

**Angeles Investment Advisors, LLC
429 Santa Monica Boulevard, Suite 500
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**FORM ADV PART 2A
BROCHURE
March 31, 2012**

This brochure provides information about the qualifications and business practices of Angeles Investment Advisors, LLC (Angeles). If you have any questions about the contents of this brochure, please contact Steve Smetana at (310) 857-5827 or at ssmetana@angelesadvisors.com. You may also visit our website at www.angelesadvisors.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.

Additional information about the Advisor is also available on the SEC's website at www.Advisorinfo.sec.gov. The searchable IARD/CRD number for the Advisor is 110213

The Advisor is registered with the United States Securities and Exchange Commission, (SEC). Registration with the SEC or any state securities authority does not imply a certain level of skill or training.

Summary of Material Changes

In January 2012, the SEC granted registration for Angeles Wealth Management, LLC (AWM). This entity is a majority owned affiliate of Angeles, and will operate out of the same offices, and utilize some of the same employees as Angeles. AWM will also have a dedicated Chief Executive Officer, independent of Angeles, who will be responsible for all aspects of the business and operation. AWM is not expected to have any impact on the existing operations or clients of Angeles.

This entity was created to offer institutional level research and investment selection to the high net worth community. AWM will utilize the expertise of Angeles to create and implement separate investment models to be used by AWM clients. Angeles will not receive direct compensation from AWM or its clients, but will be indirectly compensated through its majority ownership.

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Advisory Business

Form ADV Part 2A, Item 4

Angeles Investment Advisors LLC, (Angeles), a California limited liability company, was formed in 2001 by Leslie B. Kautz, CFA, Howard D. Perlow, CFA, and Michael A. Rosen. All three founding partners are still active, and each owns greater than 25% of the firm. Angeles is 100% employee owned. The firm operates out of one office in Santa Monica, California, and has no parent company.

Angeles' client base consists primarily of institutional, tax exempt entities such as foundations, endowments, operating charities, and retirement plans. Angeles does not invest directly in stocks and bonds, but instead acts as a manager of managers for its client base. Angeles offers a variety of services, each of which is described in more detail below.

CONSULTING SERVICES

Angeles provides several consulting services separately or in combination. The primary clients for these services will be charitable organizations, pension, profit sharing, 401(k) plans, trusts, estates, charitable organizations, insurance companies and governmental entities. Clients may choose to use any or all of these services.

- Asset Allocation, Spending Analysis and Asset-Liability Analysis: Studies to determine the target percentage allocation to specific asset classes and the minimum and maximum ranges taking into account the client's investment objectives, risk tolerances; special or unique circumstances, investment time horizon and taxes are conducted. These studies may also integrate the analysis of spending policies or liability characteristics.
- Investment Policy Development and Implementation: An Investment Policy Statement is developed (or reviewed in the case of an existing policy statement) for each client that provides guidance for the management and oversight of assets.
- Portfolio Structure Analysis: Studies to determine the percentage policy allocation and the minimum and maximum ranges to sub-asset categories such as style, size, active, passive, quality, maturity, and market allocations are conducted.
- Investment Manager Research and Selection: Proprietary manager research is conducted on public and private category managers, funds and private placements are evaluated to determine success factors and suitability for clients. This manager research is used to conduct manager searches and selection for clients.
- Custody Review and Search: We will assist clients with review of custodial relationships, help negotiate fees and conduct a custodian search, if necessary.
- Manager Fiduciary Oversight: Angeles monitors investment managers for changes in organization, ownership, personnel, investment philosophy, investment process, historical performance, and policies and procedures on behalf of our clients. Return information supplied by the client or third party data vendor is analyzed and interpreted.
- Performance Measurement and Evaluation: With return information supplied by the client or third party data vendor, Angeles performs performance measurement services and provides appropriate reporting to clients. As part of this service, we will routinely monitor and evaluate the performance of

client's money managers and the overall portfolio.

- **Negotiation and Handling of Manager Transitions:** If a manager is terminated or added, we may assist in developing a cost efficient transition plan.
- **Negotiation for Investment Manager and Custodian Fees:** Angeles offers its assistance in the negotiation of investment vendor fees.
- **On-site Consultation/Board and Staff Education:** We can provide education services, coordinate annual Investment Forums and meet with Staff and Board members on education topics as needed.

DISCRETIONARY SERVICES

Angeles provides continuous advice regarding investments based on the individual needs of a client. Through discussions in which goals and objectives based on a client's particular circumstances are established, Angeles develops a client's investment policy and creates and manages a portfolio based on that policy. Angeles may provide this service to individuals, pension and profit sharing plans, trusts, estates, charitable organizations, and corporations. Angeles will manage these advisory accounts on a discretionary basis only. Account supervision is guided by the stated objectives of the client as outlined in the Investment Policy Statement or advisor guideline statement.

