

Item 1 – Form ADV, Part 2A

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This brochure provides information about the qualifications and business practices of Further Lane Asset Management, LLC (“**Further Lane**”). If you have any questions about the contents of this brochure, please contact Aileen Doherty at 212-808-4800. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the “**SEC**”) or by any state securities authority.

Further Lane is a “registered investment adviser” with the SEC under the Investment Advisers Act of 1940, as amended (the “**Advisers Act**”). Registration of an investment adviser does not imply that the adviser has attained any level of skill or training.

Additional information about Further Lane is also available on the SEC’s website at www.adviserinfo.sec.gov.

Item 2 - Material Changes

This Form ADV Brochure includes the following material changes since April 1, 2013:

Advisory Clients will be charged up to a .5 basis point (.05%) annual reporting fee, (based on assets under management) as set forth in Item 5.

Additional information about Further Lane is also available on the SEC's web site at www.adviserinfo.sec.gov. The SEC's web site also provides information about any persons affiliated with Further Lane who are registered, or are required to be registered, as investment adviser representatives of Further Lane.

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Item 4 - Advisory Business

Further Lane was founded by J. Michael Araiz in 1996. Mr. Araiz is the principal owner, managing partner and Chief Executive Officer of Further Lane. Mr. Araiz is a graduate of Brandeis University and has over 30 years of experience in the trading and valuation of fixed income instruments, specializing in high grade, high yield, and distressed fixed income securities.

In accordance with each client's individual investment objective, Further Lane and its divisions **Further Lane Wealth Management** and **Energy Adviser Partners**, ("Further Lane") provides investment advisory services on both a discretionary and non-discretionary basis to high-net-worth individuals and institutions and recommends a selection of various investment products, including fixed income and equities, and services through its investment adviser representatives, financial planners and portfolio managers and through third parties.

Further Lane also offers financial planning services and develops customized financial plans based on the needs and circumstances of each individual client. Financial planning advice typically involves providing a variety of services, principally advisory in nature, to individuals, businesses or families regarding the management of their financial resources based upon an analysis of their individual needs. An investment proposal is then developed for the client, which usually includes general recommendations for a course of activity or specific actions suggested to the client. For example, recommendations may be made for the client to (1) change the investment allocation of the client's portfolio, (2) obtain insurance or revise existing coverage, (3) establish an individual retirement account and/or (4) invest funds in securities.

Private Funds:

Further Lane also provides discretionary asset management services to affiliated hedge funds ("Private Funds"). Please also see Item 10, Other Financial Industry Activities and Affiliations, for a description of the Private Funds affiliated with Further Lane. Private Fund investments are managed in accordance with the investment objective and program set forth in each Private Fund's confidential offering memorandum and such investments are not tailored to the individual needs of any particular Private Fund investor. ("Private Funds").

Sub-Advisory Relationships:

From time to time, Further Lane may also enter into sub-advisory agreements with unaffiliated third parties in which Further Lane delegates investment discretion to the sub-advisor to provide asset management services to Further Lane's clients.

Mutual Funds and Exchange Traded Funds:

Further Lane generally allocates assets among various mutual funds, exchange-traded funds ("ETF's), debt and equity securities, options and privately placed securities (e.g. hedge funds,

private equity vehicles, etc.) and wrap fee programs in accordance with each clients' individual investment goals and objectives.

Alternative Trading Strategies:

Further Lane may engage in certain trading strategies pursuant to the investment objectives of its clients, inclusive of the use of derivatives instruments such as options.

There can be no assurance that the investment objectives of the Private Funds or the accounts advised by Further Lane will be achieved and investment results may vary substantially. Additional disclosure pertaining to these investment products and strategies, may be found in Item 8: Methods of Analysis, Investment Strategies and Risk of Loss.

As of December 31, 2012, the amount of client assets under management on a discretionary basis was approximately \$81.09 million and the amount of client assets under management on a nondiscretionary basis was \$4.8 million.

Item 5 - Fees and Compensation

As described above, Further Lane recommends products and investment strategies, manages client assets and provides financial planning and other advisory services in conformity with its clients' investment objectives. Further Lane is compensated for its services through a number of different methods, including charging a percentage of the value of its assets under management, hourly charges, fixed fees and commissions. In some instances, Further Lane charges a performance fee, which is discussed in Item 6 below. The specific manner in which fees are charged by Further Lane is established in each client's written agreement with Further Lane. Fees may be negotiated or waived in certain circumstances.

Accounts initiated or terminated during a calendar quarter will be charged or refunded, as the case may be, a prorated fee. Upon termination of any investment advisory agreement (at any time by the client and no earlier than 10 days after Further Lane gives notice to the client), any prepaid, unearned fees will be promptly refunded, and any earned, unpaid fees will be due and payable.

Further Lane generally charges most clients an annual management fee equal to 1%-2% of the market value of all assets under management. Fees are generally billed at the beginning of the quarter, but in some cases at the end of the quarter. Generally, clients will give consent to Further Lane to instruct the custodian for the client's account to deduct fees from client account on a quarterly basis. Further Lane provides a billing statement to clients at the end of each calendar quarter that reflects the fees due and deducted (or to be deducted) from the client's account for either the most recent calendar quarter or the upcoming calendar quarter.

Accounts with special investment guidelines are charged differently based on the nature of the services rendered. Fees for investment advisory services with respect to options, financial instruments and other related investments will vary depending on the client's needs, the size of the account and the complexity of the investment products or strategy. Further Lane may negotiate its management fee with large institutional accounts or other accounts in special circumstances, thereby resulting in a reduction of management fees to those accounts. Further Lane may also make exceptions to its annual management fee minimums or minimum account size based on the specific circumstances of an account and client relationship.

From time to time, Further Lane will allocate client assets to funds for which Further Lane or its affiliates acts as an investment manager and general partner. In addition to the management fees charged to the funds by Further Lane as the funds' investment manager, Further Lane may also charge to its clients advisory management fees on the assets invested in the funds. This poses a conflict as such an allocation could result in Further Lane receiving multiple fees for the same assets.

Further Lane may also charge Client Accounts up to 5 basis points (0.05%) of total client assets for costs associated with the use of a web-based portfolio management and reporting service provided by Black Diamond Performance Reporting, LLC

Further Lane may also provide a range of financial advisory/consulting services to corporate entities for which Further Lane charges a fixed fee that has been negotiated between Further Lane and the advised entity.

Fees for financial planning services are negotiable and may be fixed, hourly or flat. If a client requests or arranges to have a customized report or analysis prepared (for example, analysis of group benefit programs or a qualified retirement plan design), fees for such planning or development of an analysis and reports will be based on an hourly rate, which will be negotiated at the time Further Lane is retained.

Except with respect to fees charged pursuant to a wrap fee program, Further Lane's fees are exclusive of "third-party fees" such as brokerage commissions, transaction fees, and other related costs and expenses which may be incurred by the client, including such fees paid to affiliates of Further Lane. Clients may incur certain charges imposed by custodians, brokers, third party investment managers and other third parties with respect to the client's account(s) and transactions such as fees charged by managers, custodial fees, account "sweeping" fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions.

Private Funds also incur expenses relating to their operations and business as described in the confidential offering memorandum for such fund. In some instances, Further Lane may recommend that an affiliated private fund invest in another affiliated private fund and if so, there will be two layers of expenses and performance fees as a result.

Mutual funds and other pooled investments also charge internal management fees, which are passed on to client accounts. Except for fees charged pursuant to a wrap fee program, such

accounts will incur additional third party management fees charged to the mutual funds or other pooled investments by their respective investment advisers for the mutual funds or other pooled investments in which these accounts are invested. Such fees are disclosed in a fund's prospectus. These third-party charges, fees and commissions are exclusive of and in addition to Further Lane's fee, and Further Lane does not receive any portion of these commissions, fees, and costs (except as otherwise disclosed).

