

Absolute Investment Advisers LLC

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This Brochure provides information about the qualifications and business practices of Absolute Investment Advisers LLC ("Absolute" or "Adviser"). Absolute is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an investment adviser provide you with information about which you determine to hire or retain an investment adviser.

This document is not an advertisement, an offer to sell or the solicitation of an offer to purchase interest in any investments managed by Absolute.

If you have any questions about the contents of this Brochure, please contact Tony Bosch at 303.526.1252. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority.

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

Absolute Investment Advisers LLC

Item 2: Material Changes

Absolute Investment Advisers LLC has updated Form ADV Part 2 (Brochure) as part of the annual amendment process. There have been no material changes to Absolute's business practices since the prior annual amendment in March of 2015. Therefore no material changes have been made to this brochure.

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

Absolute Investment Advisers LLC

Item 3: Table of Contents

Item 2:	Material Changes	2
Item 3:	Table of Contents	3
Item 4:	Advisory Business.....	4
Item 5:	Fees and Compensation	4
Item 6:	Performance-Based Fees and Side-By-Side Management	6
Item 7:	Types of Clients	7
Item 8:	Methods of Analysis, Investment Strategies and Risk of Loss	7
Item 9:	Disciplinary Information.....	29
Item 10:	Other Financial Industry Activities and Affiliations.....	29
Item 11:	Code of Ethics	29
Item 12:	Brokerage Practices	30
Item 13:	Review of Accounts	32
Item 14:	Client Referrals and Other Compensation	33
Item 15:	Custody	34
Item 16:	Investment Discretion	35
Item 17:	Voting Client Securities	35
Item 18:	Financial Information.....	36

Absolute Investment Advisers LLC

Item 4: Advisory Business

Absolute Investment Advisers, LLC (“Absolute”) provides investment management services on a discretionary basis to three registered open end mutual funds. Not any one person owns 25% or more voting shares of Absolute.

Absolute is the investment adviser for the Absolute Strategies Fund, Absolute Capital Opportunities Fund and the Absolute Credit Opportunities Fund (together, the “Funds” or the “Absolute Funds”). The Absolute Funds utilize a concentrated group of independent subadvisers who run a variety of strategies.

Absolute Partners Advisers LLC (“General Partner”) is the General Partner to the Absolute Partners Fund LP (the “Partners Fund” or “Partnership”), a privately offered pooled investment vehicle. Absolute Partners Advisers LLC’s has appointed Absolute to serve as the Partners Fund’s investment adviser. Absolute Partners Advisers LLC is a relying adviser of Absolute and is under common control and collectively conducts a single advisory business. Absolute is manager of the Partners Fund's assets, and Absolute Partners Advisers LLC has no employees or other persons acting on its behalf other than officers, directors, partners or employees of Absolute.

As of December 31, 2015, discretionary assets under management were approximately \$974 million

Item 5: Fees and Compensation

Absolute Strategies Fund & Absolute Credit Opportunities Fund

Management Fees

Absolute charges management fees based upon the average daily net assets of each Absolute Fund. Absolute may agree to limit or reimburse management fees to the extent required to maintain the Absolute Funds’ general expenses at a specified percentage of average net assets. The fees are computed daily and payable monthly during which, or part of which, the services are rendered.

The investment advisory fee for the Absolute Strategies Fund is 1.60%. The investment advisory fee for the Absolute Capital Opportunities Fund is 1.60%. The investment advisory fee for the Absolute Credit Opportunities Fund is 1.60%. Absolute has contractually agreed to waive its fee and/or reimburse the Absolute Credit Opportunities Fund and the Absolute Capital Opportunities Fund expenses to limit Total Annual Fund Operating Expenses to 1.95% through August 1, 2017 (excluding all taxes, interest, portfolio transaction expenses, dividend and interest expense on short sales, acquired fund fees and expenses, proxy expenses and extraordinary expenses).

The Absolute Funds are manager of managers’ mutual funds. Therefore, certain investment management responsibilities for the Absolute Funds have been delegated to the respective subadvisers. The fees set forth above include fees paid to those subadvisers by Absolute and may vary by Absolute Fund and by subadviser.

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Certain subadviser fees include breakpoints at which the subadvisory fee percentage charged is reduced if the subadviser's allocated assets exceed a specified amount. In addition, Absolute may negotiate additional fee breaks from the subadvisers. This may reduce the fees Absolute pays to the subadvisers.

Other Operating Expenses

The Absolute Funds may incur other operating expenses including, but not limited to, distribution and service fees, dividend and interest expenses, acquired fund fees and expenses, transaction costs, proxy expenses and extraordinary expenses. In addition, the Absolute Funds are responsible for administrative expenses, including but not limited to accounting, custody, transfer agency, compliance and legal. Investors should refer to the prospectus for more specific details regarding fees and expenses. Item 12 of this brochure also includes further information with respect to the broker-dealers used for Absolute Fund transactions and determining reasonableness of their compensation (*e.g.* commissions).

Termination

Each of the Board of Trustees of the Absolute Funds and Absolute may terminate management services upon sixty (60) days' advance written notice. In the event of termination, fees would be charged pro-rata based on the number of calendar days of the month during which services were provided.

Absolute Partners Fund LP

Management Fees

The Adviser receives fees for investment advisory services based on the amount of assets under management and as disclosed in the Partners Fund's offering documents and investment management agreements.

Management Fees are payable quarterly in arrears, calculated by the Partners Fund's third party administrator (the "Administrator") and deducted from each investor's capital account. The management fee will be prorated for any applicable period of less than a full quarter. The General Partner also receives from the Partners Fund an annual incentive allocation (refer to "Item 6 - Performance Based Fees and Side-by-Side Management" below for additional information).

