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Guild Investment
Management, Inc.

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This brochure provides information about the qualifications and business practices of Guild Investment Management, Inc. If you have any questions about the contents of this brochure, please contact us at 310-826-8600 or at guild@guildinvestment.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority.

Guild Investment Management, Inc. is a registered investment adviser. Registration of an investment adviser does not imply any level of skill or training. The oral and written communications of an adviser provide you with information about which you determine to hire or retain an adviser.

Additional information about Guild Investment Management, Inc. also is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 – Material Changes

On July 28, 2010, the United State Securities and Exchange Commission published “Amendments to Form ADV” which amends the disclosure document that we provide to clients as required by SEC Rules. This brochure dated March 25, 2011 is a new document prepared according to the SEC’s new requirements and rules. As such, this document is materially different in structure and requires certain new information that our previous brochure did not require.

In the future, this Item will discuss only specific material changes that are made to the brochure and provide clients with a summary of such changes. We will also reference the date of our last annual update of our brochure.

In the past we have offered or delivered information about our qualifications and business practices to clients on at least an annual basis. Pursuant to new SEC Rules, we will ensure that you receive a summary of any material changes to this and subsequent brochures within 120 days of the close of our business’ fiscal year. We may further provide other ongoing disclosure information about material changes as necessary.

We will further provide you with a new brochure as necessary based on changes or new information, at any time, without charge.

Currently, our brochure may be requested by contacting Tim Shirata / Director of Operations at 310-826-8600 or tshirata@guildinvestment.com. Our brochure is also available on our web site <http://www.guildinvestment.com>, also free of charge.

Additional information about Guild Investment Management, Inc. is also available via the SEC’s web site www.adviserinfo.sec.gov. The SEC’s web site also provides information about any persons affiliated with Guild Investment Management, Inc. who are registered, or are required to be registered, as investment adviser representatives of Guild Investment Management, Inc.

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Item 4 – Advisory Business

Advisory Services; Investment Discretion

Guild Investment Management, Inc., sometimes referred to as “Guild,” renders investment advisory and portfolio management services related to a broad range of primarily publicly traded securities including: U.S. and foreign equities, exchange traded funds (ETFs), commodity related shares, debt, royalty trusts, closed end mutual funds, put and call options and other financial derivatives, and currencies.

Guild’s portfolio management services are provided to clients on a discretionary basis under various different arrangements, which are distinguishable by type of account, the management fees, and the custodial and brokerage relationship selected by the client. See Item 5 for additional details.

Guild managed approximately \$138,400,000 in assets on a discretionary basis as of February 28, 2011.

Guild's investment advisory and portfolio management services are based upon meeting the clients’ individual investment goals and objectives with respect to seeking capital preservation, growth through capital gains, current income, or a combination thereof.

Guild does not render advice on other investments such as real estate and insurance, which may constitute part of a client's total investment portfolio. Guild does not generally invest in securities of certain companies that derive a significant portion of their revenues from activities that may be considered socially objectionable. See Item 8 for additional information on Guild’s method of analysis and the risks involved in Guild’s management strategies.

Clients may impose restrictions on the kind of investments made by Guild for their accounts. For example, clients may desire to have certain industries or companies excluded from their portfolio. Investment guidelines and restrictions must be provided to Guild in writing. Subject to such restrictions, if any, for discretionary accounts under management, Guild has authority, without obtaining the advance consent of the client, to determine which securities are to be bought or sold, the total amount of securities bought or sold, and the commission rates to be paid.

In cases where the client has selected the broker through whom trades will be placed, Guild may not have discretion to determine the brokerage commissions. Additionally, where Guild is managing a client's portfolio under a “wrap fee” program (i.e., a program where the client has agreed that the broker will receive a percentage of the assets under management as a fee to cover the brokerage commissions), Guild may not have discretion to determine brokerage commissions.

Guild Investment Management, Inc. was incorporated in January 1978. Its two principal officers and largest shareholders are Montague Guild, Jr. and Anthony Danaher. Mr. Guild has the ultimate authority to make investment decisions, including purchases and sales and amounts invested. Mr. Guild is the portfolio manager for the Global Aggressive Growth and Global Growth portfolios, and is assisted by Anthony Danaher. Mr. Danaher is the portfolio manager for Guild’s Income portfolios and is assisted by Mr. Guild.

Montague Guild, Jr. - Mr. Guild graduated from the University of California at Santa Barbara with a B.A. in Economics in 1964 and received his M.B.A. in Finance from California State University, Long Beach in 1968. Mr. Guild owns 60% of the shares of Guild Investment Management, Inc.

Anthony Danaher - Mr. Danaher attended Kansas State University from 1985 to 1986 and graduated in 1990 from Maharishi International University in Fairfield, Iowa with a B.A. in Business Administration. Mr. Danaher received his M.B.A. from Pepperdine University in 1999. Mr. Danaher owns 38% of the shares of Guild Investment Management, Inc.

Item 5 – Fees and Compensation

Guild earns investment management fees based on a percentage of the net assets in the managed accounts, and in some cases based on investment management performance. The asset based fees typically range from 0.75% of assets under management annually to 2% of the assets under management annually. The performance fees are typically 20% of the net appreciation in the value of the assets (including both realized and unrealized gains) and are calculated on an annual basis.

Fee arrangements can be negotiated. Some of the factors that determine the fee schedule are the type of portfolio management services provided (Guild classifies its accounts as Global Aggressive Growth (which may use leverage or borrowing), Global Growth, and Income), the custodial arrangements, the total assets under management from related accounts, etc.