As further discussed in Item 12 below, Further Lane recommends broker/dealers to its clients to execute their transactions, including its affiliate, Further Lane Securities, LP ("**FLS**"). Further Lane seeks to use the services of FLS to execute odd lot transactions and other securities transactions, including transactions in foreign and domestic fixed income securities in which FLS specializes. If Further Lane has arranged to have a transaction for the client's account executed by another unaffiliated broker or dealer which will carry and clear transactions for the account, FLS will normally be entitled to a portion of the commission or other transaction charge paid or payable to such carrying and clearing broker or dealer.

Clients are under no obligation to engage such persons and may choose brokers or agents not affiliated with Further Lane.

A conflict of interest exists to the extent that Further Lane recommends the purchase of securities where its supervised persons receive commissions or other additional compensation as a result of such recommendation. Further Lane seeks to ensure that any recommendations made by such supervised persons are in the best interest of clients.

Unless a client has agreed to participate in a wrap fee program, clients will also be responsible for all administrative and service charges imposed by the clearing broker or other custodian along with any customary execution, clearing and other transactional costs as well as any margin interest or debits. Charges and costs will vary based on the type and quantity of security traded and the frequency of trading. All such fees and costs will be charged to the client's account(s). Please also see Item 10, Other Financial Industry Activities and Affiliations, for a description of the fees earned by affiliated funds of Further Lane.

The Wrap Program: Further Lane receives an asset based fee from Wrap Program Clients that is calculated as a percentage of assets under management. The standard fee rates, as well as the process for billing and payment of such fees are described in the respective wrap fee brochure.

Item 12 (below) further describes the factors that Further Lane considers in selecting or recommending broker/dealers for client transactions and determining the reasonableness of their compensation (*e.g.*, commissions).

Depending on a client's financial objectives and needs, Further Lane may invest client funds in insurance company trusts. Further Lane intends to enter into an arrangement with one or more insurance companies whereby Further Lane will act as the investment manager for such trusts.

This presents a conflict of interest and gives Further Lane an incentive to recommend investment products based on the compensation received rather than the clients' needs.

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

For certain large institutional accounts or other accounts in special circumstances, Further Lane may negotiate a performance fee instead of, or in addition to, a fee based on assets under management.

In some instances, Further Lane portfolio managers may allocate client assets to Further Lane managed hedge funds. In such cases, Further Lane may compensate its portfolio managers and investment advisers with a portion of the performance fee payable to Further Lane. Such arrangements pose a conflict of interest as the portfolio manager may be incentivized to allocate client accounts to Funds from which Further Lane (and therefore the portfolio manager) may receive performance compensation. Further Lane may waive, lower or defer payment of management or performance fees for certain investors in the Private Funds because of their affiliation or relationship with Further Lane. Further Lane may also enter into individual agreements with a Private Fund with respect to the timing of accrual or payment of any fees.

In those instances where Further Lane manages Private Funds and other client accounts using the same or a similar investment strategy ("side-by-side" management), there is a potential conflict of interest that may create an incentive for Further Lane to favor accounts from which it receives higher fees. Performance fees may also create an incentive for Further Lane to recommend investments that may be riskier or more speculative than those that would be recommended under a different fee arrangement.

Any allocation to a pooled account from which Further Lane receives a performance fee must be approved as a suitable type of investment for the client based upon the client's investment objectives. Suitability reviews for such an investment will also take into consideration the availability of unaffiliated pooled accounts that may be suitable for the client.

From time to time in its Affiliated Funds, Further Lane may provide side-by-side investment advice to Side Pocket Accounts, New Issues Accounts and other memorandum accounts, as defined in the Limited Partnership Agreement of the respective Affiliated Fund. Please also see Item 10, Other Financial Industry Activities and Affiliations, for a description of the fees, including performance-based fees, earned by affiliated funds of Further Lane.

Item 7 - Types of Clients

Further Lane's clients comprise individuals, investment companies, trusts, estates and charitable organizations, individual retirement plans, pensions and profit-sharing plans, corporations and financial institutions. Further Lane does not impose any requirements or conditions for opening or maintaining and managing an account.

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

Investing in securities involves risk of loss that clients should be prepared to bear.

Further Lane's comprehensive financial analysis begins with identifying the client's investment objectives, including goals and constraints. A determination is then made as to the degree of risk that the client can tolerate and the need for diversification, liquidity, capital accumulation and tax reduction. A general portfolio mix is then recommended based on all of the information gathered.

Further Lane's methods of analysis include a combination of charting, cyclical market trends, fundamental and technical analysis. Fundamental analysis looks at the "big picture," such as the overall economic outlook for a company, an industry, asset class or a country. Fundamental analysis is often associated more with a "buy and hold" mentality. Technical analysis, on the other hand, focuses primarily on the supply and demand for a particular asset or security, often looking for trends related to an asset's price. Clients may impose restrictions on investing in certain securities or types of securities.

The sources of information Further Lane uses include financial newspapers and magazines, inspections of corporate activities and press releases, research materials prepared by others, corporate rating services, market timing services and annual reports, prospectuses and filings with the SEC and company press releases. Additional sources of research information may include but are not limited to trade journals, discussions and meetings with security analysts, internal and external research reports, statistical analysis and material, including internet sources in connection with the foregoing and interviews with outside consultants and analysts and personal assessment of financial consequences of world events derived from general or specific material depending on the particular circumstances.

Further Lane intends that its investment strategy be based on the long-term investment in securities (held for at least one year) that seeks to produce an attractive return over full-market cycles. From time to time, we may use several other investment strategies to implement the investment advice given to clients, including the short term purchases of securities (sold within one year), trading securities (sold within 30 days), short sales and option writing (including covered options, uncovered options or spreading strategies) for those accounts Further Lane has determined are suitable to engage in such trading strategies and from whom Further Lane has obtained express consent to do so. On occasion, we also provide advice with respect to real estate and real estate investment trusts.

In addition, depending on the conclusions garnered from the guidelines described below, Further Lane may make investments on margin. Margin debits may be created when a client withdraws cash in excess of the cash on hand and Further Lane purchases securities for such client's account.

In general, the following guidelines are considered in making our recommendations based upon the selection of any of the client's objectives: (1) the amount allocated to any one investment objective should be reasonable in light of overall asset allocation and the

investor's overall investment goals; (2) the investor's age, net worth and annual income should be compatible with his or her investment objectives and primary goals; (3) the investor's tolerance for risk and volatility should be reasonable in light of his or her investment objectives and primary goals; and (4) the investor's time horizon should be consistent with his or her investment objectives and goals. Since investment goals and financial circumstances change over time, Further Lane contacts the clients annually and reviews its client's accounts periodically to be certain that investment objectives remain consistent with portfolio allocations and holdings.

Further Lane, at the client's request, may also recommend investments in limited partnerships that trade securities which invest in research and development, technology, biotech and internet firms, cable television or other media properties, venture capital and hedge funds. Further Lane may also recommend to clients requiring diversification investment through certain registered investment companies.

Further Lane may also provide advice on fixed income securities to unaffiliated institutional accounts on a non-discretionary basis.

Cash Management Accounts.

Further Lane tailors its investment strategies to its client's objectives, including goals and constraints. From time to time, that includes management of cash in a client's account. The vast majority of clients have requested that any cash in their accounts be swept into a money market accounts at our various custodians and some clients have explicitly requested that the cash remain in their custodial accounts without further investment.