Angeles will create a portfolio typically consisting of no-load mutual funds, load-waived mutual funds, separately managed accounts, ETF's, government securities, exchange listed closed-end funds, limited partnerships, offshore corporations, and/or private placements, including hedge funds. Angeles will allocate the client's assets among various investments taking into consideration the overall asset allocation and management style selected by the client. The underlying managers will be selected on the basis of any or all of the following criteria: The fund/manager's performance history; the industry sector in which the fund/manager invests; the track record of the fund/manager; the fund/manager's investment objectives; the fund/manager's management style and philosophy; and the fund/manager's management fee structure. Portfolio weighting between funds and managers will be determined by each client's individual needs and circumstances. Clients will have the opportunity to place reasonable restrictions on the types of investments which will be made on the client's behalf. Clients will retain individual ownership of all securities.

LIMITED DISCRETIONARY SERVICES

Angeles will provide advisory services to certain clients that are similar to those services described in the above summary. However, pre-approval by the client is required before Angeles can implement an investment idea on that client's behalf. Therefore, this group of clients would not be considered fully discretionary. Under the SEC definition of regulatory assets under management in ADV Part 1, these clients will be listed as "Non-Discretionary".

HEDGE FUND CONSULTING SERVICES

Angeles also provides consulting services whereby it provides direct private placement (hedge fund) research and ongoing monitoring on behalf of clients. If contracted, Angeles will monitor such private placements and may recommend sale or purchase of new interests.

As this is a consulting service, it is the client's responsibility to determine which, if any, of such

recommendations to implement. Angeles is not responsible for the purchase or sale of such interests.

FUND OF FUNDS

Angeles acts as the investment adviser to the Angeles Absolute Return Fund LTD; a Cayman Islands exempted company, (the Fund). Angeles also serves as the sole director of the Fund. The Fund is organized as an offshore entity, but is open to US investors and relies on the exclusion to the definition of “Investment Company” provided by Section 3(c)(1) and Section 3(c)(7) of the Investment Company Act of 1940. The fund is managed in reliance on the Commodity Futures Trading Commission Regulation 4.7(b), which requires that investor be limited to “qualified eligible persons” (including non-US persons).

While Angeles has complete discretion and authority to manage and direct the investment capital for the Fund, it does not invest the Fund’s capital directly. Instead, Angeles identifies third party managers (Investment Managers) whose investment strategies and styles are suited to the investment objective, policies and restrictions of the Fund. Angeles then allocates the capital of the Fund to the investment discretion of one or more Investment Managers and/or invests the Fund’s capital in selected investment funds advised by the Investment Managers (Sub-Funds). This structure is commonly referred to as a Fund of Funds.

ASSETS UNDER MANAGEMENT

Angeles separates its assets into the broad categories described above: 1) Discretionary Services, both full and limited, and 2) Consulting Services. As of December 31, 2011 Discretionary Services assets were approximately \$1.3 billion and represented 32 clients. Consulting Services assets were approximately \$38.6 billion and represented 22 clients. The Discretionary Services assets are reported in the Angeles ADV I. Angeles does not report the additional \$38.6 billion in ADV I because the SEC definition of assets used for that section requires us to exclude these consulting assets. We are including those assets here to give a more complete description of our business.

Fees and Compensation

Form ADV Part 2A, Item 5

DISCRETIONARY SERVICES

All fees for Angeles' Discretionary Services are negotiable. The typical fee schedule is .50% on the first \$10 million, .25% on the next \$40 million, .15% on the next \$50 million, and .10% thereafter. The minimum fee is generally \$50,000. Clients will be invoiced quarterly in advance based upon the current market values of the Client's account as of the last business day at the end of the previous quarter. Angeles will send the client an invoice detailing the fees being charged, and the client will have the option to either have Angeles deduct the fees directly from their custodian account, or pay those fees separately.

CONSULTING SERVICES

Consulting services fees will be charged in one of two ways:

- As a percentage of assets under consultation, typically ranging from 0.50% to 0.01%, depending on the nature and complexity of each client's circumstances. Angeles will quote an exact percentage for each client based on both the nature and total dollar value of that account. Clients will be invoiced in advance based on the current market value of the client's account at the end of the previous quarter.
- As a fixed fee, typically ranging from \$25,000 - \$1,000,000, depending on the nature and complexity of each client's circumstances. Fixed fees are billed quarterly.