Before clients enter into an investment management agreement with Guild, they are provided with a fee schedule showing their proposed fee for their account. Management fees are payable quarterly or annually in advance and are based on the net asset value of the account at fixed dates. In the case of performance or incentive fees that are based on the profits and appreciation of the account, the fees are paid on an annual basis at the end of each year.

Services may be terminated by the client by written notice to Guild. In the event of termination during the billing period, fees are prorated and the client receives a refund on the portion of the fee applicable to the days remaining between the termination date and the end of the billing period.

Clients may also elect to be billed directly for fees or authorize Guild to debit fees from clients' accounts.

Guild's management fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses, which shall be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, and other third parties such as fees charged by other managers, custodial fees, deferred sales charges, transfer taxes, wire transfer fees, electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Guild may at times invest client funds in mutual funds and exchange traded funds, which also charge internal management fees. Such charges, fees and commissions are paid by clients in addition to Guild's fee. Guild does not receive any portion of these third party commissions, fees, and costs. Brokerage costs are described more fully in Item 12.

The following examples summarize the typical management fee arrangements based on the type of account:

Typical Guild Global Aggressive Growth managed account

Guild's investment strategies for managing its Global Aggressive Growth accounts has at times included substantial concentration of assets, leveraging investments with borrowing, trading in put and call options, short selling including taking short positions in foreign, developing and emerging markets, currency trading, investing in precious metals securities, trading in derivatives, and other strategies that involve substantial risk.

Guild typically receives an investment management fee consisting of an administrative fee plus a performance fee for managing its Global Aggressive Growth accounts.

The administrative fee is an annual fee of 1% of the net asset value of the account, which is paid annually in advance, based on the initial valuation. The initial valuation date is the day Guild commences trading in the client's Global Aggressive Growth account. The account's first fiscal year for billing purposes will be from the initial valuation date to the last day of the twelfth full calendar month following the initial valuation date. For example, an account that commenced on November 15, 2010 would be billed one year's administrative fee based on the initial value of the account for the period from November 15, 2010 to November 30, 2011. After the first initial billing period, the fiscal year for billing purposes for the account will be from December 1 to November 30 each year, with an annual valuation date of November 30th. Therefore, the first year's administrative fee would be for a period of 12 months and two weeks. Subsequent billing periods would be twelve month.

The performance fee is determined and paid as of the close of each fiscal year. The performance fee is typically 20% of the amount (if any) by which (i) the net asset value of the client's account as of the last day of the first fiscal year exceeds (ii) the net asset value of the account as of the first day of the year (or the day on which Guild commences trading in the client's account in the case of the first year), adjusted for additions to and withdrawals from the account by the client. A high-water mark exists whereby any decline in the client's account in a prior fiscal year must be recouped before a performance fee is paid in a subsequent year. Performance fees are based on realized and unrealized gains.

If the client terminates the account before the end of the fiscal year, a prorated rebate of unearned administrative fees will be calculated and returned to the client. If there are additions to the account or withdrawals from the account during a billing period, time weighted calculations will be made to determine if there are any additional administrative fees due to Guild (in the case of additions to the account), or rebates from Guild to the client (in the case of significant withdrawals from the account).

Typical Guild Global Growth managed account

For its Global Growth accounts, Guild employs strategies that in some respects are the same as for its Global Aggressive Growth accounts, including concentrating investments from time to time, investing in U.S. and foreign equity and debt securities including securities of companies in developing or emerging markets, acquiring precious metals securities, currency trading, and short selling; however, for the Global Growth accounts, Guild typically does not utilize leverage or borrowing, nor does Guild engage in options trading.

The typical management fee is 1.50% per annum on the first \$1,000,000 of net asset value, and then 1.00% on the amounts exceeding the first \$1,000,000 of portfolio value. The typical minimum annual fee for this type of account is \$5,000.

The annual management fee in the Guild Global Growth accounts will be billed in three month installments based on the net asset value of the portfolio. The initial management fee will be based on the initial asset value of the account for the period from the initial valuation date to the last day of the third full month after Guild commences management of the account. Subsequent management fee billings will occur each three-month period thereafter based on the net asset value on the last day of the prior billing period.

Prorated rebates of unearned fees will be calculated and returned to client if the client terminates the account before the end of a fiscal year or billing period. If there are additions to the account or withdrawals from the account during a billing period, time weighted calculations will be made to determine if there are any additional administrative fees due to Guild (in the case of additions to the account), or rebates from Guild to the client (in the case of significant withdrawals from the account).

Typical Guild Global Growth managed account at RBC Wealth Management

Guild manages client accounts using its Global Growth investment style in a wrap fee program in conjunction with RBC Wealth Management, a division of RBC Capital Markets, LLC, a securities broker dealer that is a wholly owned subsidiary of Royal Bank of Canada.

For the RBC Global Growth accounts, Guild employs strategies that in some respects are the similar to its Global Aggressive Growth accounts, including concentrating investments from time to time, investing in U.S. and foreign equity and debt securities including securities of companies in developing or emerging markets, acquiring precious metals securities, currency trading, and short selling; however, for the RBC accounts Guild typically does not utilize leverage or borrowing, nor does Guild engage in options trading.

The aggregate assets in all RBC Wealth program accounts managed by Guild determine the management fee payable to Guild on individual accounts. The annual management fee is 1.50% per annum on the first \$1,000,000 managed by Guild in the RBC program's portfolios, and the fee drops to 1.00% of net assets on the amounts managed by Guild exceeding the first \$1,000,000.