Further Lane does not represent, warrant or imply that the services or methods of analyses it uses can or will predict future results, successfully identify market tops or bottoms or insulate clients from losses due to market corrections or crashes. No guarantees can be offered that a client's goals or objectives will be achieved. No promises or assumptions can be made that the advisory services offered by Further Lane will provide a better return than other investment strategies.

Method of Pricing/Valuation

Further Lane implements different methods of pricing for its separately managed accounts and its pooled investment clients. For the separately managed accounts, Further Lane uses the prices set by the clearing firm and/or custodians. For the pooled investment clients, Further Lane determines the price based on of the securities based on the evaluation of the portfolio manager using IDC, an independent source, as a guideline.

Risk of Loss

Before purchasing an interest in any of the Private Funds, investors should carefully consider various risk factors and potential conflicts of interest, as well as suitability requirements, restrictions on transfer and withdrawal of fund interests and various legal, tax and other considerations, all of which are discussed in each Private Fund's offering

memorandum. An investment in a Private Fund involves significant risks including the loss of some or all principal and is suitable only for those persons who can bear the economic risk of the loss of their investment and who have limited need for liquidity in their investment. Investors in a private partnership who are subject to income tax should be aware that the investment in the partnership may create taxable income or tax liabilities in excess of cash distributions to pay such liabilities.

There can be no assurance that the objectives associated with any of our investment strategies will be met or that we will achieve profitable results. We may, at any time, add, remove or modify any of the strategies we employ and this includes any of the significant investment strategies discussed above. These investments, methods and strategies involve risk of loss to clients and clients must be prepared to bear the loss of their entire investment.

General Market Risk

The profitability of a significant portion of the Firm's recommendations may depend to a great extent upon correctly assessing the future course of price movements of stocks and bonds. There can be no assurance that the Firm will be able to predict those price movements accurately. Investing in securities involves the risk of loss. Clients should be prepared to bear potential losses.

Management Risk:

All Advisory Programs are subject to management risk. An advisory program may not achieve its objectives if Further Lane or the respective investment manager's expectations regarding securities or markets are not met. In addition, the departure of any key personnel from Further Lane's employ may affect the performance of an Advisory Program.

Economic Environment:

Unforeseeable events may cause sharp market fluctuations, which could adversely affect a client's investments. Changes in economic conditions, including, for example, interest rates, inflation rates, unemployment, wage growth, availability and cost of credit, structuring models, performance models, industry conditions, competition, technological developments, political events and trends, changes to tax laws and innumerable other factors, can substantially and adversely affect the performance of a client's investments.

Reliance on the Investment Strategies of Each Manager:

The success of Further Lane's manager selection process depends upon, among other things, the manager's ability to develop and successfully implement trading strategies that achieve their investment objectives. Different investment styles tend to perform differently depending upon market and economic conditions and investor sentiment. Client accounts may outperform or underperform other accounts that invest in similar assets but employ different investment styles.

Manager Selection:

Further Lane's selection of manager's is inherently based on subjective criteria with the result that the true performance and abilities of any particular manager may be difficult to assess. The historical performance of a manager is not indicative of its future performance, which can vary considerably.

Use of Independent Investment Managers

The Firm may recommend the use of certain independent investment managers. In these situations, the Firm continues to do ongoing due diligence of such managers, but such recommendations rely to a great extent on the managers' ability to successfully implement their investment strategies. In addition, the Firm generally may not have the ability to supervise the managers on a day-to-day basis.

Reliance on the Skill of Independent Manager's key Personnel. Further Lane does not have a role in the day-to-day management of the investments managed by third party managers. Consequently, the performance of such investments is substantially dependent on the skill and acumen of key employees of the managers. If such employees cease to participate in the manager's business, the manager's ability to select attractive investments and manage its portfolio could be impaired.

Use of Multiple Managers:

Managers may have similar or divergent investment views and strategies. Consequently, a client whose assets are managed by more than one manager may at times hold economically offsetting positions in its overall portfolio, and could indirectly incur transaction costs without accomplishing any net investment result, or may compete with its own accounts for the same positions in one or more markets. Where managers hold similar views or employ similar trading strategies, a client's overall portfolio may hold large positions in a relatively limited number of the same or similar investments. Greater concentration of positions across multiple managers will increase the adverse effect of any unfavorable conditions in the market, sector, or industry in which the positions are concentrated.

Risks Relating to Asset Allocation Advice:

Client Information:

Asset allocation advice is based on Further Lane's understanding of a client's investment goals, risk tolerance, financial circumstances and other attributes. The overall asset allocation advice and other recommendations provided by Further Lane may be materially affected by even small changes in a client's individual circumstances. Therefore, a client's failure or tardiness in informing Barclays of changes in its circumstances could affect the performance of its account.

Allocation of Assets. The overall investment performance of any asset allocation strategy depends in part on the decisions Further Lane makes with respect to the allocation of assets among various asset classes, sub-asset classes and investment products. Further Lane may

make asset allocation decisions that result in underperformance of the account relative to a client's expectations or similar programs, and there is no guarantee that a given asset allocation will produce the desired results.

Performance of Underlying Investment Products. The investment performance of any account or Investment Product is not guaranteed and past performance does not guarantee or predict future performance. The investment objectives and goals for an Investment Product, and a client's investment objectives, goals and expectations may not be achieved. Any benchmarks used to measure the performance of Investment Products are targets only and investment results may fail to achieve or outperform any such benchmarks.

Diversification: While asset allocation is intended to provide diversification of investment risk, no assurance can be given that such diversification will occur, or that if it does, it will increase, rather than reduce a client's investment return.

Risks associated with each Asset Class:

There are risks associated with each of the key asset classes:

Bonds: Bonds are subject to market, interest rate and credit risk, and are also subject to availability and market conditions. Generally, the higher the interest rate the greater the risk. Bond values will decline as interest rate rises. Government bonds are subject to federal taxes. Municipal bond interest may be subject to the alternative tax; other state and local taxes may apply. High yield bonds, also known as "junk bonds" are subject to additional risks such as the increased risk of default.

Commodities. Commodities are assets that have tangible properties, such as oil metals and agricultural products. Commodity asset classes tend to have higher volatility and downside risk compared to traditional asset classes like bonds and equities. The levels, values or prices of commodities can fluctuate widely due to supply and demand disruptions in major producing or consuming regions. Commodities prices are highly volatile and are affected by overall market movements and numerous other factors that affect the value of a particular industry or commodity. In addition to economic activity. These include political events, weather, labor activity, direct government intervention, such as embargoes, and supply disruptions in major producing or consuming regions. Those events tend to affect prices worldwide, regardless of the location of the event. Market expectations about these events and speculative activity also cause prices to fluctuate. Commodities are volatile investments and should only form a small part of a diversified portfolio. Diversification does not ensure against loss.

Equity Securities. Stocks and other equity-related instruments may be subject to various types of risks, including market risk, liquidity risk, counterparty credit risk, legal risk and operations risk. In addition, equity-related instruments can involve significant economic leverage and may, in some cases involve significant risk of loss. Equity securities fluctuate in value and such fluctuations can be pronounced. In general, stock values fluctuate in response to the activities of individual companies and in response to general market and economic conditions. Accordingly, the value of the stocks and other securities and instruments may

decline over short or extended periods of time. The stock markets tend to be cyclical, with periods when stock prices generally rise and periods when stock prices generally decline.

Alternative Trading Strategies:

Alternative trading strategies involve a high degree of risk and the value of investments made pursuant to such strategies may be highly volatile.

Mutual Funds and Exchange-Traded Funds (ETFs)

An investment in a mutual fund or ETF involves risk, including the loss of principal. Mutual fund and ETF shareholders are necessarily subject to the risks stemming from the individual issuers of the fund's underlying portfolio securities. Such shareholders are also liable for taxes on any fund-level capital gains, as mutual funds and ETFs are required by law to distribute capital gains in the event they sell securities for a profit that cannot be offset by a corresponding loss.