The General Partner, in its sole and absolute discretion, may reduce or waive the management fee payable by Limited Partners. The General Partner has entered into side letters which established different rights or privileges with respect to management and incentive fees. The General Partner may enter into such side letters without approval from, or notice to, any investor. No management fees will be directly payable by the Partners Fund to the Adviser. Investment management services may be terminated in accordance with the terms outlined in the offering documents for the Fund.

Other Fees

In addition to the investment advisory fee, each investor bears its allocable share of expenses associated with the operations of the Partners Fund. These include, among others, all commissions, research fees, interest on margin accounts and other indebtedness, custodial fees, bank service fees and any other reasonable expenses related to the evaluation, acquisition, monitoring, or disposition of Partners Fund investments, accounting, legal, technical, taxes, and other governmental changes, insurance premiums and other operating expenses, as will be determined by the General Partner in its sole and absolute discretion.

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Potential investors should review the appropriate offering documents for complete disclosure of investor expenses.

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

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

Absolute Partners Fund LP

The General Partner receives an annual incentive allocation fee from its Fund investors at the end of each fiscal year equal to 20% of the annual net profits on each Limited Partner's pro rata share of the net capital appreciation for such fiscal year less the product of a five percent (5.0%) hurdle rate and the value of the Limited Partner's capital account at the beginning of the applicable period, subject to a high water mark.

The General Partner, in its sole discretion, may reduce or waive the incentive allocation. The Adviser structures any performance or incentive fee arrangements subject to Section 205(a)(1) of the Investment Advisers Act of 1940, as amended (the "Advisers Act") in accordance with the available exemptions thereunder, including the exemption set forth in Rule 205-3. In measuring clients' assets for the calculation of performance-based fees, the Adviser shall include realized and unrealized capital gains and losses.

The Adviser has adopted policies and procedures to comply with its fiduciary obligation to accurately value client portfolios. The Administrator independently values portfolio securities and calculates the Net Asset Value in accordance with agreed upon pricing guidelines. Valuation of the securities and other investments held in the Partners Fund may involve uncertainties and judgmental determinations, and if such valuations should prove to be incorrect, the net asset value of the Partners Fund could be adversely affected. The Adviser will value the securities held by the Partners Fund in accordance with the Partners Fund's limited partnership agreement ("Partnership Agreement"). If the Adviser, in its sole and absolute discretion, determines that the valuation of any security under these terms does not fairly represent its market value, the Adviser shall have the right, in its sole and absolute discretion, to value such security at what the Adviser, in its sole and absolute discretion, determines to be the market value for such security. All values assigned to securities by the Adviser shall be final and conclusive as to all of the Partners Fund's limited partners.

The Partners Fund is not subject to trade allocation conflicts in that it is managed as a single pool of assets under a single strategy. Although the Adviser manages additional portfolios/accounts with different fee structures, trading performed by the Adviser is generally dependent upon the Portfolio Manager's assessment of the Absolute Funds' and the Partners Fund's portfolio at any given time and whether or not there may be a need to adjust the risks associated with such portfolios. Thus, such transactions are generally made independently with respect to each of the Partners Fund or the Absolute Funds.

Absolute Investment Advisers LLC

Item 7: Types of Clients

Absolute provides investment management services to the Absolute Funds, three registered open end mutual funds. Absolute also has been appointed to serve as investment adviser of the Partners Fund.

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

Absolute Strategies Fund

Principal Investment Strategies

Absolute Strategies Fund is an absolute return fund that seeks to achieve long-term capital appreciation with an emphasis on absolute (positive) returns and low sensitivity to traditional financial market indices such as the S&P 500 Index. Absolute believes that there are important benefits that come from investing alongside skilled money managers whose strategies, when combined, seek to provide risk-adjusted returns, lower volatility and lower sensitivity to financial market indices. To this end, Absolute selects subadvisers that, relative to their peers, seek to preserve capital and tend to perform differently in a market cycle.

Absolute seeks to pursue absolute returns by allocating assets among a carefully chosen group of asset managers who employ a wide range of specialized investment strategies. Absolute will allocate Absolute Strategies Fund assets among strategies of the subadvisers that it believes offer the potential for attractive long term investment returns individually and are expected to blend within the Absolute Strategies Fund's portfolio so that it may demonstrate low sensitivity and low volatility relative to the broader stock and bond markets over a complete market cycle.

The subadvisers utilize strategies and investment techniques that, in aggregate, seek to produce risk-adjusted returns and absolute returns over a full market cycle while managing risk exposure. These strategies are common hedge fund-type strategies and may attempt to exploit disparities or inefficiencies in markets, geographical areas, and companies; take advantage of security mispricings or anticipated price movements; and/or benefit from cyclical themes and relationships or special situations and events (such as spin-offs or reorganizations). Such strategies may have low sensitivity to traditional markets because they seek opportunities and risks that are unrelated to traditional markets.

Absolute has primary responsibility for allocating Absolute Strategies Fund assets in a manner that attempts to diversify the Absolute Strategies Fund's portfolio across multiple strategies and investment styles that we believe are complementary and, when combined, will produce enhanced risk-adjusted returns. To this end, Absolute will be responsible for selecting the Absolute Strategies Fund's subadvisers and determining the portion of the Absolute Strategies Fund's assets to be allocated to each subadviser. We review a range of factors (e.g. investment process) when evaluating each subadviser and its appropriate asset allocation. Absolute may direct a subadviser to reduce or limit its investment in certain assets or asset classes in order to achieve the desired composition of the Absolute Strategies Fund's portfolio. Absolute retains the discretion to invest the Absolute Strategies Fund's assets in securities and other instruments directly. Absolute has discretion to add, subject to board approval, or remove subadvisers at any time.