The annual management fees for these accounts are billed in quarterly installments, and are prorated for partial periods. Fees are billed in January, April, July, and October each year, and are based on the total market value of all the accounts in the RBC program on the last day of the previous quarter. The individual client account's management fee is prorated based on the percentage of assets the client's account is of the total assets in the RBC program.

Prorated rebates of unearned fees will be calculated and returned to client if the client terminates the account before the end of a fiscal year or billing period. If there are additions to the account or withdrawals from the account during a billing period, time weighted calculations will be made to determine if there are any additional administrative fees due to Guild (in the case of additions to the account), or rebates from Guild to the client (in the case of significant withdrawals from the account).

Typical Guild Income managed account

Guild actively manages its income accounts; focusing its investments in instruments that Guild believes have attractive fundamentals and that have the potential to earn current income. Guild

will seek opportunities in foreign government bonds, income royalty trusts (trust instruments that may, for example, pay oil and gas royalties), master limited partnerships (publicly held limited partnerships that make periodic distributions of income), real estate investment trusts (REITs that periodically make distributions of income), preferred shares, bonds and other instruments. In addition to earning current income, Guild seeks to supplement the current income with some capital appreciation.

The typical annual management fee for the income accounts is billed quarterly and is based on the asset value of the account. The typical management fee is 0.75% of the accounts net asset value per annum. The typical minimum annual fee for this type of account is \$5,000.

The annual management fee in the Guild Income accounts will be billed in three month installments based on the net asset value of the portfolio. The initial management fee will be based on the initial asset value of the account for the period from the initial valuation date to the last day of the third full month after Guild commences management of the account. Subsequent management fee billings will occur each three-month period thereafter based on the net asset value on the last day of the prior billing period.

Prorated rebates of unearned fees will be calculated and returned to client should the client terminate the account before the end of a fiscal year or billing period. If there are additions to the account or withdrawals from the account during a billing period, time weighted calculations will be made to determine if there are any additional administrative fees due to Guild (in the case of additions to the account), or rebates from Guild to the client (in the case of significant withdrawals from the account).

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

As noted in Item 5, Guild manages some discretionary accounts in exchange for an incentive fee of 20% of the profits from trading the client's accounts, including realized and unrealized gains or losses. The compensation formula and other provisions relating to the incentive fee arrangements are designed to comply with Regulation 275.205-3 under the Investment Advisers Act. In addition, Guild manages other accounts in exchange for an asset-based fee based on a percentage of the assets under management (ranging from 0.75% to 2% per annum). Guild has a conflict of interest in managing accounts for a performance-based fee and an asset-based fee at the same time since there is an incentive for Guild to favor accounts for which it receives a performance-based fee.

Guild manages this conflict of interest in part through its trading system. When effecting a trade for its managed accounts, Guild will typically enter one order for the total combined number of shares, bonds, contracts or other investment units to be traded, including those securities, investments, or contracts being traded for accounts being charged a performance fee and accounts being charged an asset-based fee. Guild will then utilize the "average price system" for those investments where its use is authorized. Under the average price system, when multiple price executions are received by the broker on a combined order for several accounts, the prices will be averaged and confirmed to each account on the averaged basis, which will be computed by multiplying the execution prices by the quantities at those prices, divided by the total quantities. An account might not participate in a combined order if there are restrictions on the trading in that account or where Guild determines the trade is too risky or otherwise inappropriate for the account. When Guild and its principals take positions for their personal accounts on the same days as their clients, the clients will receive the same average price or a

better price than Guild or its principals. Guild believes this method of allocation is both fair and impartial.

In addition, to manage this conflict of interest, Guild has agreed that it will not knowingly or deliberately favor any other of its customer accounts or funds over that of others; however, it would, however, be difficult to determine whether any such favoritism had occurred.

Guild's principals also trade for their accounts and on occasion Guild may also trade for its account, raising similar conflict of interest issues of such principals potentially favoring their own accounts. Guild also seeks to manage this conflict of interest through its trading system. When Guild or its principals take positions for their personal accounts on the same days as their clients, the clients will receive the same average price or a better price than Guild or its principals. Guild believes this method of allocation is both fair and impartial.

Item 7 – Types of Clients

Guild clients are generally consist of high net worth individuals, profit sharing and pension plans, personal trusts, corporations, charitable institutions, foundations, and investment partnerships or other investment companies.

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

Client portfolios are actively managed to take advantage of changing investment opportunities and to control risk. Guild's principal investment strategies to achieve its objectives are:

- Maintain a global perspective and seek to profit principally from U.S. and foreign equity securities, currencies, etfs, and other publicly traded instruments.
- Actively manage portfolio exposure, allocating assets based on a continuous review of global market conditions, seeking attractive reward/risk (this may result in more active trading, and it may result in Guild's Global Aggressive Growth accounts at times being up to 200% invested, and at other times not being invested in securities at all).
- Concentrate in certain countries, sectors, and/or industries that have more attractive fundamentals, while avoiding those with poor fundamentals. For example, Guild may concentrate investments in the natural resource sectors such as energy or precious metals, or in countries that are beneficiaries of global economic growth or rising inflation, while avoiding countries or industries with poor reward/risk ratios.

Top down/bottom up investment analysis

In making investments for its clients, Guild uses a top down/bottom up approach. Guild first considers macro political, economic, social, and technological factors around the world that Guild considers to be favorable for long or short-term investments (top down approach). Thereafter, in the purchase of equities, the bottom up analysis focuses on a detailed review of each investment's fundamental values to find the more favorable investments within the markets and sectors previously identified. In the purchase of currencies, Guild applies a macro view of

domestic and international developments and may use technical trading analysis to determine entry and exit points.

