and any extraordinary expenses. A portion of certain client's operating expenses may be shared with other clients managed by Absolute on an equitable basis as determined by Absolute, and if permitted pursuant to a client's applicable governing documents. Not all of Absolute's clients will pay all of the types of expenses and costs listed above, and clients may also pay different expenses not listed above. In each case, reference should be made to each client's applicable governing documents for further information.

More information regarding fees and expenses applicable to the Absolute Funds is also available on the Absolute Funds' website. See Item 4 for the website for the Absolute Funds.

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

For client accounts that are subject to a performance-based fee or allocation, which are currently the Private Fund and separately managed accounts, there is an inherent conflict of interest built into the fee structure since the performance-based compensation may create an incentive for Absolute to recommend investments which may be riskier or more speculative than those which would be recommended under a different compensation structure.

Because Absolute manages accounts that pay performance-based compensation and those that do not, there is an incentive to favor the accounts with performance-based compensation. There is also an inherent conflict of interest between client accounts that pay performance-based compensation and client accounts that do not, since Absolute has the ability to earn higher fees from the performance-based compensation-paying accounts. This could give an incentive to place higher performing securities in the accounts that pay performance-based compensation. Absolute seeks to mitigate this by requiring the allocation of securities to be done in advance of trade execution so that trades are not allocated after their performance is known. In addition, for initial public offerings (IPOs) and other limited issues including certain limited availability secondary offerings, which historically have seen large initial gains, Absolute generally requires all eligible accounts to have the opportunity to participate in the offering, on a pro rata basis in proportion to the managed assets in such eligible accounts.

To the extent possible, investment themes identified as attractive, and the specific security selections within those themes, are considered for all eligible accounts in the same investment strategy and these trades will generally be done pro rata among such eligible accounts. At present, there are no accounts for which this pro rata standard applies. Closed end fund investments, generally trade pro rata to total asset size, although from time-to-time certain funds or accounts may be given a different allocation due to cash availability issues, strategy differences, or to compensate for other structural factors. At times, securities considered as investments for client accounts in the same investment strategy may also be appropriate for client accounts in a different

investment strategy managed by Absolute, but the portfolio weightings and specific holdings periods for a particular security may not necessarily be the same across accounts in the various investment strategies because of various considerations outlined above, or for other reasons. The portfolio managers, exercising investment discretion and judgment, will be responsible for the determination as to the amount of a particular security to be allocated across a group of accounts in different investment strategies. This allocation must be done in advance of execution. When the same security is traded on the same day for accounts having different investment strategies, whenever possible the order should be combined and the weighted average execution price per broker for that day will be used for all accounts that participate. Trades of the same security for accounts in different investment strategies, however, might not be combined if there is a different trading execution strategy being employed. For example, one portfolio manager may want to trade in the market without regard to a specific price, whereas a second portfolio manager may want to trade at a certain limit price or at VWAP (volume weighted average price) over the course of the day. In those instances, a different average price may result. If two or more brokers or trading facilities are used to trade the same security on the same day, the allocation percentage amongst the various accounts participating will be approximately the same, unless a valid exception applies and is documented.

ITEM 7: TYPES OF CLIENTS

Absolute provides advisory services to traditional mutual funds, an exchange-traded fund; a private fund; and separately managed accounts, which may include private foundations, corporations, state pension plans, and high net-worth individuals.

Account Opening Requirements: The Partners Fund has a minimum investment amount requirement of generally \$100,000, with lesser amounts accepted subject to the sole discretion of Absolute, and investors must meet certain regulatory standards, as described in the Private Fund's Private Placement Memorandum. Absolute Funds managed by Absolute generally have minimum investment requirements as well, and these are described in each Absolute Fund's prospectus. A minimum of \$25 million of assets under management is generally required for separately managed accounts, subject to Absolute's discretion to accept more or less.

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

Absolute Finn Investment Partners, L.P.

The investment objective for the Partners Fund and any Separately Managed Account that follows a similar type of investment strategy, whether in whole or in part, is to seek to generate attractive risk-adjusted total return, consisting of both income and capital appreciation, by investing primarily in closed-end funds ("CEFs"). Absolute believes that certain features of CEFs can create significant market inefficiencies and will opportunistically pursue investments created by or otherwise related to those perceived inefficiencies. Many of these investment opportunities are expected to relate to differences between the trading price of the shares of a CEF as compared to

the net asset value (“NAV”) of the securities and other assets held by that CEF. This often results from the fact that holders of interests in CEFs do not have the right to redeem their interests on a daily basis at a price based on NAV. As a result, CEF’s shares will often trade at a premium or at a discount to its NAV.

Absolute generally expects to seek investment opportunities for the Partners Fund in two main categories. First are longer-term, or “core” opportunities, where Absolute believes that a CEF is mispriced, and that as a result, Partners Fund may pursue attractive long-term returns by investing in that CEF at prices that Absolute believes are undervalued. Second are event-driven opportunities, which tend to be shorter-term in nature. These potential investments are expected to be more dependent on the outcome of particular special situations related to a CEF and may include opportunities related to events such as rights offerings and dividend changes, among others. It should be noted that although Absolute believes that the foregoing types of investments will generally tend to be either longer or shorter duration holdings for the Partners Fund, as described above, there is no minimum period or outside limitation on how long the Partners Fund will be required to hold any of these investments, and holding periods may vary widely even within either of these categories. Additionally, Absolute expects to also invest a portion of Partners Fund assets in exchange-traded funds (“ETFs”, and collectively with CEFs, “Underlying Funds”) and securities of other issuers.

Absolute Select Value ETF (ETF)

The ETF is an actively-managed, exchange-traded fund that employs an absolute return mindset to long-only value investing, emphasizing proven business models priced at a substantial discount to the ETF’s Portfolio Manager’s conservative estimate of fair value. The ETF’s investment methodology stresses absolute returns, blending a combination of fundamental analysis, discipline and patience with the goal of preserving and compounding capital.

St. James Investment Company, LLC, the ETF’s investment sub-adviser (the “Subadviser”), seeks to achieve the ETF’s objective by investing primarily in equity securities of U.S. companies that the Subadviser believes are priced at a substantial discount to the Subadviser’s estimate of fair value. However, the ETF may invest in companies of any market capitalization and in any economic sector, including equity securities of foreign companies that trade on U.S. exchanges, either directly or through American Depositary Receipts (“ADRs”). The Subadviser, which actively manages the ETF, uses a five-stage process to identify, purchase, and sell companies that it believes are fundamentally attractive and will yield positive absolute returns, meaning it seeks positive returns in all market conditions, over complete market cycles, net of fees and expenses, and not returns that outperform a specific benchmark.

The first stage of the Subadviser’s process is Qualification. The Subadviser begins with a universe of approximately 1700 companies and identifies candidates that the Subadviser believes are strong financially and have near-term operating challenges that depress its price, which the Subadviser believes is a combination that offers the potential for long-term value. The second stage is Quantitative Valuation, in which the Subadviser analyzes the initial set of candidates to estimate the fair value of the company. In the third stage, Fundamental Qualitative Research, the Subadviser conducts research to assess whether a company is likely to move toward the Subadviser’s estimate of fair value. In the fourth stage, Portfolio Construction, the Subadviser

selects a relatively small number of companies, typically between 20 and 25, with, at the time of purchase, no more than 8% in any given position and no more than 20% in a particular industry. The Subadviser expects that, because of its “bottom up” approach to company analysis, from time to time, the ETF could be overweight in certain market sectors. The Subadviser’s strategy is based on company-by-company analysis, not market sector analysis. In the fifth stage, Sell Discipline, the Subadviser employs a process that triggers a sale when a company hits a sell target determined at the time of purchase, or when the Subadviser believes that there has been a significant change in the long-term prospects for the company.

The ETF is non-diversified, which means that it may invest a greater percentage of its assets in fewer issuers than a diversified fund.

The ETF may also invest all or substantially all of its assets in cash and cash equivalents, including money market funds and other short-term fixed income investments, in seeking to protect principal, or when, in the Subadviser’s opinion, there are not sufficient companies at valuations appropriate for investment. As an alternative to holding cash or cash equivalents, the Subadviser may invest the ETF’s assets in shares of other investment companies, including open-end and closed-end funds and exchange traded funds in order for the Fund to be more fully invested.

Absolute Convertible Arbitrage Fund

The Absolute Convertible Arbitrage Fund (the “Arbitrage Fund”) seeks to achieve positive absolute returns over the long-term with low volatility when compared to traditional market indices.

The Arbitrage Fund invests primarily in a diversified portfolio of convertible securities issued by both U.S. and foreign companies. These convertible securities are typically debt securities or preferred stocks that can be exchanged for, or convert automatically to, common stock. Convertible arbitrage involves purchasing such a portfolio of convertible securities and hedging the equity risk inherent in such securities by selling short the common stock into which the securities may be converted. The Arbitrage Fund’s convertible arbitrage strategy is intended to offer investors the potential for yield and capital appreciation with less risk than traditional equity indices due to the convertible securities being hedged by shorting the underlying common stock.

In so doing, the Arbitrage Fund is designed to provide investors with a potential source of alternative income and returns from investments in interest and dividend-paying convertible securities and trading based on the pricing inefficiencies of the options embedded in the convertible securities.

Although the Arbitrage Fund may invest in securities of issuers of any market capitalization, the Arbitrage Fund expects to invest primarily in small- and mid-capitalization companies. For these purposes, the Arbitrage Fund considers small capitalization companies to be those with a market capitalization of less than \$2 billion at the time of investment and mid-capitalization companies to be those with a market capitalization between \$2 billion and \$10 billion at the time of investment.