Absolute Investment Advisers LLC

There is no assurance that the Absolute Strategies Fund will achieve its investment objective, and an investment in the Absolute Strategies Fund is not by itself a complete or balanced investment program.

Absolute Credit Opportunities Fund

Principal Investment Strategies

Absolute will generally allocate Absolute Credit Opportunities Fund assets to a carefully chosen group of skilled money managers who employ a wide range of specialized investment strategies that, when combined, Absolute believes offer the potential for attractive long-term risk-adjusted investment returns. Absolute selects subadvisers whose strategies, relative to their peers, seek to preserve capital and tend to perform differently in a market cycle. Absolute believes that there are important benefits that come from investing through skilled money managers whose combined strategies seek to provide lower volatility and lower sensitivity to traditional market indices when measured over a full market cycle.

The subadvisers utilize strategies and investment techniques that, in aggregate, seek to produce risk-adjusted absolute returns over a full market cycle while managing credit risk exposure. These strategies are common among hedge funds and may have low sensitivity to traditional markets because they seek investment opportunities and risks that are not reflected in traditional markets.

Absolute reviews a range of factors (e.g., investment process) when evaluating each subadviser and its appropriate asset allocation. Absolute may direct a subadviser to reduce or limit its investment in certain assets or asset classes in order to achieve the desired composition of the Absolute Credit Opportunities Fund's portfolio. There is no fixed or minimum allocation to any subadviser. Absolute has the discretion to invest the Absolute Credit Opportunities Fund's assets directly in the same manner as any subadviser in pursuit of the Absolute Credit Opportunities Fund's investment objective. Subject to board approval, Absolute may add or remove subadvisers at any time. The Absolute Credit Opportunities Fund's principal investment strategies are Long/Short Credit and Distressed Debt and Convertible Arbitrage Strategies.

Long/Short Credit and Distressed Debt Strategies invest primarily in debt securities of domestic and foreign governments, agencies, and companies of all maturities and qualities, including high yield "junk bonds", bank loans and other defaulted debt securities, convertible bonds, preferred securities, Treasury Inflation Protected Securities ("TIPS"), exchange traded funds ("ETFs") and emerging market debt. Debt securities of foreign governments are sometimes referred to as sovereign debt obligations and they may be issued or guaranteed by foreign governments or their agencies. The Absolute Credit Opportunities Fund may invest in mortgage-backed securities, collateralized mortgage obligations, asset-backed securities and other mortgage related securities ("Mortgage Related Securities"). Certain Mortgage Related Securities in which the Absolute Credit Opportunities Fund invests may be rated below investment grade (i.e., junk bonds) or unrated, underperforming or distressed debt, equity securities issued by issuers of collateralized debt obligations and special situation investments, such as distressed corporate or sub-prime mortgage securities. Distressed securities may be in default or be issued by companies ranging from those undergoing restructurings in bankruptcy proceedings to those attempting to restructure out of court to those that are healthy but have short-term cash flow or liquidity problems. Such distressed or restructured securities may entitle holders to equity warrants or other forms of equity participation.

Absolute Investment Advisers LLC

The Absolute Credit Opportunities Fund invests in both short-term and long-term debt, and is not limited as to the maturities or quality of the corporate debt securities in which it invests. In executing certain strategies, the Absolute Credit Opportunities Fund may short bonds of any credit quality or maturity. Strategies may also utilize credit default swaps to create short positions when a subadviser anticipates a decline in the price of an overvalued security. The Absolute Credit Opportunities Fund may also purchase credit default swaps to enhance total return and lower volatility and may utilize treasury futures to manage interest rate risk.

Strategies may involve leverage and hedging through the use of ETFs, futures, credit default swaps, options on swaps, equities (and related equity options), total return swaps, committed term reverse repurchase facilities or other financings that the subadviser believes may enhance total return. In connection with these strategies, the Absolute Credit Opportunities Fund may act as a buyer or seller of credit default swaps.

Convertible Arbitrage Strategies seek to take advantage of the pricing inefficiencies of the embedded option in a convertible bond. Convertible arbitrage involves purchasing a portfolio of convertible securities, generally convertible bonds, and hedging a portion of the equity risk by selling short the underlying common stock. Subadvisers may utilize futures, options and credit default swaps in order to seek to manage interest rate exposures and employ leverage to increase returns. Certain subadvisers may maintain a sector and market neutral portfolio. The average grade of bond in a convertible arbitrage portfolio is typically below investment grade with individual ratings ranging from AA to CCC. Such “junk bonds” typically are rated below Baa3 by Moody’s, BBB- by S&P or BBB- by Fitch. Generally, the default risk of the company is hedged by shorting the underlying common stock.

There is no assurance that the Absolute Credit Opportunities Fund will achieve its investment objective, and an investment in the Absolute Credit Opportunities Fund is not by itself a complete or balanced investment program.

Absolute Capital Opportunities Fund

Principal Investment Strategies

Absolute Capital Opportunities Fund seeks to provide attractive returns by focusing on equity investments with lower volatility and lower sensitivity to traditional market indices when measured over a full market cycle.

Absolute will generally allocate Fund assets among a carefully chosen group of asset managers (“Subadvisers”) who employ specialized equity based investment strategies that are expected to blend within the Fund’s portfolio so that the Fund may achieve lower sensitivity and lower volatility relative to broad stock markets.