Guild often concentrates account portfolios in investments favored by Guild. Guild will also not maintain a fixed asset allocation (unless instructed to do so), but will vary holdings to reflect Guild's beliefs about changing market trends. Account portfolios are not diversified and as a result, it may be deemed to have a greater degree of risk than would otherwise be present with accounts having a more diversified portfolio.

Guild may purchase U.S. and foreign equity and fixed income securities; foreign currencies; put and call options; closed-end mutual funds (including funds investing in foreign securities); exchange traded funds, U.S. and other government securities; as well as financial derivatives; certificates of deposit; bankers acceptances; other bank instruments; and money market instruments.

Risk of Loss

The principal risks of utilizing Guild's investment management services are that:

- Guild may not properly time when to enter or exit an industry or sector or country,
- Guild is not prohibited from concentrating its investments in particular industries, sectors, or countries and Guild may determine to concentrate investments in a manner that does not perform as expected, and Guild may miss industries, sectors, or countries that perform very well,
- there are increased risks associated with the foreign investments that Guild may make,
- frequent portfolio turnover increases brokerage costs and results in the realization of short-term gains and losses on securities positions, as compared to a money manager that tends to hold positions for the long term where gains would more often be taxed at long-term capital gain rates. Historically, Guild's active portfolio management has caused annual turnover of investments to exceed 300%, which is higher than average and will result in correspondingly greater transaction costs, and
- there are specific risks associated with particular types of investments that may be made by Guild, as described below.

Concentration and leverage

Significant concentration of assets by Guild and the use of leverage (borrowings) for some of the accounts increases both the risk and potential rewards to these accounts. In the purchase of investments using margin for Guild's Global Aggressive Growth accounts Guild looks for strong short-term market appreciation because these investments typically have more short-term volatility than other investments.

Financial derivatives

Derivatives are contracts whose value is tied to the value of underlying assets such as currencies, stock indexes or interest rate instruments. Among the risks in trading financial derivatives is that no secondary market may exist for some derivative investments, and when markets do exist, transaction costs may exceed those of more traditional investments. Assignment and/or transfer of some positions to other parties may also be difficult or impossible, making the investment illiquid.

Foreign securities

Trading in foreign securities carries the additional risks, such as:

- any variance in the foreign exchange rate between the time the order is placed and the time the transaction is effected as well as exchange rate fluctuations between the time of purchase and sale can affect the trading profits or increase the losses,
- there is often less publicly available information on which to make investment decisions than for U.S. securities,
- there are typically more volatile and/or less liquid securities markets,
- the possibility of foreign expropriation, confiscatory taxation or political, economic, or social instability,
- foreign companies are not subject to the same uniform accounting, auditing and financial reporting standards as are U.S. companies,
- there may be less government supervision and regulation of foreign stock exchanges, brokers, and companies,
- it may be more difficult to obtain and enforce a judgment against a foreign issuer should that be necessary.

Short sales

Those accounts who sell short “borrow” the asset from a broker or dealer in the security, then sell the security hoping that the price of the security will decrease and that the account can profit from replacing the security that was earlier sold. Guild’s accounts that engage in short sales will incur a loss as a result of a short sale if the price of the security or other asset increases between the date of the short sale and the date on which the Fund replaces the borrowed security. Possible losses from short sales differ from losses that could be incurred from a purchase of an asset, because losses from short sales may be unlimited (the price of the security could increase without limit), whereas losses from purchases can equal only the total amount invested.

Trading in Options

The leverage offered by trading in options may cause an account's value to fluctuate more than would be the case if Guild did not invest in options for that account. Whereas the purchase of an option can result only in the loss of the option premium paid to acquire the option, the losses from writing an option, where the writer must deliver the asset on exercise of the option, can be unlimited. Option trading is speculative and highly leveraged. In addition, the assessment of near-term market volatility, which is directly reflected in the price of outstanding options, can be of much greater significance in trading options than it is in many long-term future strategies. The use of options can be extremely expensive if market volatility is incorrectly predicted.

Foreign Currency Forwards

Certain Guild accounts may trade forward contracts in foreign currencies. A forward contract is contract between two parties to buy or sell an asset, in this case a foreign currency, at a specified future time at a price agreed today (this is in contrast to a spot contract, which is an agreement to buy or sell an asset today). Such forward contracts are typically traded through a dealer market, which is dominated by major money center banks and is not regulated by any government agency. Thus, investors do not receive the protection of legal regulations or the statutory scheme of any legislation in connection with this trading activity. In addition, there is a greater risk than in a typical securities transaction on a securities exchange of non-performance by the counterparty (the other party to the transaction) to the forward contracts and such non-performance may cause some or all of an account's gain to be unrealized. A forward currency contract is not guaranteed by an exchange or clearinghouse, so a default on the contract would typically force the account to cover its commitments on such contracts at the then current market price. The foreign currency market is generally more volatile in periods of economic and political uncertainties or when there are international crises.

Efforts to Control Risk

Account investments are actively managed by Guild to control risk. Guild may, from time to time, take defensive positions (e.g., holding large amounts of cash or cash equivalents) in an effort to respond to adverse market, economic, political, or other conditions. Such defensive measures may also be inconsistent with Guild achieving its growth objectives during the period the defensive measures are utilized. Guild has a "go to cash" orientation when it believes such defensive measures are necessary, and at times Guild accounts may be invested solely in U.S. or other government securities, or other cash equivalents, foreign currencies, or short term foreign government bonds, where the Guild believes the account may benefit from increases in the value of a foreign currency in relation to the U.S. dollar.