Shares of mutual funds are generally distributed and redeemed on an ongoing basis by the fund itself or a broker acting on its behalf. The trading price at which a share is transacted is equal to a fund's stated daily per share net asset value ("NAV"), plus any shareholders fees (e.g., sales loads, purchase fees, redemption fees). The per share NAV of a mutual fund is calculated at the end of each business day, although the actual NAV fluctuates with intraday changes to the market value of the fund's holdings. The trading prices of a mutual fund's shares may differ significantly from the NAV during periods of market volatility, which may, among other fact An investor should consider the investment objectives, risks, charges and expenses of the Mutual Fund carefully before investing. The prospectuses for the Mutual Funds may be downloaded from the SEC's website or provided upon request from your adviser

ors, lead to the mutual fund's shares trading at a premium or discount to actual NAV.

Shares of ETFs are listed on securities exchanges and transacted at negotiated prices in the secondary market. Generally, ETF shares trade at or near their most recent NAV, which is generally calculated at least once daily for indexed-based ETFs and more frequently for actively managed ETFs. However, certain inefficiencies may cause the shares to trade at a premium or discount to their *pro rata* NAV. There is also no guarantee that an active secondary market for such shares will develop or continue to exist. Generally, an ETF only redeems shares when aggregated as creation units (usually 50,000 shares or more). Therefore, if a liquid secondary market ceases to exist for shares of a particular ETF, a shareholder may have no way to dispose of such shares.

Options

Options allow investors to buy or sell a security at a contracted strike price (not necessarily the current market price) at or within a specific period of time. Clients may pay or collect a premium for buying or selling an option. Investors transact in options to either hedge against potential losses or to speculate on the performance of the underlying securities. Options transactions contain a number of inherent risks, including the partial or total loss of

principal in the event that the value of the underlying security or index does not increase or decrease to the level of the respective strike price. Holders of options contracts are also subject to default by the option writer which may be unwilling or unable to perform its contractual obligations.

If the portfolio manager writes (sells) an uncovered call option for an investor and the underlying index's value increases above the strike price, the client can incur large and unlimited losses when the option expires or until the portfolio manager exercises other option contract remedies. If the client loses, the loss is the index's current value at the expiration date minus the options strike price. If the portfolio manager writes (sells) an uncovered put option for a client, the client bears the risk of loss if the underlying index's value decreases below the strike price. The loss increases until the underlying index's value is zero. If the client incurs loss, the loss is the strike price minus the underlying index's current value at the expiration date. If the portfolio manager writes (sells) combination or straddle options (i.e. writes a put and call option on the same underlying index), the client's potential loss is unlimited. The client is also subject to the risk of failure of the exchanges on which the options trade, or of the clearinghouses (for on-exchange transactions) or counterparties (for over-the-counter transactions), which might not perform their obligations.. Options markets may become illiquid for various reasons and the bid-offer spread (the difference between the buy and sell prices) can widen considerably.

Further Lane may employ an options based strategy which seeks to enhance existing investment portfolios and/or generate returns with low correlations to traditional and alternative asset classes.

From time to time, Further Lane will utilize index options to hedge equity market exposure while aiming to generate monthly cash flows. Towards this end, Further Lane may employ the Iron Condor Option Strategy – an option position which is comprised of two "out of the money" spreads, a call spread and a put spread. They are both opened as "credit spreads," meaning that the strike price of the leg that is purchased is further out of the money than on the leg that is sold. The call spread is a "bear call spread," meaning the manager believes the market may rise, but not above the strike price of the short leg.

Similarly, the put spread is a "bull put spread," meaning the manager believes the market may fall, but not below the strike price on that short contract. The manager opens the trade with the expectation of a high probability that the market price will remain range bound between the short strike prices of the call and put spreads. The trade is entered as the simultaneous execution of all four legs at one limit price. The strike prices are selected based on a number of factors, including the amount of premium being offered, the time-to-expiration, and the level of market volatility.

An essential addition to this strategy is the volatility hedge. This element utilizes a long dated bear put spread, placed 9-12 months before its expiration date. The higher strike price put is purchased and the lower is sold, creating a debit spread. This acts as an insurance policy against severe market declines. Historically volatility has been significantly greater in down markets than in up markets. Therefore, the manager believes that this position will gain value while the short put spreads are losing. A similar strategy

is not used with calls since market declines are generally of greater magnitude than market increases. This element of the strategy has served historically to reduce the correlation of the strategy with underlying market movements.

All clients for whom options are employed shall receive a copy of the Options Clearing Corporation's publication: "Characteristics and Risk of Standardized Options" and any supplements thereto, which describe the risks associated with investing in options. Clients should read these documents carefully.

Use of other Derivatives:

Risks posed by the use of derivatives include: (i) counterparty credit risk; (ii) market risks; (iii) legal risks, i.e. the risk that a financial contract may be legally invalidated; (iv) operations risk (inadequate controls; deficient procedures, human error, system failure or fraud); (v) documentation risk (exposure to losses resulting from inadequate documentation); (vi) liquidity risks (exposure to losses created by the inability to prematurely terminate a derivative; (viii) systemic risks (the risk that financial difficulties faced by one market participant puts other participants and the overall financial system at risk; and (vii) settlement risks (the risk that a party to a contract faces when it has performed its obligations under a contract but has not yet received value from its counterparty.

Restricted Stock:

Further Lane may also provide assistance with management of restricted stock and options sales using Rule 10b5-1 plans, and assist private business owners in structuring pre-liquidity plans with trust and estate attorneys and insurance specialists to help them maximize the net sale price for a full or partial sale of their business.

Use of Leverage.

Leverage may be employed in a number of ways, including by trading options or futures contracts and using total return swaps. While the use of leverage can substantially improve returns, leverage may also significantly increase the magnitude of potential losses.

Use of Private Collective Investment Vehicles

The Firm recommends that certain clients invest in privately placed collective investment vehicles (e.g., hedge funds, private equity funds, etc.). The managers of these vehicles have broad discretion in selecting the investments. There are few limitations on the types of securities or other financial instruments which may be traded and no requirement to diversify. Hedge funds may trade on margin or otherwise leverage positions, thereby potentially increasing the risk to the vehicle. In addition, because the vehicles are not registered as investment companies, there is an absence of regulation. There are numerous other risks in investing in these securities. Clients should consult each fund's private placement memorandum and/or other documents explaining such risks prior to investing.

Master Limited Partnerships (MLPs)

Master Limited Partnerships (“MLPs”) are collective investment vehicles, the partnership interests of which are publicly traded on national securities exchanges. MLPs invest primarily in companies within the energy sector that engage in qualifying lines of business, such as natural resource production and mineral refinement. MLPs are therefore subject to the underlying volatility of the energy industry and may be adversely affected by changes to supply and demand, regional instability, currency spreads, inflation, and interest rate fluctuations, among other such factors. In addition, MLPs operate as pass-through tax entities, meaning that investors are liable for their *pro rata* share of the partnership taxes, regardless of the types of accounts where the interests of are held.

Real Estate Investment Trusts (REITs)

The Firm may recommend an investment in, or allocate assets among, various real estate investment trusts (“REITs”), the shares of which exist in the form of either publicly traded or privately placed securities. REITs are collective investment vehicles with portfolios comprised primarily of real estate and mortgage related holdings. Many REITs hold heavy concentrations of investments tied to commercial and/or residential developments, which inherently subject REIT investors to the risks associated with a downturn in the real estate market. Investments linked to certain regions that experience greater volatility in the local real estate market may give rise to large fluctuations in the value of the vehicle’s shares. Mortgage related holdings may give rise to additional concerns pertaining to interest rates, inflation, liquidity and counterparty risk.