Absolute has primary responsibility for allocating Fund assets in a manner that attempts to allocate the Fund’s portfolio across strategies and investment styles that Absolute believes are complementary and, when combined, will produce long-term risk-adjusted returns. In seeking long-term risk-adjusted returns, Absolute equates risk with a permanent loss of capital and not simply volatility. To this end, Absolute will be responsible for selecting the Fund’s Subadvisers. Absolute reviews a range of factors (e.g., investment process) when evaluating each Subadviser.

Absolute Investment Advisers LLC

Absolute retains the discretion to invest the Fund's assets in securities and other instruments directly. Subject to board approval, Absolute has the discretion to add, or remove Subadvisers at any time. Absolute may also reallocate Fund assets among Subadvisers. The Subadvisers may use a combination of the following investment strategies:

Opportunistic and Long-Biased Equity Strategies seek to capitalize on undervalued equity securities (common stock, preferred stock, convertible securities, warrants, rights and sponsored or unsponsored American Depositary Receipts ("ADRs")) or on positive market trends and may focus in certain securities markets, industries, company sizes, or geographical areas. Strategies may utilize short sales, options and futures and forward contracts to implement selective hedging and manage risk exposure.

Long/Short Equity or Market Neutral Strategies attempt to neutralize exposure to general domestic market risk by primarily investing in common stocks that are undervalued and short selling stocks that are considered to be overvalued. Strategies may attempt to realize a valuation discrepancy in the relationship between multiple securities (relative value or value arbitrage), or may utilize quantitative factors to measure investment attractiveness among securities.

Long/Short or Hedged Equity Strategies invest in securities a Subadviser believes to be undervalued or offer high growth opportunities while also attempting to minimize overall market risk or take advantage of an anticipated decline in the price of an overvalued company or index by using short sales, futures or options. Strategies may use futures or options to hedge risk, increase or reduce the Fund's investment exposure or obtain leverage.

Global and Emerging Market Strategies seek to take advantage of investment opportunities that are believed to have the highest probability of success (long investment) or failure (short investment). Subadvisers may invest in equity, fixed income, currencies, precious metals or commodities in domestic or foreign, including high-growth, emerging markets. Strategies may utilize individual securities, exchange-traded funds ("ETFs"), and other exchange-traded products, options and swaps linked to major market, sector or country indices, fixed-income securities, currencies and commodities.

Absolute Strategies Fund and Absolute Credit Opportunities Fund

Principal Investment Risks

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

Absolute Investment Advisers LLC

ADR Risk

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

Agricultural Sector Investment Risk (Absolute Strategies Fund Only)

Stocks of companies in the agricultural sector will be susceptible to market and other conditions that affect the agriculture sector and, therefore, the market value of these companies will often be based more on the condition of, and consumers' confidence in, the economy as a whole, rather than on the value of underlying assets held by companies in the agriculture sector.

Bank Loan Risk

The Fund may purchase secured and unsecured participations in loans and may purchase assignments of such loans. The Fund may invest in loan participations of any credit quality, including "distressed" companies which carry a substantial risk of loss. Certain loan participations may be illiquid.

Cash and Cash Equivalents Holdings Risk

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

Commodities Risk

Exposure to the commodities markets may subject the Fund to greater volatility than investments in traditional securities. Commodities-related instruments are subject to substantial price fluctuations over short periods of time and may be affected by unpredictable economic, political and environmental events. Factors that may significantly affect the prices of commodities include, but are not limited to: global supply and demand; domestic and international interest rates and investors' expectations of interest rates; inflation rates and investors' expectations of inflation rates; the investment and trading activities of commodity futures contracts; political, economic, or financial events, both globally and regionally

Convertible Securities Risk

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

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Counterparty Risk

The Funds may enter into financial instruments or transactions with a counterparty. A counterparty may become bankrupt or otherwise fail to perform its obligations due to financial difficulties, jeopardizing the value of the Funds' investment.

Currency Risk (Absolute Strategies Fund/Absolute Capital Opportunities Fund)

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

Derivatives Risk

Derivatives, such as options, futures, forwards and swaps, can be volatile, and a small investment in a derivative can have a large impact on the performance of the Funds as derivatives can result in losses in excess of the amount invested. Other risks of investments in derivatives include risks of default by the other party to the derivative transactions; risks that the transactions may result in losses that partially or completely offset gains in portfolio positions; and risks that the derivative transaction may not be liquid. The Funds' use of derivatives may also expose the Funds to greater or different risks, including the following:

Correlation Risk is the risk of imperfect correlation between the value of these instruments and the underlying assets. Credit Derivative Risk is the risk that a credit derivative position, such as a credit default swap, may correlate imperfectly with the price of the asset or liability being hedged. The Fund's risk of loss in a credit derivative transaction varies with the form of the transaction.

Hedging Risk is the risk that derivative instruments used to hedge against an opposite position may offset losses, but they also may offset gains.

Segregation Risk is the risk associated with any requirements, which may be imposed on the Fund, to segregate assets or enter into offsetting positions in connection with investments in derivatives. Such segregation will not limit the Fund's exposure to loss, and the Fund may incur investment risk with respect to the segregated assets to the extent that, but for the applicable segregation requirement, the Fund would sell the segregated assets.

Volatility Risk is the risk that, because the Fund may use some derivatives that involve economic leverage, this economic leverage will increase the volatility of a derivative instrument, as they may increase or decrease in value more quickly than the reference asset.

Distressed Investments Risk

The Funds' investment in instruments involving loans, loan participations, bonds, notes, non-performing and sub-performing mortgage loans, many of which are not publicly traded, may involve a substantial degree of risk. These instruments may become illiquid and the prices of such instruments may be extremely volatile.