HEDGE FUND CONSULTING SERVICES

Given the increased due diligence and recordkeeping required by hedge fund investments, in certain cases Angeles' client fee schedules will have a separate flat .50% fee for these types of securities. This separate fee would be in addition to the tiered schedule shown above, and can create a potential conflict of interest. However, Angeles believe this conflict is mitigated by the following additional information. The fee schedule is clearly disclosed in the client contract. In addition, the client must approve an allocation to hedge funds as part of their investment policy statement. Finally, Angeles does not sign hedge fund applications on behalf of clients, but instead the client must approve and sign each hedge fund application separately. Therefore, Angeles is unable to move a client into a hedge fund investment without multiple steps taking place, each with separate client understanding and approval.

In certain circumstances, fees may be negotiable. In the event of termination, fees will be prorated and any unearned portion of the fee will be refunded to the client. Clients will be invoiced in advance based upon the current market value of the client's account as of the last business day of the month prior to the previous quarter end, or a one month "lag" since Hedge Fund net asset values tend to be finalized later than exchange traded securities. For example, values from May 31st would be used for the quarter ended June 30th.

FUND OF FUNDS

Fund investors that have an existing advisory agreement with Angeles will not pay a separate fee to invest in the Fund. For those investors that do not have an existing advisory agreement with Angeles, the annual fees to

invest in the Fund are .50% of assets invested. The Fund does not charge an incentive fee, although most of the Sub-Funds will charge such a fee. See “Fees for Mutual Funds, Commingled Funds, Separately Managed Accounts and the Fund” below for further discussion of fees related to the Fund.

GENERAL INFORMATION ON FEES

Negotiability of Fees: In certain circumstances, Angeles' fee may be negotiable.

Fee Calculation: The fee charged is calculated as described above and is not charged on the basis of a share of capital gains upon or capital appreciation of the funds or any portion of the funds of an advisory client (Section 205(a)(1) of the Investment Advisers Act of 1940, amended).

Termination of Advisory Relationship: A client agreement may be canceled at any time, by either party, for any reason upon receipt of 30 day prior written notice, in accordance with the terms of the Advisory Agreement, except for Fund investors, which must adhere to the Fund terms detailed in the offering memorandum. Generally, Fund investors will not be able to redeem their initial investment for the first year, and quarterly thereafter upon 90 days advance notice. Upon termination of any account, any prepaid, unearned fees will be promptly refunded, and any earned, unpaid fees will be due and payable. Unearned prepaid fees will be refunded by dividing the number of days from termination date through the end of the quarter, over the total days in that quarter, and multiplying that percentage by the fees paid. The client has the right to terminate an agreement without penalty within five business days after entering into the agreement.

If an Angeles client invests in the Fund and later terminates Angeles's services, but wishes to remain in the Fund, the client will become subject to the Fund fee schedule detailed in the allocation agreement immediately upon termination of the Angeles Advisory Agreement, and may result in increased Fund fees.

Fees for Mutual Funds, Commingled Funds, Separately Managed Accounts, and the Fund:

All fees paid to Angeles for investment advisory services, both through managed accounts and the Fund, are in addition to the fees and expenses charged by the mutual funds, commingled funds, hedge funds, separately managed accounts, custodians, brokers and Sub-Funds of the Fund. As discussed in item 4 above, when recommending mutual funds, Angeles will typically use no load, or load-waived funds. Fees and expenses are described in the offering documents of each respective investment and will generally include a management fee, and other expenses. Commingled funds, separately managed accounts and Sub-Funds of the Fund could also charge a performance based fee. Custodian fees will vary by vendor, as will the related brokerage fees. (Please see the section titled Brokerage Practices for further information on brokerage fees.) A client investing in the Fund will also pay an administrative fee they would otherwise not pay if that client invested directly with the Sub-Funds.

Therefore, a client could invest directly in any of the above mentioned products, without the services of Angeles. In that case, the client would not receive the services provided by Angeles which are designed, among other things, to assist the client in determining which investment is most appropriate to each client's financial condition and objectives. Accordingly, the client should understand the total fees paid to Angeles and to the underlying managers and evaluate the advisory service being provided.

Performance-Based Fees and Side-By-Side Management

Form ADV Part 2A, Item 6

Angeles does not deduct a performance based fee for any of its services.

Types of Clients

Form ADV Part 2A, Item 7

Angeles client base consists primarily of institutional, tax exempt entities including endowments, foundations, operating charities, and retirement plans, as well as certain high net worth individuals. Angeles does not have a minimum account size, but generally charges a minimum fee for services of \$50,000. Therefore, the typical client will be institutional in nature, with investable assets exceeding \$10 million.