Exchange-Traded Notes (ETNs)

The Firm may recommend an investment in, or allocate assets among, various exchange-traded notes (“ETNs”). ETNs are unsecured debt securities which are listed on securities exchanges and transacted at negotiated prices in the secondary market. ETNs are designed to track the performance of a corresponding benchmark. An ETN is essentially a contract between an issuer and the ETN holder, whereby the issuer, upon maturity, agrees to pay an amount relative to the returns of the underlying benchmark. In addition to the risks associated with the specific benchmark, ETN holders are also subject to various counterparty concerns. In this respect, the value of an ETN may be adversely impacted by a downgrade to the issuer’s credit rating and/or an unwillingness or inability of the issuer to perform its contractual obligations.

Management Through Similarly Managed “Model” Accounts

The Firm manages certain accounts through the use of similarly managed “model” portfolios, whereby the Firm allocates all or a portion of its clients’ assets among various securities on a discretionary basis using one or more of its proprietary investment strategies. In managing assets through the use of models, the firm remains in compliance with the safe harbor provisions of Rule 3a-4 of the Investment Company Act of 1940.

The strategy used to manage a model portfolio may involve an above average portfolio turnover that could negatively impact clients’ net after tax gains. While the firm seeks to

ensure that clients' assets are managed in a manner consistent with their individual financial situations and investment objectives, securities transactions effected pursuant to a model investment strategy are usually done without regard to a client's individual tax ramifications. Clients should contact the Firm if they experience a change in their financial situation or if they want to impose reasonable restrictions on the management of their accounts.

Use of Margin

While the use of margin borrowing can substantially improve returns, it may also increase overall portfolio risk. Margin transactions are generally effected using capital borrowed from a *Financial Institution*, which is secured by a client's holdings. Under certain circumstances, a lending *Financial Institution* may demand an increase in the underlying collateral. If the client is unable to provide the additional collateral, the *Financial Institution* may liquidate account assets to satisfy the client's outstanding obligations, which could have extremely adverse consequences. In addition, fluctuations in the amount of a client's borrowings and the corresponding interest rates may have a significant effect on the profitability and stability of a client's portfolio.

Item 9 - Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Further Lane or the integrity of Further Lane's management. Further Lane has no information applicable to this section as it has faced no legal or disciplinary matters since its inception in 1996.

Item 10 - Other Financial Industry Activities and Affiliations

Further Lane Securities, L.P.

Mr. Araiz is the principal of and a beneficial owner of Further Lane Securities, L.P. ("**FLS**"), a broker-dealer registered with the SEC under the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), and a member firm of FINRA and is registered with all 50 states, the District of Columbia and Puerto Rico. Mr. Araiz is the Chief Executive Officer and Chief Compliance Officer of FLS. In addition, most of Further Lane's non-clerical personnel are registered representatives of FLS.

At the time, a client agrees to establish an account with FLAM, we may recommend that the client utilize FLS as an introducing broker, and Pershing as the carrying and clearing broker (which is also utilized by FLS) or any broker or dealer designated by Further Lane as a custodian and/or clearing broker in respect of the assets in the Account. Further Lane shall select such brokers or dealers in its own discretion and shall not be responsible for any acts or omissions of any such brokers or dealers provided Further Lane is not negligent in such selection. No commissions or fees shall be incurred which are substantially greater than those chargeable by other brokers or dealers in the community for like or comparable services, provided, however, the client authorizes Adviser, consistent with the foregoing, to

select brokers and dealers on the basis of their having furnished statistical, research and other services to Adviser.

For FLS services as broker to Further Lane's clients, the client shall pay to FLS brokerage commissions and mark ups and mark downs, as well as execution and clearing charges in accordance with FLS' commission and fee rates. If the client does not object, amendments changing FLS' commission and fee rates will be effective 30 days after notice to the client. Commissions will be shared with other brokers when they provide clearing or other brokerage services. FLS shares its commissions with Pershing with respect to transactions for which Pershing acts as the carrying or clearing broker.

In general, clients authorize Further Lane to cause its affiliated broker, FLS, to purchase or sell securities where the other party to the transaction may be a customer of Further Lane and FLS. FLS may receive commissions from both sides of the transaction and will have a potentially conflicting division of loyalties and responsibilities between the parties. At all times the client has a right to full disclosure on all such transactions including details on remuneration inuring to FLS and Further Lane. This authorization may be revoked at any time by written notice.

Further Lane provides its clients with notice of principal transactions and the ability to revoke consent to any trade. FLS will receive compensation for such principal trades in the form of mark ups and mark downs on the value of the securities traded.

Mr. Araiz is the principal owner of both Further Lane and FLS and certain investment adviser representatives of Further Lane are also registered representatives of FLS. When placing business through a broker/dealer as a registered representative, an investment adviser representative generally earns a commission. If clients execute trades through FLS, the client will generally pay commissions or fees. As a result, a potential conflict of interest exists between FLS's interests and the client's interests. A client is under no obligation to execute any business through FLS.

Osprey Opportunity Fund LP
Osprey Opportunity Offshore Fund, Ltd
Windmill Multi-Strategy Fund, LP
Toro Total Return Fund, LP

Mr. Araiz has organized two investment partnerships: the Osprey Opportunity Fund LP, a Delaware limited partnership (the "**Osprey LP**") and Osprey Opportunity Offshore Fund, Ltd., a Cayman Islands exempted company (the "**Offshore Fund**," and together with the Osprey LP, the "**Osprey Funds**"), for the purpose of investing and reinvesting from time to time in a portfolio consisting primarily of high quality fixed income securities. Both funds may also invest in lower rated debt securities and derivative instruments and may use hedging techniques to mitigate interest rate risk.

Mr. Araiz is the sole managing member of **Osprey Opportunity Fund GP, LLC**, a Delaware limited liability company, the general partner to the Osprey Funds. Further Lane, the investment manager, receives management and incentive fees for its management of the Fund as set forth in the offering memorandum.

Osprey LP's administrator is Columbus Avenue Consulting, LLC.

As a Cayman Islands registered fund, the Offshore Fund operates through three Cayman Islands-domiciled entities: (a) its administrator is Admiral Administration Ltd.; (b) its Offshore Director is DMS Offshore Investment Services Ltd.; and (c) the registered office is Ogier Fiduciary Services (Cayman) Limited.

Further Lane is also the general partner and investment manager of **Windmill Multi-Strategy Fund, LP** (a "fund-of-funds")

The general partner of Windmill receives from the limited partners, a quarterly management fee representing a percentage of the total assets under management as set forth in the Fund's offering memorandum.

No performance or incentive compensation is payable by the Partnership to the General Partner, although the Partnership pays such compensation and other types of compensation to underlying managers, including the General Partner and/or its affiliates in connection with their management of affiliated funds in which the Partnership invests.

Toro Total Return Fund, LP

Further Lane is the investment manager of **Toro Total Return Fund, LP**.

Toro Total Return Fund GP, LLC, a Delaware limited liability company, is the General Partner to the Fund. Mr. Araiz is the sole managing member of the Toro Total Return Fund GP, LLC.

Further Lane, as investment manager, shall receive from the limited partners, a quarterly management fee representing a percentage of the total assets under management as set forth in the Fund's offering memorandum.

The General Partner will receive an incentive allocation (the "**Performance Fee**"), payable at the end of each calendar quarter with respect to each Limited Partner's Capital Account equal to a percentage of the net new appreciation. Additional information may be found in the Fund's offering memorandum.