Absolute Investment Advisers LLC

Valuing such instruments may be difficult and the Funds may lose all of its investment, or it may be required to accept cash or securities with a value less than the Funds' original investment. Issuers of distressed securities are typically in a weak financial condition and may default, in which case the Funds may lose their entire investment.

Emerging Markets Risk

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

Equity Risk

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

Event-Driven Strategies Risk (Absolute Strategies Fund/Absolute Capital Opportunities Fund)

Inherently speculative in nature, investments pursuant to special situations and event-driven strategies require a subadviser to make predictions about a corporate event and its impact on a company. A subadviser may make inaccurate predictions and the anticipated event and/or contemplated corporate transaction may not take place as expected or at all. This may result in the distribution of a new, less valuable security in place of the security (or derivative). The Fund may have to sell a security at a loss, and such securities are subject to the risk of complete loss of value.

Fixed-Income Securities Risk

The Funds may invest in fixed-income (debt) securities, which are generally subject to the following risks:

Credit Risk. The financial condition of an issuer of a fixed-income security may cause the issuer to default. A decline in an issuer's credit rating may cause a decrease in the value of the security and an increase in investment risk and price volatility.

Extension Risk. If interest rates rise, repayments of principal on certain fixed-income securities may occur at a slower-than-expected rate and, as a result, the expected maturity of such securities could lengthen which could cause their value to decline.

Interest Rate Risk. An increase in interest rates typically causes a decrease in the value of fixed-income securities in which the Funds may invest. Given the historically low interest rate environment, risks associated with rising rates are heightened.

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Prepayment Risk. Prepayment of fixed-income securities, which is more common when interest rates are declining, may shorten such securities' maturity, reduce the Funds' return and cause the Funds to reinvest in lower yielding securities.

Variable and Floating Interest Rate Risk. Variable and floating rate securities may produce a leveraging effect or provide interest payments that vary inversely with market rates. Floating and variable rate securities may be called or redeemed by the issuer prior to maturity, which may result in the Funds having to reinvest proceeds in other investments at a lower interest rate. The Funds may suffer a loss if there is no active secondary market for any particular floating or variable rate security.

Foreign Investments Risk

The value of foreign investments may be affected by risks in addition to those affecting domestic companies, including the imposition of new or amended government regulations, changes in diplomatic relations between the U.S. and another country, political and economic instability, the imposition or tightening of exchange controls or other limitations on repatriation of foreign capital or nationalization, and/or increased taxation or confiscation of investors' assets. Investments in securities of foreign issuers are subject to fluctuations in the value of the issuer's local currency and may be subject to foreign withholding and other taxes.

Forward and Futures Contracts Risk

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

High Portfolio Turnover Risk

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

High-Yield Securities Risk

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

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Initial Public Offering Risk

The Funds may purchase securities in an initial public offering (“IPO”) that are restricted (subject to contractual or legal restrictions on resale because they are not registered under the Securities Act of 1933) and may be illiquid; thus the Funds may not be able to dispose of them promptly at the price at which they are valued.

Large Capitalization Company Risk

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

Leverage Risk

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

Liquidity Risk

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

Management Risk

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

Market Events Risk

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

Mortgage-Related Securities Risk

The Funds’ investments in Mortgage-Related Securities may be affected by, among other things, changes in interest rates, the creditworthiness of the entities that provide their credit enhancements or the market’s assessment of the quality of the underlying assets. Mortgage-Related Securities can be sensitive to changes in

Absolute Investment Advisers LLC

interest rates and are subject to pre-payment risk, which is the risk that the underlying debt may be refinanced or prepaid. Mortgage-Related Securities may be issued or guaranteed by the U.S. government, its agencies or instrumentalities or by private issuers. Mortgage-Related Securities issued by private issuers are subject to greater credit risks than those issued or guaranteed by the U.S. government.

Multi-Manager Risk

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

Non-Diversification Risk (Absolute Credit Opportunities Fund Only)

The Fund is non-diversified. Investment by the Fund in securities of a limited number of issuers may expose it to greater market risk and potential monetary losses than if its assets were diversified among the securities of a greater number of issuers.

Options Risk

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

Pooled Investment Vehicle Risk

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

Precious Metals Risk (Absolute Strategies Fund/Absolute Capital Opportunities Fund)

Investments in precious metals and securities related to precious metals are generally very volatile, and their prices may be affected by government policy; economic, financial, social and political factors; and inflation. In addition, the Fund may incur higher custody and transaction costs for precious metals than for investments in securities.

Preferred Stock Risk

Preferred stock is a class of a capital stock that typically pays dividends at a specified rate. Preferred stock is generally senior to common stock, but subordinate to debt securities, with respect to the payment of

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dividends and on liquidation of the issuer. The market value of preferred stock generally decreases when interest rates rise and is also affected by the issuer's ability to make payments on the preferred stock.

Registered Investment Company and Exchange-Traded Funds Risk

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

Repurchase and Reverse Repurchase Transactions Risk (Absolute Strategies Fund Only)

The Fund may enter into repurchase and reverse repurchase transactions agreements. If the party agreeing to repurchase should default, the Fund may sell the underlying securities and incur procedural costs or delays in addition to any unrecoverable loss on the securities. Reverse repurchase agreements involve the risk that the market value of the securities sold by a Fund may decline below the price at which such Fund is obligated to repurchase the securities. Reverse repurchase agreements may be considered borrowing for some purposes.