To enable Guild to more quickly be able to liquidate investments and reduce market exposure, Guild typically will not purchase (for all of its portfolios combined) an amount exceeding one-day's average trading value for the security.

Item 9 – Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any disciplinary events or proceedings that would be material to your evaluation of Guild or the

integrity of Guild's management. Guild has not been involved in any disciplinary events or proceedings

Item 10 – Other Financial Industry Activities and Affiliations

Other Business Activities

Guild does not engage in any business or profession other than acting as an investment advisor.

Guild currently writes a periodic global market commentary that is free via email to investors. In the future, Guild may charge a subscription fee to readers.

Other Securities Industry Activities or Affiliations

Guild is not registered, and does not have an application pending to register, as a broker or dealer.

Guild is general partner and sponsor of Meteoric, L.P. ("Meteoric"), a California limited partnership and Rosebury, L.P. ("Rosebury"), an Iowa limited partnership. Meteoric and Rosebury are open ended, non-diversified private (not publicly traded) investment companies. Meteoric and Rosebury have the right to invest in U.S. and foreign equity and fixed income securities, put and call options, closed-end mutual funds, U.S. government securities, other government securities, foreign securities, foreign currency options, certificates of deposit, banker's acceptances, other bank instruments and money market instruments.

Meteoric and Rosebury have the discretion to acquire long positions or short positions with respect to all investments. Meteoric is permitted to purchase securities on margin, or otherwise borrow funds and employ leverage. Rosebury typically will not borrow money to purchase securities or in connection with any short selling activities.

Meteoric, L.P. is managed in Guild's Global Aggressive Growth portfolio management style, and Rosebury, L.P. is managed in Guild's Global Growth portfolio management style.

As a general partner of Meteoric, Guild is allocated 1% of the net income or losses of Meteoric and receives a performance allocation equal to 19% of the net income of the limited partners for certain accounting periods. Guild also receives an administrative fee of 1/4 of 1% of Meteoric's net asset value per quarter. As general partner of Rosebury, Guild is allocated 1% of the net income or losses of Rosebury and typically receives a quarterly administrative fee equal to 1/4 of 1% (i.e. 1% per annum) and a quarterly management fee equal to .375 % (3/8 of 1% per quarter or 1.5% per annum) of the net asset value of Rosebury.

Guild does not have arrangements that are material to its advisory business or its clients with any related person, who is a broker-dealer, investment company, other investment advisor, financial planning firm or other firm or institution.

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

Code of Ethics

Guild has adopted a Code of Ethics for all supervised persons of the firm describing its high standards of business conduct, and fiduciary duty to its clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All supervised persons at Guild must acknowledge the terms of the Code of Ethics annually, or as amended.

Guild anticipates that, in appropriate circumstances, consistent with clients' investment objectives, it will cause accounts over which Guild has management authority to effect, and will recommend to investment advisory clients or prospective clients, the purchase or sale of securities in which Guild, its affiliates and/or clients, directly or indirectly, have a position of interest. Guild's employees and persons associated with Guild are required to follow Guild's Code of Ethics in these situations. Subject to satisfying this policy and applicable laws, officers, directors and employees of Guild and its affiliates may trade for their own accounts in securities which are recommended to and/or purchased for Guild's clients.

The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of Guild 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.

Under the Code certain classes of securities have been designated as exempt transactions, based upon a determination that these would materially not interfere with the best interest of Guild's clients. In addition, the Code requires pre-clearance of many transactions, and restricts trading in close proximity to client trading activity. Nonetheless, because the Code of Ethics in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. Employee trading is continually monitored under the Code of Ethics, in an effort to reasonably prevent conflicts of interest between Guild and its clients.

Certain affiliated accounts may trade in the same securities with client accounts on an aggregated basis when consistent with Guild's obligation of best execution (i.e., the obligation to effect securities trades at as good a price as possible). In such circumstances, the affiliated and client accounts will share commission costs equally and receive securities at a total average price. Guild will retain records of the trade orders (specifying each participating account) and its allocation, which will be completed prior to the entry of the aggregated order. Completed orders will be allocated as specified in the initial trade order. Partially filled orders will be allocated on a pro rata basis. Any exceptions will be explained on the Order.

Guild's clients or prospective clients may request a copy of the firm's Code of Ethics by contacting Tim Shirata Director of Operations.

Participation or interest in client transactions

Guild, as principal, does not sell securities or other assets to, or buy securities or other assets from, its clients. Guild does not effect securities or other transactions for compensation as broker or agent for clients; and does not recommend to clients that they buy or sell securities or other investment products in which Guild or a related person has some financial interests, except for interests in the Meteoric and Rosebury partnerships where Guild is general partner and with respect to which Guild acts as investment advisor or manager. It is Guild's policy that it will not effect any principal or agency cross securities transactions for client accounts. Guild will also not cross (effect) trades between client accounts.

Investment in the same or related securities that Guild recommends to its clients

Guild and its principals may invest in the same or similar securities that it recommends to clients. When Guild and its principals take positions for their personal accounts on the same days as their clients, there is a conflict of interest since Guild or its principals could purchase securities before purchasing the securities for client accounts or could sell securities before selling the same or similar securities for client accounts (Guild or its principals thereby benefit from potentially trading at more favorable prices. Guild addresses this conflict through its trading system whereby the clients will receive the same average price or a better price than Guild or its principals where trades occur on the same day.