Angeles also acts as the investment adviser to the Fund. Angeles serves as the sole director of the Fund. The Fund is organized as an offshore entity, but is open to US investors and relies on the exclusion to the definition of "Investment Company" provided by Section 3(c)(1) and Section 3(c)(7) of the Investment Company Act of 1940. The fund is managed in reliance on the Commodity Futures Trading Commission Regulation 4.7(b), which requires that investor be limited to "qualified eligible persons" (including non-US persons).

Methods of Analysis, Investment Strategies and Risk of Loss

Form ADV Part 2A, Item 8

METHODS OF ANALYSIS AND SOURCES OF INFORMATION

Angeles conducts proprietary fund/manager research to evaluate and find suitable investment management organizations to recommend to clients, to manage client assets on a discretionary basis, or to include as a Sub-Fund in the Fund. As part of its proprietary fund/manager research, Angeles utilizes databases, industry contacts and other industry resources to find individual firms and their products available in the marketplace. Angeles then conducts independent research by communicating in person or via conference call with the investment firm's management and portfolio managers, evaluating their investment ability and monitoring these firms over time.

TYPES OF INVESTMENTS

Angeles may utilize no-load mutual funds, load-waived mutual funds, separately managed accounts, ETFs, government securities, exchange listed closed end funds, limited partnerships, offshore corporations, and/or private placements, including hedge funds. Investing in any of the above securities involves risk of loss, including the loss of principal, which clients should be prepared to bear. There are additional risks associated with private placements, and those risks are discussed below.

Most Angeles clients limit their exposure to private placements to less than 30% of their overall portfolio. These securities, however, can carry greater risk than an exchange traded security for a number of reasons. Private placements are less liquid than exchange traded securities, with withdrawals generally prohibited for one year from the date of purchase, sometimes longer. Managers can also invest in a wider range of securities, including synthetic positions known as derivatives. They can also employ margin to increase leverage, which in turn increases the risk of loss. Angeles clients investing in these private securities will receive an offering memorandum that details the full range of risks present. Clients will be asked to sign a separate application to invest in these securities and attest to their having read and understood the offering memorandum.

One such private placement is the Fund. The Sub-Funds Angeles selects may employ a wide range of investment strategies including, but not limited to, investing in bank debt, convertible arbitrage, capital structure arbitrage, high yield debt, structured credit, merger arbitrage, special situations, distressed debt, and global long/short equity. The expected volatility of these sectors ranges from low to very high. The Sub-Funds may also utilize short-selling and leverage as discussed above. Clients investing in the Fund will be asked to sign a separate application and attest to their having read and understood the offering memorandum. The Angeles Fund offering memorandum is available upon request to qualified investors.

Disciplinary Information

Form ADV Part 2A, Item 9

Angeles has no disciplinary history to report for the firm, its owners, or its employees.

Other Financial Industry Activities and Affiliations

Form ADV Part 2A, Item 10

Michael Rosen, a Managing Member of Angeles, is the sole owner and employee of MarketForce, LLC, a separate investment adviser with less than \$25 million in assets under management, and registered with the appropriate state regulatory authority. Mr. Rosen works full time at Angeles, and generally manages MarketForce after normal business hours. Mr. Rosen receives management fees earned by MarketForce. MarketForce provides investment advisory services to individuals, primarily friends and family of Mr. Rosen. The standard MarketForce fee schedule is generally higher than Angeles' standard fee schedule given the smaller, more retail nature of the client accounts. Mr. Rosen recommends that friends, family, and other prospects that fail to meet the institutional account profile of Angeles, become investment advisory clients of MarketForce.

MarketForce clients, including Michael Rosen, may trade in some of the same securities as Angeles' clients and may receive pricing and execution on those trades that is better or worse than the pricing and execution Angeles' clients will receive. In addition, there is a potential conflict in that Mr. Rosen might refer clients to MarketForce instead of Angeles because of the higher fees available.

This potential conflict is mitigated in a number of ways. First, Angeles clients are institutional in nature, whereas MarketForce clients are individuals. MarketForce does not have the infrastructure to successfully attract or retain an institutional client base. Secondly, Mr. Rosen does not represent MarketForce as an institutional investment adviser. In fact, he does not represent MarketForce at all publicly, nor does he generate any marketing material for this firm. Business is entirely generated by referrals. Finally, Angeles periodically will review MarketForce trading and clients added/lost to determine overlap, and will resolve any questions directly with Mr. Rosen.