Restricted Securities Risk

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

Rights and Warrants Risk (Absolute Capital Opportunities Fund Only)

Rights and warrants may be considered more speculative than certain other types of investments in that they do not entitle a holder to dividends or voting rights with respect to the underlying securities that may be purchased nor do they represent any rights in the assets of the issuing company. Also, the value of a right or warrant does not necessarily change with the value of the underlying securities and a right or warrant ceases to have value if it is not exercised prior to the expiration date. If a right or warrant held by the Fund is not exercised by the date of its expiration, the Fund would lose the entire purchase price of the right or warrant.

Short Selling Risk

If the Funds buy back a security it has sold short at a higher price, the Funds will incur a loss on the transaction. Because the loss on a short sale stems from increases in the value of the security sold short, the extent of such loss is theoretically unlimited. Short sales may decrease the liquidity of the Funds and may

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create leverage, which may cause relatively smaller adverse market movement to have a disproportionate impact on the Fund's performance. Short sales expose the Fund to Segregation Risk. See "Derivatives Risk," "Segregation Risk." discussed above.

Small and Mid-Capitalization Company Risk

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

Sovereign Debt Risk

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

Subprime Mortgage Securities Risk

Investments in securities involving subprime mortgage loans (*i.e.*, loans to borrowers with lower credit scores) may be subject to certain risks associated with defaults on such loans. Originators and servicers may experience serious financial difficulties that may affect the performance of mortgage-backed securities backed by subprime mortgage loans. In addition, the Funds may experience difficulty in the management and reinvestment of its investments subprime mortgage loans due to fluctuating interest rates and market volatility and the Funds may incur losses on such investments.

Swap Contract Risk

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

Treasury Inflation Protected Securities Risk

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

Value Investment Risk

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

Warrants Risk

Warrants can provide a greater potential for loss than an equivalent investment in the underlying security. The price of a warrant does not necessarily move in tandem with the price of the underlying security, and

Absolute Investment Advisers LLC

therefore, a warrant may be highly volatile and speculative. If a warrant held by the Funds is not exercised by the date of its expiration, the Funds would lose the entire purchase price of the warrant.

Additional Information

Absolute may invest the Funds' assets in securities and other instruments directly. Absolute may exercise this discretion in order to invest the Funds' assets pending allocation to a subadviser, to hedge the Funds against exposures created by the subadvisers, or to modify the Funds' exposure to a particular investment or market-related risk. Absolute may exercise its discretion over unallocated assets to invest the Funds' assets directly and may reallocate to itself assets previously allocated to a subadviser. There is no fixed or minimum allocation to any subadviser. In the future, Absolute may add or remove subadvisers.

To manage risk or enhance return (including through leverage), the subadvisers and/or Absolute directly may invest in derivatives. Some derivatives, such as exchange-traded futures and options on securities, commodities and indexes are standardized contracts that can readily be bought or sold, and whose market values are published daily. Non-standardized derivatives, such as swaps, tend to be more complex and harder to value.

The subadvisers and/or Absolute directly may invest in forwards, futures and options contracts and in equity, interest rate, index, credit default swap agreements and currency rate swap agreements. The subadvisers and/or Absolute directly may invest in futures contracts on securities, commodities, and securities indices. The subadvisers and/or Absolute directly may invest in options on securities, securities indices, commodities and futures.

A complete description of the Funds' investment strategies and risks are outlined in the prospectus and statement of additional information for each Fund. We encourage all investors to review those documents in conjunction with this brochure prior to making an investment in our Funds.

Absolute Partners Fund LP

Principal Investment Strategies

The Partners Fund's investment objective is long-term capital appreciation with a focus on avoiding large permanent losses of capital. The Partners Fund seeks to achieve its investment objective by utilizing a global long/short strategy based on asset-class, country, region, sector, currency or strategic systemic risk factors principally using exchange traded funds, including those organized as grantor trusts ("ETFs"), and options on ETFs both long and short. The strategy may incorporate arbitrage or relative-value positions, or technical considerations.

Principal Investment Risks

The Partners Fund's investment activities involve a significant degree of risk. The performance of any investment is subject to numerous factors that are neither within the control of, nor predictable by, either the General Partner or the Adviser. Such factors include a wide range of economic, political, competitive, and other conditions that may affect investments in general or specific industries or companies.

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ADR Risk

Investments in ADRs may involve risks relating to political, economic or regulatory conditions in foreign countries. These risks include fluctuations in foreign currencies, political and financial instability, less liquidity and greater volatility, lack of uniform accounting, auditing and financial reporting standards and increased price volatility. The underlying securities are typically denominated (or quoted) in a currency other than U.S. dollars. The securities underlying ADRs trade on foreign exchanges at times when U.S. markets are not open for trading. As a result, the value of ADRs may not track the price of the underlying securities and may change materially at times when the U.S. markets are not open for trading. Unsponsored ADRs may involve additional risks, and their prices may be more volatile than the prices of sponsored ADRs.

Bank Loan Risk

The Partnership may purchase secured and unsecured participations in loans and may purchase assignments of such loans made by banks or other financial intermediaries. Payment of principal and interest depends upon the creditworthiness of the borrower, and the Partnership may not receive scheduled principal or interest payments. The Partnership may invest in loan participations of any credit quality, including “distressed” companies which carry a substantial risk of losing the entire amount invested. Certain loan participations may be illiquid.

Convertible Securities Risk

Convertible securities entail some of the risks of both equity and debt securities. While fixed-income securities generally have a priority claim on a corporation’s assets over that of common stock, some of the convertible securities which the Partnership may hold are high-yield/high-risk securities that are subject to special risks, including the risk of default in interest or principal payments which could result in a loss of income from or a decline in the market value of, the securities. In addition, convertible securities often display a degree of market price volatility that is comparable to common stocks. The credit risk associated with convertible securities generally is reflected by their ratings by organizations such as Moody’s or S&P or a similar determination of creditworthiness. The value of convertible securities tends to decline as interest rates rise and, because of the conversion feature, tends to vary with fluctuations in the market value of the underlying securities.