Item 12 – Brokerage Practices

Broker Selection

When Guild selects a broker, commissions are generally negotiated to achieve significant institutional discounts.

In those instances where the client has selected the broker who will place all orders entered by Guild, the arrangement may not be to the client's advantage. Guild would likely have a greater ability to negotiate volume commission discounts, and clients selecting the broker may be paying more in commissions than other clients of Guild, especially if the broker selected by the client is a full service retail broker-dealer and not a discount brokerage firm.

Clients participating in a wrap fee program (i.e., where the broker is paid a fixed percentage of the assets under management to cover all brokerage commissions) may have reduced commissions (as compared to clients not in a wrap fee program) as a result of the higher than average turnover of Guild's active portfolio management. Conversely, clients in a wrap fee program will pay higher brokerage commissions in such a program if the clients would otherwise not actively manage their portfolio and, for example, simply buy and hold the positions.

Clients selecting their broker, either in a wrap fee program or otherwise, may not be obtaining the best execution in certain transactions. In addition, there is a conflict of interest inherent in an arrangement where the client selects the broker through whom all orders entered by Guild will be placed. Where a wrap fee program is not involved, the arrangement creates an incentive for Guild to engage in trading activities in the client's account as a possible inducement to the brokerage firm to refer additional business to Guild or as an inducement to obtain the

concurrence of the broker in the trading and investing practices or policies of Guild. There may be a conflict of interest in a wrap fee program by virtue of the close relationship between Guild and the broker. Guild recognizes its fiduciary obligations to clients to engage in investment and trading activities in the client's best interest.

Broker selection by Guild is not just based on obtaining the lowest commissions and is generally a function of quality of research services, the analysts performing those functions, the broker's competence in rendering brokerage services with respect to execution and record keeping, and products and services available from brokers in exchange for directing trades to various brokers (see the description below with respect to the "soft dollar" arrangements). Valuing these products and intangibles may result in paying a higher commission on a given trade than would be available through a discount brokerage firm offering no research or having a lower quality of performance in execution and record keeping.

Soft dollar arrangements

Guild keeps track of the commissions paid to various brokers and has "soft dollar" agreements with certain brokers pursuant to which the brokers provide products or services to Guild in exchange for specified amounts of commissions. Research received by Guild from brokers is used to service all Guild accounts. An analyst changing employment from one broker to another and availability of analysts to inquiries may also affect brokerage selection.

Guild has entered into agreements with brokers pursuant to which it receives certain products and services other than execution from the brokerage firms involved (referred to as soft dollar benefits). In the past year, Guild received the following research products and services in exchange for brokerage fees: real-time market data and quotations from NYSE, AMEX, NASDAQ, Toronto Stock Exchange, and other U.S. and international exchanges, subscriptions to various financial literature, including The Institutional Strategist's Market Intelligence Report, and 13D Research's What I Learned This Week Report, and Commodity Price Charts. In addition, Guild receives further research tools and instruments such as Bloomberg and Reuters Station, which provide Guild access to global stock quotations, market information, securities analysis data, research reports, historical charts, company historical and projected financial results, Reuters News, and other online research resources, and the OMGEO trade confirmation access service.

Under two brokerage arrangements, Guild received products and services (Advent software and T-1 phone lines) used in part for research to benefit clients' accounts and in part for Guild's client administration and quarterly accounting to clients or its non-research phone usage. The Advent software is the portfolio management software for Guild, and is used extensively on a daily basis for portfolio management research and used on a quarterly basis to produce accounting statements for clients. Similarly, the T-1 lines are used continuously and are essential in Guild's business for obtaining research data through the Bloomberg, Reuters Station, and other research hardware used by Guild and have a secondary use in reducing the cost of Guild's general telephone consumption.

The products and services received by Guild in exchange for brokerage business have a value in hard dollars, and to obtain those products and services for soft dollars, Guild provides commissions to the brokers of from 1.4 to 1.6 times the hard dollar cost. Guild thereby earns soft dollar credits by providing commission business to the various brokers, and products and

services are received by Guild in exchange for specified amounts of commission dollars.

Where a product or service is obtained with soft dollars has a mixed use (a use in research to benefit clients and a use to defray Guild's general overhead or accounting), as is the case, for example, with the Advent software or T-1 phone lines, Guild contributes to the cost of the software or T-1 lines with hard dollars.

Other brokerage conflicts of interest

It should be noted that Guild has a conflict of interest when choosing whether to use a broker that will provide soft dollar credits, which can offset research expenditures that would otherwise have to be paid by Guild, or using a broker that would not provide such credits but would then provide lower commissions for clients. In selecting brokers who charge higher commissions in exchange for soft dollars, clients will pay commissions that are greater than would otherwise be the case.

Soft dollar benefits are used by Guild to service all clients of Guild rather than Guild trying to allocate soft dollar benefits in some way proportional to the soft dollar credits the accounts generate, which Guild believes would not be practicable in view of the research nature of most products and services paid for with soft dollars.

Guild also has a conflict of interest in obtaining mixed use product and services and allocating the cost of the product or service between commission dollars and Guild's own funds. Guild believes that use of soft dollars to obtain various research services more than offsets the higher cost of commissions and that the allocation of hard dollars paid by Guild and soft dollars paid from brokerage commissions in connection with mixed use products and services is fair (soft dollars are used to pay 75% of the cost of the Advent software and T-1 costs based on the extensive use in client research and the secondary use to cover Guild normal overhead items).