The Arbitrage Fund may also invest in below investment grade securities with individual ratings ranging from BB+ to CCC. The weighted average grade of bonds in the Arbitrage Fund's portfolio is typically below investment grade. Such "junk bonds" typically are rated Bal or below by Moody's, BB+ or below by S&P or BBB- or below by Fitch. The Arbitrage Fund may purchase unrated securities if, at the time of purchase, Absolute believes that they are of comparable quality to rated securities that the Arbitrage Fund may purchase.

The Arbitrage Fund may invest, long or short, in securities of issuers of any market capitalization in the U.S. or abroad. The securities in which the Arbitrage Fund typically takes a long position include convertible bonds, such as private placement/restricted and Rule 144A securities and contingent convertible securities ("CoCos"), which are fixed-income instruments that are convertible into equity if a pre-specified trigger event occurs. As part of its convertible arbitrage strategy, the Arbitrage Fund typically invests in short equity positions against a long convertible position of the same issuer, which may include shorting the common stock of such issuer, or shorting certain exposures to non-U.S. issuers obtained through investments in American Depositary Receipts ("ADRs"). The Arbitrage Fund may also invest in pooled investment vehicles, including other registered investment companies and ETFs, and may utilize treasury futures to manage interest rate risk.

The Arbitrage Fund may focus its investments in securities of a particular sector from time to time, including the Information Technology Sector, Healthcare Sector, Consumer Discretionary Sector, or Industrials Sector.

The Arbitrage Fund may engage in active and frequent trading of portfolio securities.

Absolute Flexible Fund

The Absolute Flexible Fund (the "Flexible Fund") seeks to achieve positive absolute returns over the long-term with low volatility when compared to traditional market indices.

The Flexible Fund invests primarily in a diversified portfolio of convertible securities issued by both U.S. and foreign companies. These convertible securities are typically debt securities or preferred stocks that can be exchanged for, or convert automatically to, common stock. The Flexible Fund's strategy generally involves purchasing such a portfolio of convertible securities and, at times, hedging all or a portion of the equity risk inherent in such securities by selling short the common stock into which the securities may be converted. The stock short is referred to as an "equity hedge".

The Flexible Fund's strategy differs from most convertible arbitrage strategies in that the Flexible Fund may own convertible securities outright (unhedged) or with a partial equity hedge (arbitraged), by selling the same company's underlying common stock short. The degree of hedging with respect to a particular investment, if any, will depend on the equity sensitivity desired by Absolute at that particular time based on market conditions. The Flexible Fund's strategy is intended to offer investors the potential for yield and capital appreciation if the underlying common stock moves higher, with lower volatility than traditional equity indices.

Although the Flexible Fund may invest in securities of issuers of any market capitalization, the Flexible Fund expects to invest primarily in small- and mid-capitalization companies. For these purposes, the Flexible Fund considers small capitalization companies to be those with a market capitalization of less than \$2 billion at the time of investment and mid-capitalization companies to be those with a market capitalization between \$2 billion and \$10 billion at the time of investment. The Flexible Fund may focus its investments in securities of a particular sector from time to time, including the Financials Sector and Consumer Discretionary Sector.

The Flexible Fund may also invest in below investment grade securities with individual ratings ranging from BB+ to CCC. The weighted average grade of bonds in the Flexible Fund's portfolio is typically below investment grade. Such "junk bonds" typically are rated Bal or below by Moody's, BB+ or below by S&P or BBB- or below by Fitch. The Flexible Fund may purchase unrated securities if, at the time of purchase, Absolute believes that they are of comparable quality to rated securities that the Flexible Fund may purchase.

The Flexible Fund may invest, long or short, in securities of issuers of any market capitalization in the U.S. or abroad. The securities in which the Flexible Fund typically takes a long position include convertible bonds, such as private placement/restricted and Rule 144A securities and contingent convertible securities ("CoCos"), which are fixed-income instruments that are convertible into equity if a pre-specified trigger event occurs. As part of its strategy, the Flexible Fund may invest in short equity positions against a long convertible position of the same issuer, which may include shorting the common stock of such issuer, or shorting certain exposures to non-U.S. issuers obtained through investments in American Depositary Receipts ("ADRs"). The Flexible Fund may also invest in pooled investment vehicles, including other registered investment companies and ETFs, and may utilize treasury futures to manage interest rate risk.

The Flexible Fund may engage in active and frequent trading of portfolio securities.

Absolute Capital Opportunities Fund

The Absolute Capital Opportunities Fund (the "Opportunities Fund") seeks to achieve long-term capital appreciation with a lower sensitivity to traditional financial market indices such as the S&P 500 Index.

Absolute's primary responsibility is allocating Opportunities Fund assets to the Subadviser, whom Absolute believes will provide long-term, risk-adjusted returns. In seeking long-term risk-adjusted returns, Absolute equates risk with a permanent loss of capital and not simply volatility. To this end, Absolute will be responsible for selecting and overseeing the Subadviser. Absolute reviews a range of factors (e.g., investment process) when evaluating the Subadviser. Absolute retains the discretion to invest the Opportunities Fund's assets in securities and other instruments directly. Absolute has the discretion to remove the Subadviser or, subject to board approval, add new subadvisers at any time. Under normal circumstances, the Subadviser uses a combination of the following investment strategies:

Opportunistic and Long-Biased Equity Strategies seek to capitalize on undervalued equity securities (common stock, preferred stock, convertible securities, warrants, rights and sponsored

or unsponsored American Depositary Receipts (“ADRs”)) or on positive market trends and, therefore, typically invests in a variety of securities markets, industries, company sizes, or U.S. or foreign (in the case of ADRs) geographical areas. Strategies may utilize short sales, options and futures and forward contracts to implement selective hedging and manage risk exposure. The Opportunities Fund may also invest in pooled investment vehicles, including exchange-traded funds (“ETFs”).

Long/Short Equity or Market Neutral Strategies attempt to neutralize exposure to general domestic market risk by primarily investing in common stocks that are undervalued and short selling stocks that are considered to be overvalued. Strategies may attempt to realize a valuation discrepancy in the relationship between multiple securities (relative value or value arbitrage) or may utilize quantitative factors to measure investment attractiveness among securities. Long/Short Equity includes the broad ability to invest in stocks both long and short. Long exposure to a security means the holder of the position owns the security and will profit if the price of the security increases. A short position generally involves the sale of a security that the Opportunities Fund has borrowed (but does not own) with the expectation that the price of the security will decrease in value, enabling the Opportunities Fund to repurchase the security later at the lower price. Longs and shorts may be directly related to one another or independent from each other. Equity Market Neutral is a strategy that commits to maintaining a certain balance of long and shorts. This could mean equal parts long and short to keep the net exposure at or near zero, or it could mean a slightly variable amount long and shorts to keep the strategy’s sensitivity to broad market movements at zero.

Long/Short Hedged Equity Strategies invest in securities believed to be undervalued or offer high growth opportunities while also attempting to minimize overall market risk or take advantage of an anticipated decline in the price of an overvalued company or index by using short sales, futures or options. Strategies may use futures or options to hedge risk, increase or reduce the Opportunities Fund’s investment exposure or obtain leverage. Leverage is an economic effect resulting from additional investment exposure, which creates the potential for magnified gains or losses. See “Leverage Risk,” below, for more information about the risks of leverage. Hedged Equity refers to a strategy that generally contains a number of long investments, but also certain other securities (cash, shorts, derivatives) designed to mitigate a certain risk(s) embedded in the portfolio’s long positions.

The Opportunities Fund may focus its investments in securities of a particular sector from time to time, including the Financials Sector and Consumer Discretionary Sector.

Absolute Strategies Fund

Absolute Strategies Fund is an absolute return fund that seeks to achieve long-term capital appreciation with an emphasis on absolute (positive) returns and low sensitivity to traditional financial market indices such as the S&P 500 Index. Absolute believes that there are important benefits that come from investing in strategies that, when combined, seek to provide risk-adjusted returns, lower volatility and lower sensitivity to financial market indices.

Absolute, the Strategies Fund's investment adviser, has responsibility for allocating Strategies Fund assets across strategies and investment styles that Absolute believes are complementary and, when combined, will produce long-term risk-adjusted returns. Absolute considers long-term risk-adjusted investment returns to be those that do not incur a permanent loss of capital over a full market cycle. Although the Strategies Fund is not a hedge fund, such strategies are more commonly associated with hedge funds. These strategies may attempt to exploit disparities or inefficiencies in markets, geographical areas, or companies; take advantage of security mispricings or anticipated price movements; and/or benefit from cyclical themes and relationships or special situations and events (such as spin-offs or reorganizations). Such strategies may have low sensitivity to traditional markets because they seek investment opportunities and risks that do not correlate with traditional markets.

Material Risks - All Accounts

Investments in an Absolute client account presents potentially significant risks and is not intended as a complete investment program. Investing in securities involves risk of loss that investors should be prepared to bear. The following material risks relate generally to the investment strategy and methods of analysis Absolute uses for its clients. Not all of these risks will be equally relevant to each client whose assets we manage at any time, and some may not be applicable or equally relevant to each of Absolute's clients. Each client's governing documents should also be consulted for additional details on applicable risks. Particular risks for certain client accounts are noted.