On occasion, an employee of FLS may recommend that a brokerage client invest in an affiliated entity or get investment advice from Further Lane. The employee's compensation may be based, in part, on revenues earned by Further Lane or its affiliates in connection with the opening of new accounts or the investment in one of its affiliated funds. Thus, the employee may have an incentive to recommend that a client invest in an affiliate fund or become a client of Further Lane. Further Lane will manage the account in such a situation only when it is assured that the objective is suitable for the client and that no conflict of interest exists.

Osprey Group, Inc.

The investment manager of the Offshore Fund is the Osprey Group, Inc. (“**OGI**”), a company incorporated in the state of Delaware. OGI is wholly owned by Mr. Araiz individually, who provides services to OGI through Further Lane. OGI receives a quarterly management fee based on a percentage of the net assets of the Offshore Fund and will also receive an annual incentive fee equal to a percentage of the net profits. Both fees are paid quarterly in arrears.

OGI is a special purpose vehicle and the investment adviser to the Osprey Opportunity Offshore Fund, LTD solely to provide services to the Fund in a manner that enables manager compensation to be eligible for an employee benefit compensation plan. OGI does not hold itself out to the public as a separate advisor, or function in any way as its own separate enterprise.

OGI is a relying adviser of FLAM, as it is in a control relationship, with the same principal office and place of business and compliance policies and procedures as FLAM and is thus not subject to SEC investment adviser registration.

Osprey Securities Corporation

Mr. Araiz is the principal owner of Osprey Securities Corp, the holding company of FLS. Osprey Securities Corp is otherwise inactive.

Dynasty Financial Partners, LLC and Black Diamond Performance Reporting, LLC

On April 29, 2012, Further Lane entered into an arrangement with Dynasty Financial Partners, LLC (“**Dynasty**”) for access to Dynasty’s open-architecture platform of wealth management services and technology. This arrangement will allow Further Lane to enhance its support services and offerings to its clients, but will not cause any changes to the essential quality and character of the advisory services Further Lane provides. Eventually, through its affiliation with Dynasty, Further Lane’s clients will have access to multiple investment programs, account management resources and research on investment products.

Initially, Further Lane clients will receive a combined report of their holdings through Black Diamond Performance Reporting (“**Black Diamond**”), a Dynasty business partner.

Altegris Investments, Inc.

Altegris Investments, Inc. (“Altegris”) is a broker-dealer and a member of FINRA. Pursuant to an agreement with Further Lane, Further Lane may from time to time (in its sole discretion based on its own determination of suitability and qualifications) recommend to certain of its clients an investment in a mutual or other fund on the Altegris investment platform. In such situations, Altegris acts as a marketer or selling agent of funds (referred to herein as a “Platform Fund”) which are also sponsored and managed by an Altegris affiliate. As a selling agent for a Platform Fund, Altegris receives a percentage of management fees, incentive fees and/or other fees charged to Platform Fund investors who invest through Altegris – the specific type and amount of compensation in each case is set forth in a selling

agreement or other fee-sharing arrangement between Altegris and the Platform Fund and/or its sponsor or manager.

The only compensation to Further Lane and its employees or affiliates is in the form of advisory or other fees paid by the Further Lane client to Further Lane pursuant to separate advisory contracts or other agreements entered in wholly independent of Further Lane's arrangement with Altegris.

The only compensation to Altegris and its employees and affiliates in connection with referrals to Altegris of Further Lane clients under this arrangement is selling agent compensation pursuant to marketing or selling agreements entered into between Altegris and each Platform Fund, management fee revenue in respect of certain Platform Funds sponsored or managed by an affiliate of Altegris and/or revenue in relation to an affiliate of Altegris acting as a commodity futures introducing broker for certain Platform Funds, in each case pursuant to contracts or other arrangements entered into by Altegris or its affiliates or employees independent of this arrangement.

Sali Multi-Series Fund, L.P. – Further Lane Insurance Fund

Depending on a client's financial objectives and needs, Further Lane may invest client funds in insurance company trusts. Further Lane has entered into an arrangement with an insurance company whereby Further Lane acts as a money manager for such insurance trusts. Further Lane acts as sub-adviser to the Sali Multi-Series Fund, L.P. – Further Lane Insurance Fund ("Further Lane Insurance Fund") and may invest insurance trust assets within the Further Lane Insurance Fund and may allocate the assets to other Further Lane products. Depending on client needs, Further Lane may negotiate fees and expenses, resulting in lower fees to certain investors of the Further Lane Insurance Fund.

Delos Capital, LLC

Further Lane has entered into a sub-advisory agreement with Delos Capital, LLC ("Delos") dated February 17, 2013 with regards to the management for the Further Lane Liquid Endowment Strategy, a proprietary separately managed account strategy ("Endowment Strategy"). Further Lane will receive a portion of the management fee paid to Delos for any client who invests in the Endowment Strategy.

From time to time, and if suitable, Further Lane may recommend the Endowment Strategy to clients for which it has discretionary or non-discretionary authority. .

In such situations, Further Lane may receive management fees for both the management of the client's entire pool of assets at Further Lane as well as a portion of the management fees charged for management by Delos as a sub-advisor of the assets invested in Further Lane Liquid Endowment Strategy. The recommendation of the Endowment Strategy is a conflict as Further Lane will receive compensation for both the overall management of the account, inclusive of any recommended investment products or strategy as well as the Endowment Strategy. Further Lane acts in the best interest of its clients and will make the recommendation if it believes the Strategy and overall fee structure fits the investment objectives of the client.

Associated persons of Further Lane may be compensated by Further Lane for referrals of clients to the Further Lane Liquid Endowment Strategy. In addition, the Sub-Advisory Agreement sets forth an arrangement in which Delos partially compensates Further Lane for the salary of an employee who is dedicated to the marketing efforts of the Further Lane Liquid Endowment Strategy and provides ancillary trading services for Delos.

Further Lane acts in the best interest of its clients and will make the recommendation if it believes the Strategy and overall fee structure fits the client's investment objectives.

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

Further Lane adheres to a code of ethics adopted pursuant to Rule 204A-1 of the Advisers Act. In brief, Further Lane provides professional services with integrity and will be fair and reasonable in all professional relationships and disclose any conflicts of interest. Further Lane employees possess the knowledge and skill necessary to provide professional services competently and demonstrate exemplary ethical standards. Further Lane protects the confidentiality of all client information.

Further Lane has adopted a Code of Ethics (the “**Code**”) for all supervised persons of the firm describing its high standard of business conduct, and fiduciary duty to its clients. The Code includes provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition on cross-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 issues. Further Lane's employees and persons associated with Further Lane are required to follow the Code and each of them must acknowledge the terms of the Code annually, or as amended. Further Lane's clients or prospective clients may request a copy of the Code by contacting Ms. Doherty. Further Lane anticipates that, in appropriate circumstances, consistent with clients' investment objectives, it will cause accounts over which Further Lane has management authority to effect, and will recommend to investment advisory clients or prospective clients, the purchase or sale of securities in which Further Lane, its affiliates and/or clients, directly or indirectly, have a position of interest. Subject to satisfying this policy and applicable laws, officers, directors and employees of Further Lane and its affiliates may trade for their own accounts in securities which are recommended to and/or purchased for Further Lane's clients.

The Code is designed to assure that the personal securities transactions, activities and interests of the employees of Further Lane 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 personal transactions in these securities would not materially interfere with the best interest of Further Lane'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, 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 to reasonably prevent conflicts of interest between Further Lane and its clients.

Participation or Interest in Client Transactions.

In addition to managing the accounts of clients unaffiliated with Further Lane, we may also manage the accounts of clients who are related persons with Further Lane (the "**Affiliated Clients**"). FLS, as principal, buys securities for itself from, or sells securities it owns to, its clients in accordance with Rule 206(3)-3T of the Advisers Act.