Item 13 – Review of Accounts

Accounts are continuously reviewed and actively managed on a daily basis by Guild in order to keep the accounts' exposure to market opportunities and risks in line with changes in recommendations and market conditions. This review is performed by Montague Guild, Jr., the CEO and portfolio manager and/or Anthony Danaher, the president of Guild.

Guild reconciles its records to those of the custodian regularly. The custodial bank, holding client's funds and securities will provide clients with a monthly statement of their accounts.

Guild provides quarterly holdings reports to its clients regarding their accounts.

Item 14 – Client Referrals and Other Compensation

Guild from time to time compensates independent contractor solicitors based on new account openings and pays such persons a percentage of the management fees collected and earned over the duration of the account. The percentage fee sharing by such solicitors varies depending on the account, but is typically from 5% to 20% of the management fees collected and earned by Guild. If such fees are to be paid, Guild discloses such fees to its clients in

advance of commencing trading for the clients and Guild complies with investment adviser regulations in this area in its disclosures.

In addition, Guild compensates certain employees based on new account openings. One employee receives a percentage of the management fees collected and earned on new accounts introduced to Guild. The percentage fee sharing with the employees will vary depending on the account, but will typically be 15% of the management fees collected and earned by Guild in the account's first year, and 5% of the management fees collected and earned in subsequent years.

Item 15 – Custody

Clients typically receive monthly statements from the broker dealer, bank, or other qualified custodian that holds and maintains client's investment assets. Clients also have the ability to view holdings and activity in their account through a secure internet connection provided by their custodian or broker.

At the end of each calendar quarter, Guild provides managed account clients (with the exception clients in the RBC Program) statements and reports that include the account value, holdings, income and expenses, and realized gains and losses for that year to date. Guild also provides clients with an annual summary statement with a recapitulation of the client's account activity for the preceding year.

Guild's statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities. Guild urges clients to carefully review such statements and compare the custodial statements and records to the account statements that Guild may provide.

Item 16 – Investment Discretion

Guild typically receives discretionary authority from the clients at the outset of an investment advisory relationship to select the identity and amount of securities to be bought or sold. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account. For example, clients may desire to have certain industries or companies excluded from their portfolio, or clients may request an allocation of foreign currencies for their cash balances. Investment guidelines and restrictions must be provided to Guild in writing.

When selecting securities and determining amounts, Guild observes the investment policies, limitations and restrictions of the clients for which it advises.

Guild does not generally invest in securities of certain companies that derive a significant portion of their revenues from activities that may be considered socially objectionable.

Item 17 – Voting Client Securities

In cases where clients give Guild permission to vote proxies and participate in corporate actions, Guild typically votes in favor of management's suggestions as Guild generally will not own a stock if it does not agree with management's direction.

Item 18 – Financial Information

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about Guild's financial condition. Guild 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 or other insolvency proceeding.

A copy of Guild's most recent annual balance sheet, audited by an independent public accountant, prepared in accordance with generally accepted accounting principles, and showing assets and liabilities of Guild, separate from other business and personal assets and liabilities, accompanies this statement. In addition notes that are helpful to understanding the balance sheet have also been included.

GUILD INVESTMENT MANAGEMENT, INC.

FINANCIAL STATEMENTS

DECEMBER 31, 2010

CHARLES,

BLANK &

KARP, LLP

C E R T I F I E D
P U B L I C A C C O U N T A N T S

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Guild Investment Management, Inc.
Los Angeles, California

We have audited the accompanying balance sheet of Guild Investment Management, Inc. (a California S corporation) as of December 31, 2010 and the related statements of income and retained earnings, and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Guild Investment Management, Inc. as of December 31, 2010, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Charles, Blank & Karp, LLP
CHARLES, BLANK & KARP, LLP

March 10, 2011
Sherman Oaks, California

Guild Investment Management, Inc.
Balance Sheet
December 31, 2010

ASSETS

CURRENT ASSETS

Cash and Cash Equivalents - Note 5	\$ 11,516
Accounts Receivable	371
Shareholder Loans	22,000
Prepaid Expenses	<u>16,306</u>

TOTAL CURRENT ASSETS

50,193

PROPERTY AND EQUIPMENT - (net of accumulated
depreciation of \$67,156) - Notes 1 and 2

18,219

OTHER ASSETS

Computer Software (net of accumulated amortization of \$2,023) - Note 1	0
Deposits	9,548
Investment in Partnerships - Note 6	<u>40,693</u>

TOTAL OTHER ASSETS

50,241

TOTAL ASSETS

\$ 118,653

LIABILITIES AND STOCKHOLDERS' EQUITY

CURRENT LIABILITIES

Accounts Payable	\$ 21,965
Accrued Expenses	13,958
Deferred Income - Note 1	69,028
Income Taxes Payable	<u>1,817</u>

TOTAL CURRENT LIABILITIES

106,768

STOCKHOLDERS' EQUITY

Common Stock - no par value 100,000 shares authorized, 1,960 shares issued and outstanding	1,960
Additional paid-in capital	8,367
Retained Earnings	<u>1,558</u>

TOTAL STOCKHOLDERS' EQUITY

11,885

TOTAL LIABILITIES AND STOCKHOLDERS EQUITY

\$ 118,653

See Accountant's Report and
Notes to Financial Statements

Guild Investment Management, Inc.
Notes to Financial Statements
December 31, 2010

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Business Activity

The Company is in the business of providing investment advisory services to individuals worldwide and acting as general partner and advisor to limited partnerships that it has formed.