An investment in any Absolute Fund is subject to a variety of risks which may be associated with the overall market condition or the specific types of investments within the Absolute Funds. Those risks include, but are not limited to : general market risk, recent market events risk, bank loans risk, convertible securities risk, credit risk, derivatives risk, distressed investments risk, emerging markets risk, equity risk, event-driven strategies risk, foreign risk, high turnover risk, interest rate risk, IPO risk, leverage risk, liquidity risk and management risk.

ADR Risk

Absolute may invest client account assets in ADRs. ADR risks include, but are not limited to, fluctuations in foreign currencies and foreign investment risks, such as political and financial instability, less liquidity and greater volatility, lack of uniform accounting, auditing and financial reporting standards and increased price volatility. In addition, ADRs may not track the price of the underlying foreign securities, and their value may change materially at times when U.S. markets are not open for trading. Unsponsored ADRs may involve additional risks and their prices may be more volatile than the prices of sponsored ADRs.

Affiliated Portfolio Risk (Strategies Fund).

In managing the Strategies Fund, the Adviser will have authority to select and substitute affiliated funds in which the Fund invests ("Affiliated Funds"). The Adviser is subject to potential conflicts of interest in selecting Affiliated Funds because the fees paid to the Adviser by some Affiliated Funds for its advisory services are higher than the fees paid by other Affiliated Funds. However, the Adviser has contractually agreed to waive its investment advisory fees related to any Fund assets invested in Affiliated Funds sponsored by the Adviser.

Bank Loan Risk

Absolute may invest client account assets in secured and unsecured participations in loans and may purchase assignments of such loans. Client accounts may invest in loan participations of any credit quality, including “distressed” companies which carry a substantial risk of loss. Certain loan participations may be illiquid.

Cash and Cash Equivalents Holdings Risk

To the extent a client account holds cash and cash equivalents positions, the client account risks achieving lower returns and potential lost opportunities to participate in market appreciation which could negatively impact performance and the client account’s ability to achieve its investment objective. This is particularly true when the market for other investments in which the client account may invest is rapidly rising.

Closed-End Funds

Absolute may invest a substantial portion of the Private Fund and separate client account assets in, and may also sell short, closed-end funds (“CEFs”), the shares of which may trade at a premium or discount to their net asset value. CEFs differ from open-end investment funds in that holders of interests in a CEF do not have the right to redeem their interests on a daily basis at a price based on net asset value. The CEF shares in which Absolute may trade for client accounts may be traded on one or more U.S. or foreign exchanges. Absolute may also for client accounts trade shares of CEFs that trade sporadically, are illiquid and may not be traded on an exchange. If Absolute trades a CEF for several accounts and that CEF is in limited supply or trades with low volume, it may take longer to acquire a position at a desired price, and the sale of such a CEF may also take longer or affect the desired selling price. CEFs may be subject to various trading restrictions. Absolute will generally not have any control over the investments made by CEFs and will generally only have limited access to information about the CEFs and their investments. CEFs generally trade independently of each other and, at times, may hold economically offsetting positions. At times CEFs may make in kind distributions which could result in an Absolute client account owning securities that were in a CEF’s portfolio. These securities may be illiquid and may take considerable time to sell. If a CEF converts to open-end status, such conversion may result in the Absolute client account holding shares in an open-end fund. As a part of such conversion the new open-end fund’s withdrawal terms may have associated withdrawal fees, which often decline over time and consequently, if such open-end fund’s shares are held by an Absolute client account, certain withdrawals by the client account from such open-end fund may be subject to a withdrawal fee. Publicly traded investment funds frequently have anti-takeover provisions that make it difficult to convert them to open-end funds, which would allow the fund’s shareholders (including the Absolute client account) to realize the full value of that fund’s assets. Certain CEFs may also employ leverage, which may amplify investment gains and losses.

Commodities Risk

Exposure to the commodities markets may subject client accounts to greater volatility than investments in traditional securities. Commodities-related instruments are subject to substantial price fluctuations over short periods of time and may be affected by unpredictable economic, political and environmental events. Factors that may significantly affect the prices of commodities include, but are not limited to global supply and demand; domestic and international interest rates and investors’ expectations of interest rates; inflation rates and investors’ expectations of inflation

rates; the investment and trading activities of commodity futures contracts; political, economic, or financial events, both globally and regionally

Convertible Securities Risk

Convertible securities entail interest rate and credit risks. While fixed-income securities generally have a priority claim on a corporation's assets over that of common stock, convertible securities held by a client account that are rated below investment grade (i.e., "junk bonds") are subject to special risks, including the risk of default in interest or principal payments, which could result in a loss of income to the account or a decline in the market value of the securities.

Counterparty Risk

Absolute may invest client account assets in financial instruments or transactions with a counterparty. A counterparty may become bankrupt or otherwise fail to perform its obligations due to financial difficulties, jeopardizing the value of an investment.

Currency Risk

Absolute may invest client account assets in foreign currencies, in securities that trade in and/or receive revenues in foreign currencies or in derivatives that provide exposure to foreign currencies. These investments are subject to the risk that the foreign currencies will decline in value relative to the U.S. dollar or, in the case of hedging positions, that the U.S. dollar will decline in value relative to the currency being hedged.

Derivatives Risk. Absolute may use derivatives (including futures) to enhance returns or hedge against market declines. A client account's use of derivative instruments involves risks different from, or possibly greater than, the risks associated with investing directly in securities and other traditional investments. These risks include (i) the risk that the counterparty to a derivative transaction may not fulfill its contractual obligations; (ii) risk of mispricing or improper valuation; and (iii) the risk that changes in the value of the derivative may not correlate perfectly with the underlying asset, rate or index. Derivative prices are highly volatile and may fluctuate substantially during a short period of time. Such prices are influenced by numerous factors that affect the markets, including, but not limited to changing supply and demand relationships; government programs and policies; national and international political and economic events, changes in interest rates, inflation and deflation and changes in supply and demand relationships. Trading derivative instruments involves risks different from, or possibly greater than, the risks associated with investing directly in securities including:

Hedging Risk. Hedging Risk is the risk that derivative instruments used to hedge against an opposite position may offset losses, but they also may offset gains. Hedges may not be perfect and typically involve expenses.

Leverage and Volatility Risk. Derivative contracts ordinarily have leverage inherent in their terms. The low margin deposits normally required in trading derivatives, including futures contracts, permit a high degree of leverage. In addition, it is anticipated that the futures will be "notionally funded" - that is their nominal trading level will exceed the cash deposited in the trading accounts. Accordingly, a relatively small price movement may result in an immediate and substantial loss to the Fund. The use of leverage may also cause

the Fund to liquidate portfolio positions when it would not be advantageous to do so. The use of leveraged derivatives can magnify the Fund's potential for gain or loss and, therefore, amplify the effects of market volatility on the Fund's share price.

Liquidity Risk. Although it is anticipated that the derivatives traded by client accounts will be actively traded, it is possible that particular investments might be difficult to purchase or sell, possibly preventing the client account from executing positions at an advantageous time or price, or possibly requiring them to dispose of other investments at unfavorable times or prices in order to satisfy their obligations. Most U.S. commodity futures exchanges impose daily limits regulating the maximum amount above or below the previous day's settlement price which a futures contract price may fluctuate during a single day. During a single trading day, no trades may be executed at prices beyond the daily limit. Once the price of a particular futures contract has increased or decreased to the limit point, it may be difficult, costly or impossible to liquidate a position. It is also possible that an exchange or the CFTC, which regulates commodity futures exchanges, may suspend trading in a particular contract, order immediate settlement of a contract or order that trading be limited to the liquidation of open positions only.

Distressed Investments Risk

Absolute may invest client account assets in instruments involving loans, loan participations, bonds, notes, non-performing and sub-performing mortgage loans, many of which are not publicly traded, may involve a substantial degree of risk. These instruments may become illiquid, and the prices of such instruments may be extremely volatile. Valuing such instruments may be difficult and the client account may lose all of its investment, or it may be required to accept cash or securities with a value less than the client accounts' original investment. Issuers of distressed securities are typically in a weak financial condition and may default, in which case the client account may lose their entire investment.

Emerging Markets Risk

Emerging markets investments are subject to the same risks as foreign investments and to additional risks due to greater political and economic uncertainties as well as a relative lack of information about companies in such markets. Securities traded on emerging markets are potentially illiquid and may be subject to volatility and high transaction costs.

Equity Risk

A client accounts equity holdings, which include common stocks, may decline in value because of changes in price of a particular holding or a broad stock market decline. Common stock ranks below preferred stock and debt securities in claims for dividends and for assets of the company in a liquidation, or bankruptcy. The value of a security may decline for a number of reasons which may relate directly to the issuer of a security or broader economic or market events including changes in interest rates.

Event-Driven Strategies Risk

Inherently speculative in nature, investments pursuant to special situations and event-driven strategies require predictions about a corporate event and its impact on a company. The Adviser may make inaccurate predictions and the anticipated event and/or contemplated corporate

transaction may not take place as expected or at all. This may result in the distribution of a new, less valuable security in place of the security (or derivative). The client account may have to sell a security at a loss, and such securities are subject to the risk of complete loss of value.

Exchange Traded Funds

Absolute may invest a portion of its client account assets in, and may also sell short, shares of exchange traded funds (“ETFs”) and other similar instruments. These transactions may be used to adjust the client account’s exposure to the general market or industry sectors and to manage the client account’s risk exposure. ETFs and other similar instruments involve risks generally associated with investments in a broadly based portfolio of common stocks, including the risk that the general level of stock prices, or that the prices of stocks within a particular sector, may increase or decrease, thereby affecting the value of the shares of the ETF or other instruments. Certain ETFs may also employ leverage, which may amplify investment gains and losses.