From time to time, certain employees of Further Lane and its affiliates may invest in securities held by or deemed suitable for Further Lane's clients if prior approval is obtained from our Chief Compliance Officer or his/her designee. Notwithstanding the foregoing, no prior approval is required for Further Lane employees to invest in certain types of investments, including U.S. government securities, money market instruments, open-end mutual funds and variable insurance products.

Further Lane has instituted the following procedures and guidelines to deal with transactions involving conflicts of interest:

1. The client will acknowledge the relationships that exist between Further Lane and its Affiliated Clients and that Further Lane will, from time to time, purchase and sell securities on behalf of those accounts that it also recommends to unaffiliated clients;
2. Anytime a new security is to be recommended to clients, Further Lane will review the portfolios of its unaffiliated clients and purchase such security for such clients if appropriate based on their investment guidelines and objectives before purchasing such security for its Affiliated Clients; and
3. Anytime Further Lane recommends selling a security owned by an Affiliated Client, it will review the portfolios of its unaffiliated clients and sell the security for such clients if appropriate based on their investment guidelines and objectives before selling such security for its Affiliated Clients.

In accordance with Section 204A of the Advisers Act, Further Lane also maintains and enforces written policies reasonably designed to prevent the unlawful use of material non-public information by Further Lane, its employees, or employees of any of its affiliated entities.

Item 12 - Brokerage Practices

The particular broker or dealer through which securities are to be bought or sold is suggested by Further Lane to its clients, including Further Lane's affiliated broker-dealer, FLS. Clients may, however, direct transactions to particular brokers other than those that

might have been recommended by us. When Further Lane is instructed to execute trades through certain brokers or dealers, such broker may be permitted to charge commissions in excess of that which another broker might have charged for the same transaction in recognition of the value of other brokerage or research services provided by that broker to the particular client (these are called “soft dollar” transactions in the brokerage industry).

Further Lane will seek the best security price and the most favorable commission rates for its clients except to the extent that higher brokerage commissions may be paid for certain brokerage and research services. In selecting broker/dealers and in negotiating commissions, Further Lane will use reasonable efforts in its selection based on best execution capability, will consider the particular firm’s reliability and expertise, the quality of its execution services on a continuing basis and the research services provided to Further Lane. Brokerage and research services will include (a) furnishing advice as to the value of securities and the advisability of investment in, purchasing or selling securities, (b) furnishing analyses and reports concerning issuers, industries, securities, economic factors and trends and (c) effecting securities transactions and performing functions incidental thereto. Research services furnished by firms through which one account effects its securities transactions may be used by Further Lane in serving other accounts. Not all of such services may be used by Further Lane in connection with the account paying the commission.

The nature of any research services that may be provided by brokerage firms is supplemental to Further Lane’s research. Research services that may be furnished by a broker through which Further Lane effects transactions will be used to benefit all its clients and not solely the particular client whose transactions were effected by the providing broker.

Order Aggregation

Further Lane may determine that the purchase or sale of a particular security is appropriate for more than one client account. In such cases, Further Lane may decide to aggregate the client orders into one order for execution purposes. This can have the advantage of avoiding an adverse effect on the price of a security which can result from simultaneously placing a number of separate competing orders. When aggregating orders, and in the process of allocating block purchases and block sales to individual client accounts, it is Further Lane’s policy to treat all clients fairly and to achieve an equitable distribution of aggregated orders. Further Lane, in its discretion, may use the average price at which a security is bought or sold when a bunched order is executed at different prices, or when two or more orders for the same security are entered at approximately the same time and are executed at different prices.

When an aggregated order is filled in its entirety, each participating account will participate at the average share price for the aggregated order, and transaction costs will be shared *pro rata* based on each account’s participation in the aggregated order. When an aggregated order cannot be fully executed in a single day, *pro rata* allocation may be used. The partial fill of the order is generally allocated among the participating accounts based on the size of each account’s original order, subject to rounding in order to achieve “round lots.” Further Lane may allocate on a basis other than *pro rata*, if, under the circumstances, such other method of allocation is reasonable, does not result in improper or undisclosed advantage or

disadvantage to other accounts, and results in fair and equitable access over time to trading opportunities for all eligible accounts.

When Further Lane does not aggregate trades, it allocates trades among clients and other portfolios by methods that, under the circumstances, are believed to be reasonable, do not result in improper or undisclosed advantage or disadvantage to any accounts, and result in fair and equitable access over time to trading opportunities for all accounts in conformity with their investment objectives and investment strategies.

Principal Trades

Further Lane may implement the trading strategies of its various clients through the use of principal trades through its affiliated entity, FLS. A “principal trade” occurs when the adviser, acting as principal for its own account, sells to or purchases any security from an advisory client, either directly or indirectly through an affiliate. Principal transactions are permitted only if Further Lane (i) obtains (1) oral consent prior to the execution of the transaction and (ii) subsequent written disclosure is sent to the client of the capacity in which it is acting. Further Lane has established policies and procedures to comply with the Advisers Act when engaging in principal transactions with clients.

When recommending a principal trade to its clients, Further Lane will provide its clients with written notice of its intent to engage in principal transactions and will request from its clients their blanket revocable consent with respect to Further Lane’s intent to engage in such principal transactions. Thereafter, clients will be provided by Further Lane or its appropriate affiliate with (i) the necessary disclosures regarding each principal transaction and the right to approve or deny all such principal transactions on a trade-by-trade basis (ii) an annual report detailing all principal transactions during the previous year; and (iii) verification that the principal transactions did not involve a security issued by Further Lane or any of its affiliates, including FLS.

At a minimum, the disclosure will include (a) the capacity in which the principal or broker is acting, (b) the cost of any security proposed to be sold to the account or proposed resale price of any security to be bought from the account, (c) the best price at which the transaction could be effected for the account elsewhere if more advantageous for the account, and (d) any other material disclosures. The confirmation on each transaction will note whether it was an “Agency” or “Principal” transaction.

Further Lane may have a conflict of interest to the extent that its affiliate FLS has an opportunity to earn a fee, directly or indirectly, from the execution of a principal trade. Although we fully recognize the risk of the conflict inherent in principal trades, as an investment adviser, we must always act in the best interests of our advisory clients, including fulfilling the duty with respect to the best price and execution for the particular transaction for the advisory client. This is in addition to our other responsibilities and obligations under the Advisers Act or other applicable provisions of the federal and state securities laws and rules.

Agency Cross Transactions

Another way Further Lane may implement the trading strategies of its various clients is through the use of agency cross transactions. As explained further below, given that such transactions are conducted by affiliated parties, there is the potential risk of conflicting loyalties and responsibilities affecting both parties to such transactions. Despite those risks, Further Lane believes it can properly authorize agency cross transactions by following the procedures in the Advisers Act described below, and by remaining fully aware of its fiduciary duties to its advisory clients at all times, including, without limitation, its duties to obtain best execution of trades for its clients' accounts.