See also "Summary of Material Changes" at the beginning of the document for discussion of Angeles Wealth Management, another industry affiliate.

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

Form ADV Part 2A, Item 11

Angeles' Code of Ethics:

Angeles has designed a Code of Ethics ("Code") to comply with Rule 204A-1 under the Investment Advisers Act of 1940 ("Advisers Act"). Following is a summary of this Code.

The Code establishes rules of conduct for all employees of Angeles Investment Advisors, LLC, and is designed to, among other things; govern personal securities trading activities in the accounts of employees. For purposes of the trading rules for employees covered by this Code, the Angeles Profit Sharing Plan is considered an employee. The Code is based upon the principle that Angeles Investment Advisors and its employees owe a fiduciary duty to Angeles Investment Advisors' clients to conduct their affairs, including their personal securities transactions, in such a manner as to avoid (i) serving their own personal interests ahead of clients, (ii) taking inappropriate advantage of their position with the firm and (iii) any actual or potential conflicts of interest or any abuse of their position of trust and responsibility.

The Code is designed to ensure that the high ethical standards long maintained by Angeles Investment Advisors continue to be applied. The purpose of the Code is to preclude activities which may lead to or give the appearance of conflicts of interest, insider trading and other forms of prohibited or unethical business conduct. The excellent name and reputation of our firm continues to be a direct reflection of the conduct of each employee.

Pursuant to Section 206 of the Advisers Act, both Angeles Investment Advisors and its employees are prohibited from engaging in fraudulent, deceptive or manipulative conduct. Compliance with this section involves more than acting with honesty and good faith alone. It means that the Angeles Investment Advisors has an affirmative duty of utmost good faith to act solely in the best interest of its clients.

Angeles Investment Advisors and its employees are subject to the following specific fiduciary obligations when dealing with clients:

- The duty to have a reasonable, independent basis for the investment advice provided;
- The duty to obtain best execution for a client's transactions where the Firm is in a position to direct brokerage transactions for the client;
- The duty to ensure that investment advice is suitable to meeting the client's individual objectives, needs and circumstances; and
- A duty to act for the benefit of their clients and place a client's interest before their own.
- A duty to be loyal to clients.
- Neither Angeles Investment Advisors nor any of its principals and employees may receive compensation of any sort for any service from any investment manager or other investment service provider recommended by Angeles to its clients, including soft dollars. Angeles' sole source of revenue is providing advisory services to our clients. Any financial relationship any principal or employee may have with any plan official, beneficiary, or sponsor shall be fully disclosed.

Angeles forbids any principal or employee of the firm from trading, either personally or on behalf of others, on material non-public information or communicating material non-public information to others in violation of

law.

- Except as required by law or enforcement action, no Angeles principal or employee may reveal confidential information concerning any of its clients to outsiders or misuse any confidential information concerning clients. Unauthorized divulging of information is a violation of this policy whether or not it is undertaken for personal gain, and whether or not harm to Angeles or its clients is intended.

In meeting its fiduciary responsibilities to its clients, Angeles Investment Advisors expects every employee to demonstrate the highest standards of ethical conduct for continued employment with Angeles Investment Advisors. Strict compliance with the provisions of the Code shall be considered a basic condition of employment with Angeles Investment Advisors. Angeles Investment Advisors' reputation for fair and honest dealing with its clients has taken considerable time to build. This standing could be seriously damaged as the result of even a single securities transaction being considered questionable in light of the fiduciary duty owed to our clients. Employees are urged to seek the advice of the Chief Compliance Officer, for any questions about the Code or the application of the Code to their individual circumstances. Employees should also understand that a material breach of the provisions of the Code may constitute grounds for disciplinary action, including termination of employment with Angeles Investment Advisors. All questions arising in connection with personal securities trading should be resolved in favor of the client even at the expense of the interests of employees.

The Chief Compliance Officer will periodically report to the managing members of Angeles to document compliance with this Code. To request a complete copy of Angeles' Code, please contact Stephen Smetana, Compliance Officer, at (310) 857-5827 or email at ssmetana@angelesadvisors.com.

PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS

Qualified existing Angeles clients and qualified prospects may invest in the Angeles Fund. Existing clients will not pay Angeles any additional management fees to invest in the fund, and Angeles does not charge a performance fee for the Fund. Qualified prospects will pay the applicable fee schedule for the Fund which will be generally similar to the fee a non-Fund client would pay. In this way, Angeles has attempted to minimize the financial incentive to recommend its own Fund over an outside fund. In addition, Angeles existing clients and prospects must sign a separate subscription document for the Fund, and review the complete offering memorandum, at which time they must acknowledge the fee schedule and all Fund related risks.