Fixed-Income Securities Risk. Absolute may invest client account assets in fixed-income (debt) securities, which are generally subject to the following risks:

Credit Risk. The issuer of a fixed income security may not be able or willing 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.

Interest Rate Risk. The market value of fixed income securities in which the client account invests and, thus, the client account’s net asset value, can be expected to vary inversely with changes in interest rates. Given that interest rates have been near historic lows, risks associated with rising rates may be heightened. Fixed-income securities with longer durations tend to be more sensitive to changes in interest rates, generally making them more volatile than fixed-income securities with shorter durations.

Prepayment and Extension Risk. As interest rates decline, the issuers of certain types of fixed income securities may prepay principal earlier than scheduled, forcing the client account to reinvest in lower yielding securities. As interest rates increase, slower than expected principal payments may extend the average life of fixed income securities, locking in below-market interest rates and reducing the value of these securities. There is a greater risk that the client account will lose money due to prepayment and extension risks when the client account invests in mortgage-backed and asset-backed securities.

Variable and Floating Interest Rate Risk. Floating and variable rate securities provide for a periodic adjustment in the interest rate paid on the securities. The rate adjustment intervals may be regular and range from daily up to annually, or may be based on an event, such as a change in the prime rate. Floating and variable rate securities may be subject to greater liquidity risk than other debt securities, meaning that there may be limitations on the client account’s ability to sell the securities at any given time. Such securities also may lose value.

Foreign Investments Risk

The value of foreign investments may be affected by risks in addition to those affecting domestic companies, including the imposition of new or amended government regulations, changes in

diplomatic relations between the U.S. and another country, political and economic instability, the imposition or tightening of exchange controls or other limitations on repatriation of foreign capital or nationalization, and/or increased taxation or confiscation of investors' assets. Investments in securities of foreign issuers are subject to fluctuations in the value of the issuer's local currency and may be subject to foreign withholding and other taxes.

Forward and Futures Contracts Risk

The primary risks associated with the use of forward and futures contracts are (i) the imperfect correlation between the price of the contract and the change in value of the underlying asset; (ii) possible lack of liquid secondary market for a forward contract and the resulting inability to close such a contract when desired; (iii) losses caused by unanticipated market movements, which are potentially unlimited; (iv) the inability to predict correctly the direction of securities prices, interest rates, currency exchange rates, and other economic factors; (v) the possibility that the counterparty to a forward contract will default in the performance of its obligations; and (vi) if the client accounts have insufficient cash, it may have to sell investments to meet daily variation margin requirements on a futures contract, and the client accounts may have to sell investments at a time when it may be disadvantageous to do so.

Fund of Funds Risk

A client account indirectly bears its proportionate share of any investment management fees and other expenses of the invested fund. Further, due to the fees and expenses paid by the client account, as well as small variations in the client account's actual allocations to the invested fund and any derivatives and cash held in the client account's portfolio, the performance and income distributions of the client account will not be the same as the performance and income distributions of the invested fund.

High Portfolio Turnover Risk

Absolute's strategies may result in high portfolio turnover rates, which may increase the client accounts' brokerage commission costs and negatively impact the client accounts' performance. Such portfolio turnover also may generate net short-term capital gains.

High-Yield Securities Risk

Investments in "high yield securities" or "junk bonds" are inherently speculative and have a greater risk of default than investments in investment grade fixed-income securities. If an issuer defaults, a below-investment grade security could lose all of its value, be renegotiated at a lower interest rate or principal amount or become illiquid. Below-investment grade securities may be less liquid and more volatile than investment grade fixed-income securities and may be more difficult to value.

Initial Public Offering Risk

Absolute may invest client account assets in an initial public offering ("IPO") that is restricted (subject to contractual or legal restrictions on resale because they are not registered under the Securities Act of 1933) and may be illiquid; thus, the client accounts may not be able to dispose of them promptly at the price at which they are valued.

Large Capitalization Company Risk.

Absolute's investments in large capitalization companies may underperform other segments of the market because they may be less responsive to competitive challenges and opportunities and unable to attain high growth rates during periods of economic expansion.

Leverage Risk

Certain transactions of client accounts, such as futures contracts, swap contracts, reverse repurchase agreements, dollar rolls, loans of portfolio securities, and the use of when-issued, delayed delivery or forward commitment transactions, may give rise to leverage, causing the client accounts to be more volatile than if it had not been leveraged.

Liquidity Risk

Absolute may not be able to dispose of restricted, thinly traded and/or illiquid securities promptly or at reasonable prices. This may result in a loss to the client accounts.

Management Risk

A client account's performance may deviate from overall market returns to a greater degree than other funds that do not employ an absolute return focus. Alternatively, if the client accounts or a Subadviser takes a defensive posture by hedging its portfolio, then stock prices advance, the return to the client accounts may be lower than expected and lower than if the portfolio had not been hedged. Due to its active management, the client accounts could underperform other mutual funds with similar investment objectives.

Market Events Risk

Turbulence in the financial markets and reduced liquidity in equity, credit and fixed-income markets may negatively affect issuers worldwide, which could have an adverse effect on the client accounts. In addition, there is a risk that policy changes by the U.S. Government and/or Federal Reserve, such as increasing interest rates or the tapering of quantitative easing measures aimed at stimulating the economy, could cause increased volatility in financial markets and higher levels of the redemptions, which could have a negative impact on the client accounts.

Multi-Manager Risk (ETF and Opportunities Fund)

The success of a client account strategy depends on, among other things, Absolute's skill in selecting Subadvisers and the Subadvisers' skill in executing the relevant strategy. The Subadvisers' strategies may be out of favor at any time. In addition, because the Subadvisers each make their trading decisions independently, it is possible that Subadvisers may purchase or sell the same security at the same time without aggregating their transactions. This may cause unnecessary brokerage and other expenses, and the Funds may incur losses as a result.

Options Risk

The price of an option, which is a function of interest rates, volatility, dividends, the exercise price, stock price and other market factors, may change rapidly over time. Price valuations or market movements may not justify purchasing put options on individual securities, stock indexes and ETFs, or, if purchased, the options may expire unexercised, causing the client accounts to lose the premium paid for the options. There may be an imperfect correlation between the prices of options and movements in the price of the securities (or indices) hedged or used for cover which may cause

a given hedge not to achieve its objective. Over-the-counter options expose the client accounts to counterparty risk.

Pooled Investment Vehicle Risk

Pooled investment vehicles in which Absolute may invest may charge fees, and such fees may be more than the client accounts would pay if the manager of the pooled vehicle managed the client accounts' assets directly.

Preferred Stock Risk

Preferred stock is a class of capital stock that typically pays dividends at a specified rate. Preferred stock is generally senior to common stock, but subordinate to debt securities, with respect to the payment of dividends and on liquidation of the issuer. The market value of preferred stock generally decreases when interest rates rise and is also affected by the issuer's ability to make payments on the preferred stock.

Registered Investment Company and Exchange-Traded Funds Risk

The risks of investment in these securities typically reflect the risks of types of instruments in which the investment companies and ETFs invest. By investing in another investment company or ETF, the client accounts become a shareholder of that investment company or ETF and bears their proportionate share of the fees and expenses of the other investment company or ETF. In addition, certain companies' securities may trade and be purchased by the client accounts at a premium or discount to the aggregate value of the underlying securities. When selling such securities, the client accounts may not sell at the same premium or discount and may lose money on the premium or discount.

Restricted Securities Risk

Rule 144A Securities are restricted securities and may be less liquid investments because such securities may not be readily marketable in broad public markets. The client accounts may not be able to sell the restricted security when Absolute or a subadviser considers it desirable to do so and/or may have to sell the security at a lower price. A restricted security which when purchased was liquid may subsequently become illiquid. In addition, transaction costs may be higher for Rule 144A securities than for more liquid securities.

Short Selling Risk

If a client account buys back a security it has sold short at a higher price, the client accounts will incur a loss on the transaction. Because the loss on a short sale stems from increases in the value of the security sold short, the extent of such loss is theoretically unlimited. Short sales may decrease the liquidity of the client accounts and may create leverage, which may cause relatively smaller adverse market movement to have a disproportionate impact on the client account's performance. Short sales expose the client account to Segregation Risk. See "Derivatives Risk," "Segregation Risk." discussed above.

Small and Mid-Capitalization Company Risk

Investments in small and mid-capitalization companies may be less liquid, and their securities' prices may fluctuate more than those of larger, more established companies. These factors could adversely affect the client accounts' ability to sell such securities at a desirable time and price.

Sovereign Debt Risk

A sovereign debtor's willingness and ability to repay principal and interest on issued debt securities may depend on, among other things, its cash flow situation, cash reserves, foreign exchange rates, changing economic policies and the local political climate. Sovereign debt risks are greater for emerging market issuers.

Swap Contract Risk

The use of swaps involves investment techniques and risks different from those associated with ordinary portfolio security transactions. In addition, each swap exposes the client accounts to counterparty risk when a counterparty to a financial instrument entered into by the client accounts may become bankrupt or otherwise fail to perform its obligations due to financial difficulties. As a result, the client accounts may experience delays in or be prevented from obtaining payments owed to it pursuant to a swap contract.