Counterparty Risk

The Partnership may enter into financial instruments or transactions with a counterparty. A counterparty may become bankrupt or otherwise fail to perform its obligations due to financial difficulties, jeopardizing the value of the Partnership’s investment. The Partnership may experience significant delays in recovering an investment in a bankruptcy or other reorganization proceeding, and recover only a limited amount or none of its investment in such circumstances.

Derivatives Risk

Derivatives are financial instruments that have a value which depends upon, or is derived from, a reference asset, such as one or more underlying securities, pools of securities, options, futures, indexes or currencies. Derivatives may result in investment exposures that are greater than their cost would suggest; in other words,

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a small investment in a derivative may have a large impact on the Partnership's performance. The successful use of derivatives generally depends on the General Partner's ability to predict market movements.

The Partnership may use derivatives as a substitute for taking a position in the reference asset or to gain exposure to certain asset classes. Under such circumstances, the derivatives may have economic characteristics similar to those of the reference asset, and the Partnership's investments in the derivatives may be applied toward meeting a requirement to invest a certain percentage of its net assets in instruments with such characteristics. The Partnership may use derivatives to hedge (or reduce) exposure to a portfolio asset or risk. The Partnership may also use derivatives to manage cash.

Derivatives are subject to a number of risks described elsewhere in this section, such as liquidity risk, interest rate risk, credit risk, and general market risks. The Partnership's use of derivatives may also expose the Partnership to greater or different risks include the following:

Correlation Risk is the risk that derivative instruments may be mispriced or improperly valued and that changes in value of the derivatives may not correlate perfectly with the underlying asset or security.

Credit Derivative Risk is the risk associated with the use of credit derivatives, which is a highly specialized activity that involves strategies and risks different than those with ordinary portfolio security transactions. If the General Partner is incorrect in its forecast of default risks, market spreads or other applicable factors, the Partnership's investment performance would diminish compared with what it would have been if these techniques were not used. Moreover, even the General Partner is correct in its forecast, there is a risk that a credit derivative position may correlate imperfectly with the price of the asset or liability being hedged. The Partnership's risk of loss in a credit derivative transaction varies with the form of the transaction.

Hedging Risk is the risk that derivative instruments used to hedge against an opposite position may offset losses, but they also may offset gains.

Segregation Risk is the risk associated with any requirements, which may be imposed on the Partnership, to segregate assets or enter into offsetting positions in connection with investments in derivatives. Such segregation will not limit the Partnership's exposure to loss, and the Partnership may incur investment risk with respect to the segregated assets to the extent that, but for the applicable segregation requirement, the Partnership would sell the segregated assets.

Volatility Risk is the risk that, because the Partnership may use some derivatives that involve economic leverage, this economic leverage will increase the volatility of a derivative instrument, as they may increase or decrease in value more quickly than the reference asset.

Distressed Investments Risk

The Partnership's distressed debt strategy of investing in instruments involving loans, loan participations, bonds, notes, non-performing, sub-performing and sub-prime mortgage loans, many of which are not publicly

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traded, may involve a substantial degree of risk. In certain periods, there may be little or no liquidity in the markets for these instruments. The prices of such instruments may be extremely volatile. Valuing such instruments may be difficult, and the spread between the bid and asked prices of them may be greater than normally expected. If the General Partner's evaluation of a distressed security should prove incorrect, the Partnership may lose a substantial portion or all of its investment, or it may be required to accept cash or securities with a value less than the Partnership's original investment. Moreover, because issuers of distressed securities are typically in a weak financial condition, the likelihood of default is high, in which case the Partnership may lose its entire investment in such defaulted securities.

Emerging Markets Risk

The Partnership may invest in foreign investments of issuers in emerging markets. Investments in such emerging markets present greater risks than investing in foreign issuers in general. The risk of political or social upheaval is greater in emerging markets. Inflation and rapid fluctuations in inflation rates have had, and may continue to have, negative effects on the economies and markets of certain emerging market countries. A relative lack of information about companies in emerging markets may also exist. Securities traded on emerging markets are potentially illiquid and may be subject to volatility and high transaction costs.

Equity Risk

Equity holdings, including common stocks, may decline in value because of changes in price of a particular holding or a broad stock market decline. These fluctuations could be a drastic movement or a sustained trend. The value of a security may decline for a number of reasons which may relate directly to the issuer of a security, such as management performance, financial leverage and reduced demand for the issuer's goods or services or broader economic or market events, including changes in interest rates. Common stocks in general are subject to the risk of an issuer liquidating or declaring bankruptcy, in which case the claims of owners of the issuer's debt securities and preferred stock take precedence over the claims of common stockholders. The value of convertible securities tends to decline as interest rates rise and, because of the conversion feature, tends to vary with fluctuation in the market value of the underlying securities or any changes in the issuer's credit rating.

Fixed-Income Securities Risk

The Partnership may invest in fixed-income (debt) securities whose value depends generally on an issuer's credit rating and the interest rate of the security. Fixed-income securities are generally subject to the following risks:

Credit Risk. The financial condition of an issuer of a fixed-income security may cause the issuer to default or become unable to pay interest or principal due on the security. If an issuer defaults, a fixed-income security could lose all of its value, be renegotiated at a lower interest rate or principal amount or become illiquid. Generally, investment risk and price volatility increase as a fixed-income security's credit rating declines, which can cause the price of fixed-income securities to go down.