Depreciation

The depreciation of property and equipment has been provided by use of both straight-line and accelerated methods using estimated useful lives from three to seven years. Repairs that do not materially extend the useful life of equipment are charged to operations.

Deferred Income

Fee income is recorded at the anniversary date of each client and is taken into income on a straight-line basis over the number of months of the client's billing period. The unearned portion of the fee is refundable if the client terminates the Company's services.

Accounts Receivable

The Company uses the direct write-off method to account for bad debts. The direct write-off method is not in accordance with generally accepted accounting principles. Use of the reserve method, however, would not materially affect the financial statements.

Computer Software

Computer software costs are being amortized over their useful life of three (3) years using the straight-line method. Accumulated amortization is \$2,023 at December 31, 2010.

Guild Investment Management, Inc.
Notes to Financial Statements
December 31, 2010

NOTE 2: PROPERTY AND EQUIPMENT

Property and Equipment consists of the following:

Furniture and Equipment	\$ 80,952
Leasehold Improvements	<u>4,423</u>
Total	<u>85,375</u>

Less: Accumulated Depreciation	67,156
Net Property and Equipment	<u>\$ 18,219</u>

Depreciation expense was \$6,448 for the year ended December 31, 2010.

NOTE 3: INCOME TAXES

The Company has elected by unanimous consent of its stockholders to be taxed under the provision for S Corporation status of the Internal Revenue Code and the Franchise Tax Board. Under these provisions, the Company does not pay federal corporate income taxes on its taxable income and pays only 1 1/2% of taxable income for state income tax purposes. The stockholders are liable for individual federal and state income taxes on their respective share of the Company's taxable income. State taxes for the year ended December 31, 2010 were \$3,277.

As of December 31, 2010, the Company remained subject to United States federal income tax examinations for the tax years 2008 through 2010. In addition, the Company remained subject to state income tax examinations for the tax years 2007 through 2010.

NOTE 4: COMMITMENTS

The Company occupied facilities at 12400 Wilshire Boulevard, Suite 1080, Los Angeles, California. The lease commenced on June 1, 2006 and will expire on May 31, 2011, with the option to extend the lease for an additional five years. Rent expense for the year ending December 31, 2010 was \$120,283. The current monthly lease payment is \$9,548 plus maintenance costs:

The aggregate commitments are summarized as follows:

<u>Year Ended December 31,</u>	
2011	<u>\$ 47,738</u>
Total	<u>\$ 47,738</u>

Guild Investment Management, Inc.
Notes to Financial Statements
December 31, 2010

NOTE 5: SUPPLEMENTAL DISCLOSURES FOR STATEMENT OF CASH FLOWS

The Company considers cash on hand, deposits in banks and United States treasury bills as cash equivalents. Cash paid for income taxes during the year ended December 31, 2010 was \$2,103.

NOTE 6: INVESTMENT IN PARTNERSHIPS

The Company is the General Partner of Meteoric L.P., a California limited partnership organized for the purpose of achieving maximum total return on securities investments. The overall investment strategy shall be determined at the discretion of the General Partner. The General Partner will receive a management fee at the rate of 1/4 of 1% of the Fund's net asset value as of the beginning of each calendar quarter (with a pro rated fee as of the date of the admission of any limited partner to the Fund in advance of the beginning of the calendar quarter). The General Partner will be reimbursed for all expenses incurred on behalf of the Fund and will be allocated 1% of the profits, losses and distributions of the Fund. In addition, the General Partner will receive a performance allocation based on 19% of the net income of each Limited Partner during the prior twelve-month period. Investments in partnerships are recorded on the balance sheet at the market value of the underlying securities. The net decrease in capital for the year ended December 31, 2010 was \$5,204.

The Company is also the General Partner of Rosebury, L.P., a Iowa limited partnership organized for the purpose of achieving capital preservation and investment results that outperform the rate of inflation on securities investments. The overall investment strategy shall be determined at the discretion of the General Partner. The General Partner will receive an Administrative and Offering Fee at the rate of 1/4 of 1% of the Fund's net asset value as of the beginning of each calendar quarter (1% per annum), with a prorated fee as of the date of the admission of any limited partner to the Fund after the beginning of the calendar quarter. The General Partner will also be reimbursed for certain expenses incurred on behalf of the Fund, and will receive a Management Fee at the rate of .375 of 1% of the Fund's net asset value as of the beginning of each calendar quarter (1.5% per annum), with a prorated fee as of the date of the admission of any limited partner to the Fund after the beginning of the calendar quarter.

Guild Investment Management, Inc.
Notes to Financial Statements
December 31, 2010

NOTE 6: INVESTMENT IN PARTNERSHIPS (CONTINUED)

In addition, the General Partner will be allocated and have distributed to it 1% of the profits, losses and distributions of the Fund. Investments in partnerships are recorded on the balance sheet at the market value of the underlying securities. The net decrease in capital for the year ended December 31, 2010 was \$3,649.

NOTE 7: USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 8: 401 (K) RETIREMENT PLAN

The Company instituted a 401 (k) retirement plan effective October 1, 2006. The Company will make matching contributions on a discretionary basis, but will not take into account employee contributions that exceed 4 percent of compensation. For the current year, the Company matched one dollar for each dollar of employee contributions up to 4 percent of the employee's salary. Employees immediately vest in employer contributions. The Company contributed \$3,098 for the year ended December 31, 2010.

NOTE 9: SUBSEQUENT EVENTS

Management has evaluated subsequent events through March 10, 2011, the date on which the financial statements were available to be issued. No material subsequent events were identified by management.