Treasury Inflation Protected Securities Risk

TIPS decline in value when real interest rates rise. In certain interest rate environments, such as when real interest rates are rising faster than nominal interest rates, TIPS may experience greater losses than other fixed income securities with similar durations.

Value Investment Risk

Value investments are subject to the risk that their intrinsic value may never be realized by the market.

Warrants Risk

Warrants can provide a greater potential for loss than an equivalent investment in the underlying security. The price of a warrant does not necessarily move in tandem with the price of the underlying security, and therefore, a warrant may be highly volatile and speculative. If a warrant held by the client accounts is not exercised by the date of its expiration, the client accounts would lose the entire purchase price of the warrant.

Additional Information

To manage risk or enhance return (including through leverage), Absolute or a Subadviser may invest in derivatives. Some derivatives, such as exchange-traded futures and options on securities, commodities and indexes are standardized contracts that can readily be bought or sold, and whose market values are published daily. Non-standardized derivatives, such as swaps, tend to be more complex and harder to value. The Subadvisers and/or Absolute directly may invest in forwards, futures and options contracts and in equity, interest rate, index, credit default swap agreements and currency rate swap agreements. The Subadvisers and/or Absolute directly may invest in futures contracts on securities, commodities, and securities indices. The Subadvisers and/or Absolute directly may invest in options on securities, securities indices, commodities and futures.

A complete description of Absolute's investment strategies and risks are outlined in the applicable products offering documents. We encourage all investors to review those documents in conjunction with this brochure prior to making an investment with Absolute.

Additional Risks – Absolute Finn

An investment in Partners Fund involves certain risks, including those generally set forth above in Material Risks – All Accounts. In particular, the risks of investments in Closed-End Funds, Exchange Traded Funds and the Liquidity of Investments Held Across More Than One Account described above should be considered. In addition, certain additional risks are involved in an investment in Partners Fund as follows:

Event Strategies

Partners Fund may invest in CEFs with pending or anticipated corporate events or other catalysts that Absolute believes are likely to trigger the market's revaluation of such CEFs. The ability to determine the impact of such events or catalysts on the price of a CEF's securities is very difficult to determine and there is no assurance that such events or catalysts will occur, or if they occur, that they occur in the manner anticipated by Absolute. Furthermore, the prices of securities of CEFs with pending or anticipated corporate events or catalysts tend to be more volatile than that of other securities.

Mis-pricings

Partners Fund may engage in certain arbitrage trading including, but not limited to, CEFs/ETFs arbitrage and event-driven arbitrage. In such trading, Partners Fund will attempt to profit by exploiting price differences of identical or similar securities or financial instruments on different markets or in different forms. Often arbitrage opportunities disappear rapidly once the opportunity becomes well-known and many investors act on it. Certain forms of arbitrage trading can involve large transaction costs because of the need to simultaneously buy and sell many different securities. There is no assurance that the arbitrage transaction will perform in the manner expected by Absolute and the exposure of Partners Fund to a movement in the market or other factors could be significantly increased. In certain transactions, Partners Fund may not be hedged against market fluctuations unrelated to the anticipated transaction, but which may affect the value of the consideration to be received. This may result in losses, even if the proposed transaction is completed.

Risks of the Multi-Manager Strategy and Technique

Absolute expects to also invest a portion of Partners Fund assets in CEFs and exchange-traded funds (collectively with CEFs, "Underlying Funds") the success of which relies on the Underlying Fund's ability to select individual securities, correctly interpret market data, predict future market movements and otherwise implement its investment strategy. No assurance can be given that the investment strategies to be used by an Underlying Funds will be successful under all or any market conditions. Absolute will not have any control over the investments made by the portfolio managers of the Underlying Funds in which Partners Fund will invest. Absolute may, however, reallocate Partners Fund's investments among the Underlying Funds, but Absolute's ability to do so may be constrained by any liquidity limitations of such Underlying Funds, as applicable. These liquidity limitations may delay Partners Fund in reacting rapidly to market changes should a portfolio manager of an Underlying Fund fail to effect portfolio changes consistent with such market changes and the expectations of Absolute.

Illiquid Securities; Designated Investments

Although Absolute does not currently anticipate that Partners Fund will purchase assets that are highly illiquid, restricted or difficult to value, in certain circumstances, general economic or market conditions may adversely affect the liquidity of, or ability to value, certain investments held by Partners Fund. In such events, Partners Fund, on the advice of Absolute, may designate certain securities as “Designated Investments”, and all investors in Partners Fund at the date of such designation will participate on a pro rata basis in such Designated Investments. Such Designated Investments may have to be held for a substantial period of time before they can be liquidated, if at all. Market prices for such Designated Investments are often volatile and may not be ascertainable. The resale of restricted and illiquid securities often may have higher brokerage charges. Designated Investments represent capital not available for withdrawal by investors in Partners Fund. Such investments may be difficult to value.

Concentration

In the normal course of making investments on behalf of Partners Fund, Absolute may select investments for Partners Fund that potentially could be concentrated, for example, in a limited number or type of securities or in any one or a small number of issuers, industries, sectors, strategies or geographic regions. Market conditions may create opportunities within certain investment strategies, which causes Absolute to increase the concentration of certain investment strategies. Such concentration of risk may expose Partners Fund to losses disproportionate to those incurred by the market in general if the areas in which Partners Fund’s investments are concentrated are disproportionately adversely affected by price movements.

Use of Leverage

Partners Fund may from time to time seek to use varying degrees of leverage to fund a portion of its investments. The amount of leverage will be determined by Absolute in its discretion, considering the nature of the investments, the terms of leverage that may be offered by sellers of investments and other factors it deems relevant. There is no assurance that leverage will be available to Partners Fund on acceptable terms, if at all.

Additional Risks – Exchange-Traded Funds

ETF Risks. The exchange traded fund, as a result of their structure, are exposed to the following risks:

Authorized Participants, Market Makers, and Liquidity Providers Concentration Risk. The ETF has a limited number of financial institutions that may act as Authorized Participants (“APs”). In addition, there may be a limited number of market makers and/or liquidity providers in the marketplace. To the extent either of the following events occur, Shares may trade at a material discount to NAV and possibly face delisting:

- (i) APs exit the business or otherwise become unable to process creation and/or redemption orders and no other APs step forward to perform these services, or
- (ii) market makers and/or liquidity providers exit the business or significantly reduce their business activities and no other entities step forward to perform their functions.

Costs of Buying or Selling Shares

Due to the costs of buying or selling Shares, including brokerage commissions imposed by brokers and bid/ask spreads, frequent trading of Shares may significantly reduce investment results and an investment in Shares may not be advisable for investors who anticipate regularly making small investments.

Shares May Trade at Prices Other Than NAV

As with all ETFs, Shares may be bought and sold in the secondary market at market prices. Although it is expected that the market price of Shares will approximate each ETF's NAV, there may be times when the market price of Shares is more than the NAV intra-day (premium) or less than the NAV intra-day (discount) due to supply and demand of Shares or during periods of market volatility. This risk is heightened in times of market volatility, periods of steep market declines, and periods when there is limited trading activity for Shares in the secondary market, in which case such premiums or discounts may be significant.

Trading Risk

Although Shares are listed for trading on the NYSE Arca, Inc. (the "Exchange") and may be traded on U.S. exchanges other than the Exchange, there can be no assurance that Shares will trade with any volume, or at all, on any stock exchange. In stressed market conditions, the liquidity of Shares may begin to mirror the liquidity of the ETF's underlying portfolio holdings, which can be significantly less liquid than the Shares.

Value Investing Risk

Because the ETFs may utilize a value style of investing, the ETFs could suffer losses or produce poor results relative to other funds, even in a rising market, if Absolute's assessment of a company's value or prospects for exceeding earnings expectations or market conditions is incorrect.

ITEM 9: DISCIPLINARY INFORMATION

There are no legal or disciplinary events to report that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management.

ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**Conflicts of Interest Common to all Accounts**

Absolute and affiliated entities, including their members, partners, officers and employees (the "Absolute Affiliates") are subject to several actual and potential conflicts of interests. Absolute provides investment management services to Absolute Funds, Private Funds, as well as to Separately Managed Accounts and may in the future provide investment management services to other entities and clients, other collective investment vehicles, registered investment companies and accounts held by single investors, which may or may not utilize investment programs substantially similar to that of the Absolute Funds, Private Funds, and Separately Managed Accounts. By the terms of partnership agreements and investment management agreements,

Absolute and Absolute Affiliates are not restricted from forming additional investment funds, from entering into other investment advisory relationships, or from engaging in other business activities, even though such activities may be in competition with the Private Funds, Absolute Funds, or Separately Managed Accounts, and/or may involve substantial time and resources of Absolute or Absolute Affiliates. It is anticipated that the Separately Managed Accounts will invest in many of the same securities in which the Private Funds invest.

Non-Exclusive Activities. Absolute and Absolute Affiliates will devote as much of their time to the activities of the Private Funds, Absolute Funds and Separately Managed Accounts as Absolute and Absolute Affiliates deem necessary and appropriate. These activities could be viewed as creating a conflict of interest in that the time and effort of the members of Absolute and Absolute Affiliates will not be devoted exclusively to the business of the Private Funds, Absolute Funds and Separately Managed Accounts, but will be allocated between the business of the Private Funds, Absolute Funds and Separately Managed Accounts and other business activities of Absolute and Absolute Affiliates.