The Fund may invest in securities similar to those used by Angeles' other clients. Angeles has a fiduciary obligation to use its best efforts to ensure that no client is treated unfairly in relation to other clients in the allocation of investment opportunities or in the order in which transactions are executed. Angeles will seek to allocate orders and investment opportunities among clients, including the Fund, in a manner it believes to be equitable, considering each client's objectives and capital available at the time of investment.

Angeles and certain of its principals are involved in other business ventures and may organize or become involved in other new business ventures in the future. The Fund and/or Angeles's other clients will not share in the risks or rewards of such involvement in these other ventures. However, such other ventures will compete for the Principal's time and attention. The principals are not required to devote any specific amount of time to the Fund or other Angeles clients.

PERSONAL TRADING

Angeles invests primarily in mutual funds for its discretionary clients. Because mutual funds are priced at the end of the trading day, an employee could not purchase a particular fund at a better price than a client. Therefore, Angeles employees are permitted to invest in these same mutual funds at the same time as clients. Angeles also invests in a small number of ETF's for its discretionary clients. These funds are similar to equities in that they are priced throughout the day. Angeles monitors these trades by clients and employees to determine if trades are occurring in the same securities. If employee and client trading in a particular security is frequent, Angeles may implement a pre-clearing system whereby employees must obtain permission to trade. In this way, Angeles would control the potential conflict of interest that would exist if an employee received a better price in a security traded on the same day as a client.

Brokerage Practices

Form ADV Part 2A, Item 12

DISCRETIONARY SERVICES

Angeles does not have the discretionary authority to determine the broker dealer to be used or the commission rates to be paid. Clients must direct Angeles as to the broker dealer to be used. In directing the use of a particular broker or dealer, it should be understood that Angeles will not have authority to negotiate commissions or obtain volume discounts, and best execution may not be achieved. In addition, a disparity in commission charges may exist among Angeles clients.

Angeles will recommend Charles Schwab & Company, Inc. a FINRA-registered broker-dealer, member SIPC, ("Schwab") to those Clients without a preexisting custodial services or brokerage relationship. Angeles participates in the Schwab Institutional® (SI) services program offered to independent investment advisers. As part of the SI program, Angeles receives benefits that it would not receive if it did not offer investment advice. These benefits are more fully described below under "Other Benefits".

In evaluating whether to recommend that clients custody their assets at Schwab, Angeles may take into account the availability of some of those other benefits as part of the total mix of factors it considers and not solely the nature, cost or quality of custody and brokerage services provided by Schwab, which can create a conflict of interest. However, Angeles believes this conflict is mitigated by the following facts. The client must decide to use Schwab and sign a separate account opening document with full disclosure of fees and expenses. In recommending Schwab, Angeles considers the following factors: the products offered, the level of service, commission rates, and the ability to meet client needs. In assessing the reasonableness of their commissions, Angeles compares various brokerage firm rates and will advise clients if Angeles believes Schwab is no longer a reasonable choice. Finally, Angeles remains flexible in the use of other brokerage firms upon client request or where otherwise appropriate.

CONSULTING SERVICES

As Angeles is not responsible for implementing our investment recommendations; clients are free to utilize the broker or dealer of their choice.

HEDGE FUND CONSULTING SERVICES

Angeles is not responsible for the implementation of hedge fund consulting recommendations. Clients are responsible for the purchase and sale of any private placement interests resulting from Angeles consulting recommendations.

FUND OF FUNDS

Angeles typically invests the assets of the Fund with Sub-Funds managed by third party Investment Managers. Angeles has exclusive responsibility for selecting and monitoring these Sub-Funds and Investment Managers. These Investment Managers, in turn, select the securities and other financial instruments in which the Sub-Funds invest and select the brokers through which the Sub-Funds trade.

In the event that there is a Sub-Fund that is closing or restricted as to the number of investors and/or purchase

size, and Angeles would like to purchase this Sub-Fund for both the Fund and other Angeles clients, we will first attempt to prorate the purchase among all parties such that each receives an amount equal to their weighted average interest. This methodology will not always be available due to minimum account sizes and other Sub-Fund restrictions. Therefore, the Fund may be able to invest in a Sub-Fund that is not available to individual Angeles investors. In addition, the Fund may receive more favorable terms from a Sub-Fund than an individual Angeles investor due to its size or for other reasons. Finally, the Fund may liquidate a Sub-Fund while certain clients continue to hold a direct investment in that Sub-Fund. This may be the result of Sub-Fund imposed restrictions such as lock ups or redemption fees, a client's specific financial situation, or consultant preference.