An "agency cross" transaction for an advisory client means a transaction in which a person acts as an investment adviser in relation to a transaction in which such investment adviser, or any person controlling, controlled by, or under common control with such investment adviser, acts as broker for both such advisory client and for another person on the other side of the transaction. In other words, the adviser acts as an agent for both sides to the transaction, generally to provide better execution at a lower cost to the clients involved. Under Rule 206(3)-2 of the Advisers Act, the following procedures must be followed when Further Lane authorizes an agency cross trade:

- The advisory client has executed a written, revocable consent prospectively authorizing the investment adviser, or any other person relying on this rule, to effect agency cross transactions for such advisory client. Such written consent must be obtained with full written disclosure that the investment adviser or such other person will act as broker for with respect to agency cross transactions, and receive commissions or other compensation and disclose the potential conflicts of such trade. The written consent may be revoked by the advisory client at any time by written notice to the investment adviser, or to any other person relying on this rule.
- The investment adviser, or any other person relying on this rule, sends to each such client a written confirmation at or before the completion of each such transaction, which confirmation includes (i) a statement of the nature of such transaction, (ii) the date such transaction took place, (iii) an offer to furnish upon request, the time when such transaction took place, and (iv) the source and amount of any other remuneration received or to be received by the investment adviser and any other person relying on this rule in connection with the transaction. The written confirmation may state whether any other remuneration has been or will be received and that the source and amount of such other remuneration will be furnished upon written request of such customer when, in the case of a purchase, neither the investment adviser nor any other person relying on this rule was participating in a distribution, or in the case of a sale, neither the investment adviser nor any other person relying on this rule was participating in a tender offer.
- The investment adviser, or any other person relying in this rule, sends to each such client, at least annually, and with or as part of any written statement or summary of such account from the investment adviser or such other person, (a) a written disclosure statement identifying the total number of such transactions during the period since the date of the last such statement or summary, and (b) the total amount of all commissions or other remuneration received or to be received by the

investment adviser or any other person relying on this rule in connection with such transactions during such period.

Further Lane does not permit an agency cross transaction to be effected when the same investment adviser or an investment adviser and any person controlling, controlled by or under common control with such investment adviser recommended the transaction to both any seller and any purchaser.

For unaffiliated institutional accounts to which Further Lane provides specialized advice on fixed income securities, Further Lane generally does not aggregate orders, or execute any principal trades or cross agency transactions.

Item 13 - Review of Accounts

Further Lane's investment adviser representatives and portfolio managers, as well as its supervisors, are subject to Further Lane's Code of Ethics and compliance procedures that provide guidelines for account activity and supervision of such activity.

Further Lane's investment advisory representative (the "Account Manager") is primarily responsible for monitoring client accounts and does so periodically depending upon the client's needs and the conditions of each account. At a minimum, the Account Manager will attempt to meet with each client annually.

Further Lane's Chief Compliance Officer reviews all new account forms for suitability and adequate disclosure of the client's financial goals and financial means prior to the opening of any new account.

Further Lane generally clears its transactions through Pershing LLC, Charles Schwab Corporation and other broker/dealers. Certain clients may contract for clearing services directly with a mutual fund or another clearing agent.

For affiliated institutional clients that Further Lane advises on a non-discretionary basis, it does not review such client's account.

Confirmations are sent to clients on the next business day following the execution of a transaction for a customer's brokerage account by the prime broker or custodial bank. Monthly statements are sent by the prime broker or custodial bank to each client with details of trading activity and positions and cash as of the end of the month. The Portfolio Management Division sends its clients quarterly reports detailing all portfolio holdings and performance from inception through year to date. In addition, clients now have the benefit of receiving a combined report of their holdings through Black Diamond Performance Reporting, LLC, without additional charges (see Item 2).

Pershing LLC or other broker used by the client promptly sends to the client confirmations or other records of all purchases and sales and monthly statements of the holdings in the client's brokerage account.

Among other things, accounts and transactions are reviewed to determine if the client's investment objectives have been satisfied and whether the securities held in the client's investment portfolio are consistent with the guidelines established by the client. Market fluctuation or a client complaint may trigger a review on an other than periodic basis.

Item 14 - Client Referrals and Other Compensation

To the extent permitted by law, including Rule 206(4)-3 under the Advisers Act, Further Lane may compensate persons who refer clients (*i.e.*, "solicitors"). Such compensation will normally be in the form of a percentage of the advisory fee paid to Further Lane by such clients; however, each arrangement is unique and there is no one overriding compensation policy for referrals. No client referred to Further Lane shall pay higher fees to Further Lane as a result of such referral. In addition, in the event a client is referred to Further Lane by a particular broker, Further Lane would execute securities transactions through the broker responsible for the referral provided the commission rates are competitive with those charged by other brokers used by Further Lane and that the use of the broker in question is consistent with the best interests of the client. Any unaffiliated solicitor paid by Further Lane shall be required to provide to any solicited client a brochure in conformity with Rule 206(4)-3 of the Advisers Act.

Further Lane may adopt one or more incentive plans from time to time which provide for cash payments to its employees and employees of its affiliates who develop and refer new business to Further Lane. Further Lane may adopt such incentive plans formally or informally and the terms and the payments under such plans may vary. However, any incentive plans adopted by Further Lane will not affect in any way the amount of fees paid by a new client for services. See also Item 5 for descriptions of certain commissions Further Lane could be paid under certain circumstances.

Item 15 - Custody

Pershing LLC, Charles Schwab and any other clearing agent the client may choose to use generally acts as custodian for Further Lane Wealth Management Division. Charles Schwab, Pershing LLC or Fidelity will generally act as custodian for the clients of our Portfolio Management Division. The client may appoint another custodian to perform all or part of such custodial services. These three firms are qualified custodians and generally provide, at least quarterly account statements directly to Further Lane clients identifying the amount of funds and securities in the account at the end of the period and describing all transactions in the account during that period.

Further Lane deducts its investment management and advisory fees directly from its clients' custodial accounts and therefore is considered to have custody of client assets. Further Lane has obtained written authorization from the client to deduct such advisory fees from the account held with the qualified custodian. Each time the advisory fee is deducted, Further Lane sends the qualified custodian notice of the amount to be deducted and at the same time sends the client an invoice itemizing the fee, including the formula used to calculate the fee,

the amount of assets under management on which the fee is based, and the time period covered by the fee.

From time to time, Further Lane or one of its affiliates may also have custody of client assets, both in cash or securities, for reasons other than authority to deduct its advisory fees directly from clients' custodial accounts. An adviser has custody if it acts in any capacity that gives the adviser legal ownership of, or access to, the client funds or securities.

When Further Lane has custody of client's assets, it must send quarterly account statements to such clients and undergo an annual surprise examination by an independent public accountant to verify the funds and securities of such clients. The accountant should file a certificate on Form ADV-E with the Commission within 120 days after the completion of the examination, stating that it has examined the funds and securities and describing the nature and extent of the examination. In addition, the accountant should notify the Office of Compliance Inspections and Examinations within one business day of finding any material discrepancies during such examination. An exception to the surprise audit is provided for the Affiliated Funds if they are subject to audit at least annually and distribute their respective audited financial statements prepared in accordance with generally accepted accounting principles to all limited partners, members, or other beneficial owners within 120 days of the end of their respective fiscal years, or within 180 days in the case of funds of funds, such as Windmill.

Item 16 - Investment Discretion

Further Lane may accept the authority to exercise discretion on behalf of certain clients. Further Lane is considered to exercise investment discretion over a client's account if it can effect transactions for the client without first having to seek the client's consent. Further Lane is provided with this authority through a limited power-of-attorney contained in its standard investment advisory agreement, which each client must enter into upon establishing an account. Specifically, Further Lane generally takes discretion over the following activities:

- The securities to be purchased or sold;
- The amount of securities to be purchased or sold;
- When transactions are made;
- The brokers, dealers or clearing agents to be utilized; and
- The sub-advisers to be hired or fired.

Clients may request a limitation on this authority, such as certain securities not to be bought or sold for their accounts.

Item 17 - Voting Client Securities

Except for its affiliated hedge funds, Further Lane will not vote proxy statements on behalf of any advisory client. Clients will receive proxy statements directly from the custodian and

are responsible for voting on them. Clients may contact Further Lane with any questions pertaining to its proxy voting practices.

Item 18 - Financial Information

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