Limited Resources. Absolute portfolio managers may, and often do, manage accounts for more than one client account or type of account, and cannot devote their full time and attention to the management of each single account. Accordingly, Absolute portfolio managers may be limited in their ability to identify investment opportunities for each of the accounts that are as attractive as might be the case if Absolute were to devote substantially more attention to the management of a single account. The effects of this potential conflict may be more pronounced where the accounts have different investment strategies.

Limited Investment Opportunities. If Absolute identifies a limited investment opportunity that may be appropriate for more than one account, the investment opportunity may be allocated among several accounts. This could limit any single account's ability to take full advantage of an investment opportunity that might not be limited if Absolute did not provide investment advice to other accounts.

Liquidity of investments held across more than one account. If Absolute determines that a particular security is appropriate for several accounts but the security is in limited supply or trades with low volume, such holdings may be both difficult to acquire for the several portfolios, as well as difficult to sell, effecting the ability to move into or out of the position at a desired price level or time frame, or for a particular holding period, and such limitations might not be present if only one or only a couple of accounts had invested in that security.

Different Investment Strategies. The client accounts managed by Absolute have differing investment strategies. Absolute may give advice or take action with respect to any of the other accounts (including those that have investment objectives and/or investment strategies similar to a Private Fund, Absolute Fund or Separately Managed Account) which may be the same as or differ from the advice given or the timing or nature of any action taken with respect to investments of such Private Fund, Absolute Fund or Separately Managed Account. If Absolute determines that an investment opportunity may be appropriate for only some of the accounts or decides that certain of the accounts should take different positions with respect to a particular security, Absolute may effect transactions for one or more accounts which may affect the market price of the security or the execution of the transaction, or both, to the detriment or benefit of one or more other accounts.

Securities considered as investments for the Private Funds, Absolute Funds or Separately Managed Accounts may also be appropriate for other funds and client accounts managed by Absolute, including for initial public offerings and other new issues. It is anticipated that a Private Fund, Absolute Fund or Separately Managed Account and certain other funds and accounts managed by Absolute will invest in some or a substantial portion of the same underlying securities. Absolute maintains policies and procedures to seek to ensure that the Private Fund, Absolute Fund or Separately Managed Account will be treated fairly over time with respect to such securities. There is no assurance that the Private Fund, Absolute Fund or Separately Managed Account will purchase securities or sell securities at the same time or in the same proportions.

Variation in Compensation. A conflict of interest may arise where Absolute is compensated differently by different accounts. If certain accounts pay higher management fees or performance-based fees, Absolute might be motivated to prefer certain accounts over others. Absolute might also be motivated to favor accounts in which they have a greater ownership interest or accounts that are more likely to enhance Absolute's performance record or to otherwise benefit Absolute.

Selection of Brokers. Absolute selects the brokers that execute securities transactions for the client accounts that it manages. In addition to executing trades, some brokers provide Absolute with research and other services which generally require the payment of higher brokerage fees than might otherwise be available. Absolute's decision as to the selection of brokers could yield disproportionate costs and benefits among the accounts that they manage, since the research and other services provided by brokers may be more beneficial to some accounts than to others.

Shorting of Securities: In a shorting transaction, an Absolute client account must borrow the shares to be shorted in order to effectuate the short and pay a borrow rate, which can vary based on a number of factors, including whether the custodian has access to the particular security to be shorted from other accounts under its supervision. Securities that are in demand or thinly traded can require a higher borrow rate. The borrow typically is done with the client account's custodian, but if the client account has a different custodian, then other Absolute client accounts, the cost of the borrow can vary between custodians based on each client account custodian's particular access to the security. As a result, Absolute client accounts can end up paying borrow rates for the same security to be sold short.

Use of Soft Dollars. The use of brokerage commissions to obtain research services may create a conflict of interest between Absolute and the Private Fund, Absolute Fund, or Separately Managed Account. This may result in the Private Fund, Absolute Fund, or Separately Managed Account paying higher brokerage commissions than might be paid if transactions were affected through brokers that do not provide such services. To the extent that Absolute can acquire these products and services without expending its own resources or at reduced prices, Absolute's use of "soft-dollars" would tend to increase its profitability. In addition, the availability of these non-monetary benefits may influence Absolute to select one broker rather than another to perform services for the Private Fund, Absolute Fund or Separately Managed Account. In general, the use of soft dollars to pay for research products or services will fall within the safe harbor created by Section 28(e) of the Securities and Exchange Act of 1934, as amended (see Use of Soft Dollars under Item 12).

Service on Boards of Directors. Representatives of Absolute and/or an Absolute Affiliate may serve on the board of directors of one or more private or publicly traded companies, including, but

not limited to, companies in which a Private Fund, Absolute Fund or Separately Managed Account may invest. In addition, representatives of Absolute and/or an Absolute affiliate, as a result of an investment in a private transaction, may be awarded board of directors' observer rights on behalf of Absolute for securities in which Absolute client accounts may invest. As a result, the Private Fund, Absolute Fund or Separately Managed Account may be restricted from transacting in securities of such issuers.

Cross Transactions. If permitted under applicable law, Absolute may, on behalf of a Private Fund, Absolute Fund or Separately Managed Account, for liquidity, portfolio rebalancing, trade allocation or other reasons, purchase investments from, sell investments to or enter into agreements with other accounts managed by Absolute and its affiliates (i.e., "cross transactions"). The terms of any such cross transactions will be commercially reasonable and will not be materially less favorable to the Private Fund, Absolute Fund or Separately Managed Account than those available in the market. Absolute will receive no special fees or other compensation in connection with cross transactions. Expenses incurred in a cross transaction will be allocated equitably in the sole discretion of Absolute between the Private Fund, Absolute Fund or Separately Managed Account, and the other accounts that are parties to the cross transaction. Similarly, if a transaction is cancelled, any costs incurred will be allocated equitably in the sole discretion of Absolute between the Private Fund, Absolute Fund or Separately Managed Account and the other accounts that are parties to the cross transaction.

Personal Securities Trading. Absolute and Absolute Affiliates may trade in certain securities for their own accounts, including securities that are held by, or may be traded by, Absolute client accounts, subject to restrictions and reporting requirements as may be required by law or as determined by Absolute, and further provided that no transactions may be entered into that would violate federal securities laws. Absolute has adopted a Code of Ethics and Professional Conduct (the "Code of Ethics") to govern the personal securities trading of all partners and employees. See Item 11.

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

Code of Ethics: Absolute has adopted a Code of Ethics which sets forth the standards of business conduct that Absolute requires of our employees, including compliance with applicable federal securities laws.

Absolute and our personnel owe a duty of loyalty, fairness and good faith towards our clients, and have an obligation to adhere not only to the specific provisions of the Code of Ethics but to the general principles that guide the Code of Ethics.

Our Code of Ethics includes policies and procedures for the pre-clearance of certain employee personal security transactions, the review of quarterly securities transactions reports, as well as initial and annual securities holdings reports that must be submitted to and reviewed by our CCO. Our Code of Ethics also provides for oversight, enforcement and recordkeeping provisions.

Absolute's Code of Ethics further includes a policy prohibiting the use of material non-public information. All employees are reminded that to the extent they come into possession of material non-public information, such information may not be used in a personal or professional capacity, and they must report this to the CCO so that the security can be added to the Restricted List as necessary.

A copy of the Code of Ethics may be obtained by sending an email to info@absoluteadvisers.com or by phoning us at 781.740.1904.

Absolute and employees and certain related individuals are prohibited from engaging in principal transactions (buying or selling of securities to or from clients from our own accounts).

Our Code of Ethics is designed to seek to ensure that the personal securities transactions, activities and interests of our employees will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts.

ITEM 12: BROKERAGE PRACTICES

Selection of Broker-Dealers for Client Transactions

Absolute is provided with written authority to determine the brokers to use for client transactions and the commission costs that will be charged to our clients for these transactions.

In selecting a broker-dealer for a particular transaction for a client account, Absolute will seek the most advantageous terms reasonably available under the circumstances for an account's transactions (i.e. best execution). Price alone is not the determinative factor, but is considered along with the broker's execution capabilities, financial responsibility, responsiveness, and market information and research services provided. Absolute will consider certain factors which may include the ability of the brokers to effect the transactions, the brokers' facilities, reliability and financial responsibility and the provision or payment of the costs of brokerage or research products or services. Absolute need not solicit competitive bids and does not have an obligation to seek the lowest available commission cost. Accordingly, if Absolute determines in good faith that the commissions charged by a broker are reasonable in relation to the value of the brokerage and research products or services provided by such broker to the client account or Absolute, the client account will generally pay commissions to such broker in an amount greater than the amount another broker might charge.

Use of Soft Dollars

Research products or services provided to Absolute include general economic, political, business and market information, industry and company reviews, evaluations of securities and portfolio strategies and transactions, proxy voting data and analysis, technical analysis of various aspects of the securities markets, recommendations as to the purchase and sale of securities and other portfolio transactions, financial, industry, and trade publications, news and information services, pricing and quotation services, and other research services. Any particular research services obtained through a broker-dealer may be used by Absolute in connection with client accounts other

than those accounts that pay commission to such broker-dealer. Any such research services may be broadly useful and of value to Absolute in rendering investment advisory services to all or a significant portion of its clients, or may be relevant and useful for the management of only one client's account or a few clients' accounts, or may be useful for the management of merely a segment of certain clients' accounts, regardless of whether any such account or accounts paid commissions to the broker-dealer through which such research services was obtained. Advisory fees are not reduced because Absolute receives such services. Absolute evaluates the nature and quality of the various research services obtained through broker-dealer firms and attempts to allocate sufficient portfolio security transactions to such firms to ensure the continued receipt of research services which Absolute believes are useful or of value to it in rendering investment advisory services to its clients.