In general, if allocation is possible among the Fund and individual investors, Angeles will use a methodology that is the most equitable and consistent with our fiduciary obligations to both individual and Fund purchasers.

OTHER BENEFITS

As discussed above, if a client does not have an existing custody relationship, Angeles will recommend that clients establish brokerage accounts with Schwab to maintain custody of clients' assets and to effect trades for their accounts. Although Angeles will recommend that clients establish accounts at Schwab, it is the client's decision to custody assets with Schwab. Angeles is independently owned and operated and not affiliated with Schwab.

Schwab provides Angeles with access to its institutional trading and custody services which are typically not available to Schwab retail investors. These services generally are available to independent investment advisors on an unsolicited basis, at no charge to them so long as a total of at least \$10 million of the advisor's clients' assets are maintained in accounts at Schwab Institutional. Schwab's brokerage services include the execution of securities transactions, custody, research, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

For Angeles client accounts maintained in its custody, Schwab generally does not charge separately for custody services but is compensated by account holders through commissions and other transaction-related or asset-based fees for securities trades that are executed through Schwab or that settle into Schwab accounts.

Schwab Institutional also makes available to Angeles other products and services that benefit Angeles but may not directly benefit its clients' accounts. Many of these products and services may be used to service all or some substantial number of Angeles accounts, including employee accounts, and accounts not maintained at Schwab.

Schwab's products and services that assist Angeles in managing and administering clients' accounts include software and other technology that (i) provide access to client account data (such as trade confirmations and account statements); (ii) facilitate trade execution and allocate aggregated trade orders for multiple client accounts; (iii) provide research, pricing and other market data; (iv) facilitate payment of Angeles' fees from its clients' accounts; and (v) assist with back-office functions, record-keeping and client reporting.

Schwab Institutional also offers other services intended to help Angeles manage and further develop its business enterprise. These services may include: (i) compliance, legal and business consulting; (ii) publications and conferences on practice management and business succession; and (iii) access to employee benefits providers, human capital consultants and insurance providers. Schwab may make available, arrange and/or pay third-party vendors for the types of services rendered to Angeles. Schwab Institutional may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party

providing these services to Angeles. Schwab Institutional may also provide other benefits such as commission free trades, educational events or occasional business entertainment for Angeles personnel.

OTHER BROKERAGE PRACTICES

Clients may incur transaction costs in addition to any commission charges by the broker-dealer when fixed income securities or securities traded over-the counter are effected on their behalf through the custodial broker-dealer on an agency basis.

Angeles seeks to correct all trade errors directly through the clients' custodian account where applicable. If there is a loss, Angeles will review the facts and circumstances surrounding the trade and, based upon that review, will determine the source(s) of the error and most appropriate resolution. Conversely, if there is a gain due to a trade error, the custodian may net out any gain before losses are calculated. Therefore, Angeles may receive a benefit from this arrangement if Angeles reimburses a client for a net loss incurred.

Angeles generally does not trade equities but primarily open-ended mutual funds and ETFs. In this regard, Angeles considers rebalancing accounts when the Investment Committee determines that a defined portfolio varies by certain amounts from its target weights and rebalancing of the portfolio is due. Each Consultant will then determine which securities to buy and sell for his assigned client accounts. Therefore, rebalancing may not take place for all accounts at the same time, and it is possible that two clients could buy or sell the same security during the same rebalance and receive different prices for that security based on the timing of trades executed by the client's Consultant.

Angeles' policy is to aggregate all eligible client accounts when trading securities that may have price movement throughout the day, such as ETF's, then allocate an average price to those clients. In this way, no client receives a price advantage at the expense of another client. Each client has a separate commission schedule with their custodian, and this schedule is not impacted by Angeles' aggregation of trades. In addition, when trading the same ETF or other exchange traded security, AWM clients will be included in block trades with Angeles clients. This grouping is intended to provide the same execution price for all clients of both firms, and is not expected to negatively influence either group. Mutual funds have one price per trading day, so aggregation is not necessary when multiple clients of Angeles or AWM trade the same mutual fund at the same time.

Review of Accounts

Form ADV Part 2A, Item 13

While the underlying mutual funds within Discretionary accounts are continuously monitored, client accounts will be formally reviewed as least quarterly by one of the Angeles investment professionals. The review will be done through a written report where Angeles will discuss general market conditions, specific security performance, and any other relevant client specific information. More frequent reviews may be triggered by material change in variables such as the client's individual circumstances, or the market, political or economic environment.

Consulting and Hedge Fund Consulting accounts will be reviewed as contracted for at the inception of the advisory relationship.

Each Angeles Consultant is assigned specified client accounts for which he/she has review responsibility. Angeles has the following general guidelines in connection with reviews: (i) provide objective advice and avoid personal bias; (ii) make recommendations in writing whenever possible; (iii) adopt the point of view of the fiduciary or co-trustees of the client; (iv) when advising a client, keep the client's objective foremost in mind; and (v) use common sense, but always back up recommendation with hard evidence which is consistent with commonly accepted financial theory.

FUND OF FUNDS

Angeles monitors the performance of the Sub-Funds in which the Fund invests. Angeles periodically contacts the Investment Managers of the Sub-Funds regarding their performance and for analysis of significant events as they relate to their investment strategies and influence their investment decisions. Angeles may also visit the offices of the Investment Managers to review their activities. If a Sub-Fund's relative performance is poor or if significant changes occur in an Investment Manager's approach or investments, the capital allocation of a Fund to such Sub-Fund may be reduced or withdrawn.

In addition to the at least quarterly statements and confirmations of transactions that Investment Supervisory Service clients receive from their custodian, Angeles will provide each client with a written analysis of performance versus appropriate benchmarks. Angeles will also provide Discretionary Service clients with a monthly inventory of assets. Consulting and Hedge Fund Consulting clients will receive reports from Angeles as contracted for at the inception of the advisory relationship.

Angeles or its designated agent will provide each investor in the Fund with periodic reports in accordance with the terms of the Offering Memorandum. Such reports generally include a monthly report summarizing the Fund's performance, a quarterly investor specific account statement, and audited financial statements within 180 days of the Fund's year end.

Angeles urges you to compare the balances reported by the third party custodians, both for the Fund and for individual investors, to those reported by Angeles.

Client Referrals and Other Compensation

Form ADV Part 2A, Item 14

Angeles does not compensate others for referrals, nor does Angeles receive economic benefits for providing advisory services to clients except as described under Brokerage Practices in section 12 above.

Custody

Form ADV Part 2A, Item 15

Angeles directs the trading and vendor payments of the Fund, and therefore has constructive custody of the Fund assets. These Fund assets are held at a qualified third party custodian, State Street Bank. State Street sends monthly account statements to Fund clients. Angeles also sends monthly account statements to Fund clients. Angeles urges clients to compare these statements to those sent by the third-party custodian. In addition, the assets of the Fund will be audited by Ernst & Young, LLP, and the audited financial statements will be sent to all investors in the Fund. The delivery of monthly fund statements by State Street and the year end audit by Ernst & Young assist Fund investors with the monitoring and protection of their assets.

Investment Discretion

Form ADV Part 2A, Item 16

As more fully described in item 4 above, Angeles will take discretionary authority over certain of its client's accounts. These clients will provide Angeles with a power of attorney to execute trades without prior approval. However, these trades will generally fall within client approved asset class ranges. If a client wants to limit or exclude certain asset classes, they may do so through their investment policy statement or by direction to their consultant. In certain cases, a client may not have an investment policy statement.

For limited discretion clients, Angeles must obtain pre-approval from the client before making any trades. For Consulting clients, Angeles does not place trades in client accounts, but instead will make recommendations for the client to implement as they see fit.

Voting Client Securities

Form ADV Part 2A, Item 17

Proxies: As detailed in our standard investment advisory contract, Angeles' does not vote proxies on behalf of clients, with the exception of the Fund.

Angeles may be requested to vote proxies of companies in whose securities the Fund invests. Generally, Angeles will seek to delegate proxy voting authority to the Investment Managers responsible for investment decisions relating to any such securities. In the event that the proxy relates to a collective investment vehicle managed by such Investment Manager (for example the Sub-Funds), Angeles will be guided in voting proxies by general fiduciary principles. Angeles' goal is to act prudently, solely in the best interest of the Fund and of the direct and indirect investors in the Fund. Angeles will attempt to consider all factors relating to its vote that could affect the value of the Fund. If a conflict exists between the client's interests and Angeles, we will vote proxies in the manner that we believes is consistent with achieving the Fund's stated objectives, primarily maximizing portfolio values. Fund clients will not have the ability to influence Angeles' vote as it relates to specific proxies.

Investors may request a copy of Angeles's Proxy Voting Policies and Procedures, as well as relevant proxy voting records, by contacting Angeles.

Financial Information

Form ADV Part 2A, Item 18

There are currently no financial conditions that are reasonably likely to impair Angeles' ability to meet contractual obligations and/or commitments to clients. In addition, Angeles does not accept payment for services greater than three months in advance of completing its advisory work.