The use of commissions or "soft dollars" to pay for research products or services will fall within the safe harbor created by Section 28(e) of the Securities Exchange Act of 1934, as amended. Under Section 28(e), research obtained with soft dollars generated by a client account may be used by Absolute to service accounts other than such client account. Where a product or service obtained with soft dollars provides both research and non-research assistance to Absolute, Absolute will make a reasonable allocation of the cost which may be paid for with soft dollars. Non-permitted uses based on this allocation will be paid for by Absolute with hard dollars. It is anticipated that any use by Absolute of soft dollars to pay for research products or services will fall within the safe harbor created by Section 28(e) of the Exchange Act.

A client account's securities transactions can be expected to generate brokerage commissions and other compensation, all of which such client account, not Absolute, will be obligated to pay. Absolute will have complete discretion in deciding what brokers and dealers a client account will use and in negotiating the rates of compensation the client account will pay. In addition to using brokers as "agents" and paying commissions, a client account may buy or sell securities directly from or to dealers acting as principals at prices that include markups or markdowns and may buy securities from underwriters or dealers in public offerings at prices that include compensation to the underwriters and dealers.

In some situations, payment for the provision of research or trade ideas by a broker-dealer is included in the overall commission rate charged by the broker-dealer. This "bundled" commission rate is an informal soft dollar arrangement and Absolute makes no attempt to separate the cost of the research and the cost of trade execution, but rather considers the range of the broker's services as described above to determine if best execution has been achieved. Absolute does, however, attempt to ensure that the services received in these informal arrangements are eligible for soft dollar treatment and that the values of such services are comparable to the commission dollars expended upon them. In other situations, however, a more formal understanding is made and a specific per share rate for trade execution and for soft dollar provision is assigned. These agreements in which a broker provides products or services in exchange for executing brokerage transactions through that broker are referred to as a soft dollar arrangement. Clients should consider that these arrangements may create a potential conflict of interest between Absolute and its clients. This conflict of interest may exist because Absolute's decision to use a particular broker may be based in part on that broker's ability and/or willingness to provide certain products or services to Absolute.

Products and services acquired with client brokerage commissions within the last fiscal year included the following: research newsletters; credit research; access to on-line research/information portals; access to meetings with company senior managements; invitations to meetings with industry analysts; attendance at industry conventions, webinars, and other information sessions; research analysis of short sales opportunities; financial data & other security fundamentals; research services concerning regulatory filings; market industry/trends information; bankruptcy/reorganization research; quantitative-based research; daily technical research letters; online news & reports; macroeconomic research & forecasting; proprietary brokerage research; access to software platforms to conduct our own research; securities pricing services related to trading of securities; trade order management software and trading capabilities; electronic utilities to communicate trade and order fill details.

Brokers sometimes suggest a level of business they would like to receive in return for the various services they provide. Actual brokerage business received by any broker may be less than these suggested allocations but can (and often does) exceed the suggestions, because total brokerage is allocated on the basis of the considerations described above. A broker is not excluded from receiving business merely because it has not been identified as providing research services.

Aggregation of Client Trades

Investment decisions that are made at the same time for more than one client account, by the same Portfolio Manager for substantially similar reasons, the Adviser may, but will be under no obligation to aggregate, to the extent permitted by applicable law and regulations, the securities to be purchased or sold in order to seek more favorable prices, lower brokerage commissions or more efficient execution. In these situations, the Adviser is expected to adjust the order of which client account is trading in the same security to seek to ensure that one of these client accounts are not systematically disadvantaged or advantaged when the Adviser does not elect to aggregate trades.

In cases where trades are aggregated on behalf of the Absolute Convertible Arbitrage Fund and the Absolute Flexible Fund, the Adviser will place an aggregate order with the broker, if possible, on behalf of all participating accounts in order to ensure fairness for all accounts; provided, however, that trading will be reviewed periodically to the extent deemed necessary by the CCO to ensure that accounts are not systematically disadvantaged by this Policy. The Adviser will determine the appropriate number of shares to place with brokers and will select the appropriate brokers based upon his or her determination of who will likely provide best execution. The allocation process for a block trade is no different than that of a regular trade; allocations are made as described above.

In executing aggregated transactions that are placed at the same time and at the same price with the same broker, trades will generally be allocated on the basis of the relative asset size of each respective client account. Notwithstanding the prior sentence, it should be noted that allocations may also be made based upon relative cash balances or in some other manner that the Adviser determines is fair and equitable under the circumstances to each respective client account.

Trade Error Policy

Absolute's policy concerning trade errors is that errors affecting a client's account must be resolved promptly and fairly, and in accordance with legal & regulatory restrictions and guidelines.

Errors include: (i) an incorrect order upon entry; (ii) the purchase or sale of the wrong quantity of securities or the wrong security or type or class of security; (iii) the misallocation or wrong settlement of a securities transaction that is attributable to Absolute or a third party (typically the executing broker-dealer), regardless of whether a profit or loss results from the error; and (iv) any transaction that violates or conflicts with an account's investment guidelines and restrictions, Absolute's policies or procedures (including securities on Absolute's restricted list) or applicable law, regardless of whether the error is due to a mistake, systems failure, miscommunication or otherwise. If any Absolute partner or employee becomes aware of any trade error, he or she shall promptly inform the CCO. In general, errors resulting in a loss should be reimbursed to the client; errors resulting in a gain should be awarded to the client. Some types of errors may not necessarily result in reimbursement to the client. For example, some errors, although made inadvertently, may not be inconsistent with the standard of care owed to clients under their applicable governing documents. In addition, typically immaterial operational errors such as failed trades or overdraft charges will not be treated as errors to be reimbursed. Once an error has been discovered, corrective action will be discussed with the trading desk, operations, the portfolio manager(s) of the accounts(s) involved, and compliance, who together will determine the best way to correct the error and if reimbursement is appropriate, from what party such reimbursement should be recovered. Absolute will review all of the relevant facts and circumstances, which may include a netting of error-related gains and losses over time when determining the financial impact of an error in a client's account and will also look to the account's governing documents for guidance. The final resolution must be approved by the CCO and must be undertaken as soon as possible. A post-trade error memo documenting the cause of the error and the resolution will be drafted by the CCO for review at the next scheduled Compliance Committee meeting.

ITEM 13: REVIEW OF ACCOUNTS

Private Funds

Reviews: Absolute periodically reviews and monitors each Private Fund's holdings in accordance with the investment objectives as detailed in its Private Placement Memorandum or other governing documents. In addition, the Private Funds are reviewed on at least a quarterly basis by the Absolute Investment Review Committee for industry sector allocations, cross-holdings, and other issues relating to trade allocations, exposures, and performance.

Reports: the Partners Fund will receive audited financial statements and K-1 statements, if applicable, within 120 days of the Private Fund's year end. These statements are audited by the Private Funds' auditors, Cohen & Co. Investors in the Private Fund also receive unaudited performance reports on a monthly basis during the year. These statements are generated by the Private Funds' administrator, LeverPoint Ultimus Fund Solutions.

Mutual Fund Portfolio Management

Reviews: Absolute periodically reviews and monitors each Absolute Fund's holdings in accordance with the investment objectives as detailed in a Fund Prospectus. In addition, Absolute

reports on a variety of matters to the Absolute Funds Board of Trustees and the Absolute Funds' independent CCO.

Reports: Clients should refer to the Fund Prospectus for information regarding regular reports to the Absolute Fund by Absolute, which are generally available on each Absolute Fund's website. See Item 4 for the website for the Absolute Funds.

Separately Managed Portfolios

Reviews: While the underlying securities within Separately Managed Accounts are periodically monitored, these accounts are reviewed at least quarterly by the Absolute Investment Committee. Accounts are reviewed in the context of each client's stated investment objectives and guidelines. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, or the market, political or economic environment.

Reports: In addition to the monthly statements and confirmations of transactions that Separately Managed Account clients receive from their custodians, Absolute provides periodic reports summarizing account performance, balances and holdings.

ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION

Absolute may compensate financial institutions for providing marketing or client support services, including third party marketing support services, program service payments, finders fees, business planning assistance, advertising, education, providing placement on the financial institution's list of offered funds, counseling on the preparation of sales material and presentations and arranging access to sales meetings, and to sales representatives and management representatives of the Financial Institutions.

These payments are generally based on one or more of the following factors: average net assets of the Funds shares, gross or net sales of Fund shares, reimbursement of ticket charges (including fees that a dealer firm charges its representatives for effecting transactions in Fund shares and payments for processing transactions via National Securities Clearing Corporations ("NSCC")) or a negotiated lump sum payment for services rendered. In addition, program servicing payments may be paid in some instances to third parties in connection with investments in the Funds by retirement plans and other investment programs. Absolute may make on-time or annual payments to select financial institutions receiving program servicing payments in reimbursement of printing costs for literature for participants, account maintenance fees or fees for establishment of Absolute's mutual funds on the financial institution's system. Absolute, at its expense, may provide additional compensation to financial institutions which sell or arranges for the sale of shares of the Funds to the extent not prohibited by laws or FINRA rules. Such compensation provided by Absolute may include financial assistance to financial institutions that enable Absolute to participate in and/or present at conferences or seminars, sales or training programs for invited registered representatives and other dealer employees, dealer entertainment, and other dealer-sponsored events, and travel expenses, including lodging incurred by registered representatives and other employees in connection with prospecting retention and due diligence trips.

Absolute may, at its own expense, compensate the financial institutions in connection with the sale or expected sale of Fund shares and it may sponsor various promotional activities held by the financial institutions to promote sales of the Funds. Certain financial institutions may provide administrative services (such as sub-transfer agency, record-keeping or shareholder communications services) to investors purchasing shares of the Funds through retirement plans and other investment programs. A financial institution may perform program services itself or may arrange with a third party to perform program services. In addition to participant recordkeeping, reporting, or transaction processing, program services may include services rendered in connection with Fund/investment selection and monitoring, employee enrollment and education, plan balance rollover or separation, or other similar services. Absolute or the Funds (if approved by the Trustees) may pay fees to these financial institutions for their services. Absolute may compensate financial institutions differently depending upon, among other factors, the level and/or type of marketing support provided by the institution. Such payments will create an incentive for the financial institutions to recommend that investors purchase Fund shares.

ITEM 15: CUSTODY

Absolute does not have custody of the assets of Separately Managed Accounts, nor does it have custody of the assets of the Absolute Funds for which it serves as investment adviser. Clients should carefully review the account statements received from their custodians for errors and contact Absolute with any questions. For the Private Funds, Absolute will seek to ensure compliance with the Advisers Act and the Custody Rule by ensuring that their cash and securities are held with qualified independent custodians. Monthly statements are produced and delivered by the Private Funds' Administrator, Ultimus LeverPoint Fund Services, and an annual audit using generally accepted accounting principles (GAAP) is conducted by the Funds' auditors Cohen & Co, and the audited financial statements are provided to investors in the Private Funds within 120 days of each Fund's applicable fiscal year end.

ITEM 16: INVESTMENT DISCRETION

Clients generally hire us to provide discretionary asset management services. In general, Absolute is given full investment discretion over client portfolios in the investment management agreement including the Private Funds and Absolute Funds, without obtaining any prior approval from the client.

Clients give us discretionary authority when they sign the investment management agreement with Absolute, and any limitations or restrictions are listed in the investment guidelines attached as part of the investment management agreement. Clients may change/amend such limitations by once again providing us with written instructions.

ITEM 17: VOTING CLIENT SECURITIES

Absolute will vote proxies for all client accounts if given this authority in the investment management agreement. Absolute has adopted policies and procedures pursuant to SEC rule 206(4)-6 with respect to voting proxies on behalf of the Private Funds, Absolute Funds, and Separately Managed Accounts. Generally, Absolute will vote proxies in the best interests of its clients and in accordance with our established policies and procedures. Absolute will retain all proxy voting books and records for the requisite period of time. Absolute will use reasonable efforts to determine whether a potential conflict may exist, and a potential conflict shall be deemed to exist only if the Adviser actually knew or should have known of the conflict.

All employees are obligated to disclose any potential conflict to the CCO and the Portfolio Manager. Materiality determinations will be based on an assessment of the particular facts and circumstances and consultation with outside counsel, as necessary. The CCO shall document the method used to resolve conflicts of interest and maintain supporting documentation in accordance with regulatory requirements. The Firm shall maintain proxy voting records in accordance with regulatory requirements.

A copy of our Proxy Voting Policy and Procedures for both the Absolute Funds and the Partners Fund, as well as information related to how proxies were voted may be obtained by sending an email to info@absoluteadvisers.com or by phoning us at 781.740.1904.

ITEM 18: FINANCIAL INFORMATION

Registered investment advisers are required in this item to provide you with certain financial information or disclosures about Absolute's financial condition. Absolute has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients and has not been the subject of a bankruptcy proceeding.

ITEM 19: REQUIREMENTS FOR STATE-REGISTERED ADVISERS

This Item is not applicable to Absolute.

Form ADV Part 2B Brochure Supplement

Kevin McNally

Absolute Investment Advisers, LLC
82 S. Barrett Square, Suite 2G
P.O. Box 611132
Rosemary Beach, FL 32461

January 2024

This Brochure Supplement provides information about Kevin McNally that supplements the Brochure for Absolute Investment Advisers, LLC (“Absolute”), a copy of which you should have received. Please contact David Faherty, CCO of Absolute at 207.606.9059 or dfaherty@absoluteadvisers.com, if you did not receive the Brochure or if you have any questions about the contents of this supplement.

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

Educational Background and Business Experience

KEVIN MCNALLY: Born 1969

Education

- New York University, Stern School of Business, MBA
- University of Massachusetts at Amherst, BA, History

Business Background

Mr. McNally is a Co-Portfolio Manager at Absolute Investment Advisers, LLC (“Absolute”) and has over 31 years of experience focusing on closed-end securities. Prior to joining Absolute, Mr. McNally served as a member of the Investment Team at Clough Capital Partners L.P. from 2014 – 2023. Prior to that, Mr. McNally was Director of Closed-End Funds for ALPS Fund Services, a Denver based asset management, distribution, and service provider from 2003-2014. From 1998 – 2003 Mr. McNally was Director of Closed-End Fund and ETF Research at Smith Barney, a Division of Citigroup Global Markets, Inc. From 1997-1998 Mr. McNally was Director of Closed-End Fund and ETF Marketing at Morgan Stanley Dean Witter Discover. Previously, he was an analyst covering closed-end funds in the Mutual Fund Research Department at Merrill Lynch, Pierce, Fenner, & Smith, Inc. from 1994 – 1997, and also Manager of the Closed-End Fund Marketing Department at Prudential Securities from 1992 – 1994.

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 each supervised person providing investment advice. Mr. McNally has no information applicable to this item.

Other Business Activities

Mr. McNally serves as a Trustee for two unaffiliated registered investment companies. Mr. McNally does not receive any compensation for this service.

Additional Compensation

Mr. McNally has no information to report applicable to this item.

Supervision

As Co-Portfolio Manager, Mr. McNally is primarily responsible for managing the Firm’s closed-end fund strategy amongst a private fund and separately managed accounts. Mr. McNally consults the Firm’s Chief Compliance Officer, Dave Faherty, on any compliance related matters. Mr. Faherty can be reached via telephone at 207-606-9059 or via email (dfaherty@absoluteadvisers.com). Absolute Investment Advisers, LLC has implemented a Code of Ethics and a Compliance Manual (“Policies and Procedures”) that guide each Supervised Person in meeting their fiduciary obligations to the Firm’s Clients. Absolute’s Policies and Procedures are designed to meet the requirements of the SEC’s Investment Advisers Act of 1940 (“Advisers Act”) as well as the Investment Company Act of 1940 (“1940 Act”) and assist the Firm and its Supervised Persons in preventing, detecting and correcting violations of law and rules. As a registered entity, Absolute Investment Advisers, LLC is subject to examinations by regulators and is required to periodically update the information provided to these regulators regarding the business activities and assets of the Firm.

Patty Santorella

Absolute Investment Advisers, LLC
82 S. Barrett Square, Suite 2G
P.O. Box 611132
Rosemary Beach, FL 32461

January 2024

This Brochure Supplement provides information about Patty Santorella that supplements the Brochure for Absolute Investment Advisers, LLC (“Absolute”), a copy of which you should have received. Please contact Dave Faherty, CCO of Absolute at 207.606.9059 or dfaherty@absoluteadvisers.com, if you did not receive the Brochure or if you have any questions about the contents of this supplement.

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

Educational Background and Business Experience

PATTY SANTORELLA: Born 1986

Education

- Northeastern University, BA, Finance and Insurance

Business Background

Ms. Santorella is a co-portfolio manager at Absolute Investment Advisers, LLC (“Absolute”) and has over 15 years of experience in hedge funds. Prior to joining Absolute, Ms. Santorella served as Managing Director and Head of Trading at Beryl Capital Management LLC, a hedge fund in Redondo Beach, CA with \$500 million in AUM with a focus on an event-driven/merger arbitrage strategy. Prior to Beryl, Ms. Santorella served as the Vice President of Operations and Vendor Relations at Clough Capital Partners, L.P., a Boston-based investment firm with \$2.1 billion in global long/short strategies. Patty worked at Clough for over nine years, including four years of overlap with Kevin McNally where she helped with his closed-end fund strategy.

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 each supervised person providing investment advice. Ms. Santorella has no information applicable to this item.

Other Business Activities

Ms. Santorella has no information to report applicable to this item.

Additional Compensation

Ms. Santorella has no information to report applicable to this item.

Supervision

As Co-Portfolio Manager, Ms. Santorella is primarily responsible for managing the Firm’s closed-end fund strategy amongst a private fund and separately managed accounts Ms. Santorella consults the Firm’s Chief Compliance Officer, Dave Faherty, on any compliance related matters. Mr. Faherty can be reached via telephone at 207-606-9059 or via email (dfaherty@absoluteadvisers.com). Absolute Investment Advisers, LLC has implemented a Code of Ethics and a Compliance Manual (“Policies and Procedures”) that guide each Supervised Person in meeting their fiduciary obligations to the Firm’s Clients. Absolute’s Policies and Procedures are designed to meet the requirements of the SEC’s Investment Advisers Act of 1940 (“Advisers Act”) as well as the Investment Company Act of 1940, as amended (“1940 Act”) and assist the Firm and its Supervised Persons in preventing, detecting and correcting violations of law and rules. As a registered entity, Absolute Investment Advisers, LLC is subject to examinations by regulators and is required to periodically update the information provided to these regulators regarding the business activities and assets of the Firm.