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Extension Risk. If interest rates rise, repayments of principal on certain fixed-income securities may occur at a slower-than-expected rate and, as a result, the expected maturity of such securities could lengthen which could cause their value to decline.

Interest Rate Risk. The value of fixed-income securities may decline due to changes in prevailing interest rates. An increase in interest rates typically causes a decrease in the value of fixed-income securities in which the Partnership may invest. Fixed-income securities with longer durations tend to be more sensitive to changes in interest rates, generally making them more volatile than fixed-income securities with shorter durations. Given the historically low interest rate environment, risks associated with rising rates are heightened.

Prepayment Risk. Fixed-income securities may be subject to unanticipated prepayment, shortening the expected maturity of the security. As a result, prepayments may reduce the return on investment and cause increased price volatility in fixed-income securities. Such prepayments often occur during periods of declining interest rates, and may cause the Partnership to reinvest its assets in lower yielding securities.

Variable and Floating Interest Rate Risk. The interest rates of variable rate securities may reset or move at specified intervals, while the interest rates floating rate securities may reset whenever there is a change in a specified index rate. In most cases, these reset provisions reduce the impact of changes in market interest rates on the value of the security. However, some securities do not directly track an underlying index, but reset based on formulas that may produce a leveraging effect; others may also provide for interest payments that vary inversely with market rates. When the Partnership holds variable or floating rate securities, a decrease (or, in the case of inverse floating rate securities, an increase) in market interest rates will adversely affect the income received from such securities and the net asset value of the Partnership. In response to an interest rate decline, certain floating and variable rate securities may be called or redeemed by the issuer prior to maturity, which may result in the Partnership having to reinvest proceeds in other investments at a lower interest rate. There may not be an active secondary market for any particular floating or variable rate security, which could make it difficult to dispose of the security and cause the Partnership to suffer a loss.

Foreign Investments Risk

The value of foreign investments may be affected by the imposition of new or amended government regulations, changes in diplomatic relations between the U.S. and another country, political and economic instability, the imposition or tightening of exchange controls or other limitations on repatriation of foreign capital or nationalization, increased taxation or confiscation of investors' assets. Changes in the exchange rate between U.S. dollars and a foreign currency may reduce the value of an investment made in a security denominated in that foreign currency. Also, foreign securities are subject to the risk that an issuer's securities may not reflect the issuer's condition because there is not sufficient publicly available information about the issuer. This risk may be greater for investments in issuers in emerging or developing markets. Investments in securities of foreign issuers may also be subject to foreign withholding and other taxes.

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Futures Contracts Risk

There may be an imperfect correlation between the changes in market value of the securities held by the Partnership and the prices of futures contracts. There may not be a liquid secondary market for the futures contracts.

High Turnover Risk

The Partnership's investment strategy may result in high turnover rates. This may increase the Partnership's brokerage commission costs. The performance of the Partnership could be negatively impacted by the increased brokerage commission cost incurred by the Partnership. Rapid portfolio turnover also exposes Limited Partners to a higher current realization of short-term capital gains, distributions of which would generally be taxed to you as ordinary income and thus cause you to pay higher taxes.

High-Yield Securities Risk

Investments in "high yield securities" or "junk bonds" are inherently speculative and have a greater risk of default than investments in investment grade fixed-income securities. Below-investment grade fixed-income securities may be less liquid and more volatile than investment grade fixed-income securities and may be more difficult to value or sell. Issuers of below-investment grade fixed-income securities are more likely to encounter and be materially affected by financial difficulties that may cause the issuer to default or otherwise become unable to pay interest or principal due on the security. Rising interest rates may compound such difficulties and reduce an issuer's ability to repay principal and interest. If an issuer of a below-investment grade fixed-income security defaults, the security could lose all of its value, be renegotiated at a lower interest rate or principal amount or become illiquid.

Large Capitalization Company Risk

Investments in large capitalization companies may go in and out of favor based on market and economic conditions and may underperform other market segments. Some large capitalization companies may be unable to respond quickly to new competitive challenges or to attain the high growth rate of successful smaller companies, especially during extended periods of economic expansion. As such, returns on investments in stocks of large capitalization companies could trail the returns on investments in stocks of small and mid-capitalization companies.

Leverage Risk

Leverage transactions, including investing in certain derivatives, borrowing money, selling securities short and entering into agreements, create the risk of magnified capital losses. The use of leverage may increase (or decrease) the Partnership's return when the Partnership earns a greater (or lesser) return on leveraged investments than the cost of the leverage. The effect of leverage on the Partnership's returns may be magnified by market movements or changes in the cost of leveraging. Changes in interest rates and related economic factors could cause the relationship between the cost of leveraging and the yield on leveraged investments to change in a manner that is unfavorable for the Partnership. In an extreme case, the Partnership's current investment income may not be sufficient to meet the interest expense of leveraging,

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and it may be necessary for the Partnership to liquidate certain of its investments at an inopportune time. Leverage may exaggerate the effect of a change in the value of the Partnership's portfolio securities, causing the Partnership to be more volatile than if leverage was not used. The Partnership will, where required, reduce leverage risk by either segregating an equal amount of liquid assets or "covering" the transactions that introduce such risk.

Liquidity Risk

The Partnership may invest in less liquid and restricted securities. Such securities may have limitations on resale, and the Partnership may have to register a restricted security in order to dispose of it, resulting in expense and delay. Restricted and illiquid securities are extremely difficult to value and are not subject to disclosure or other investor protection requirements. The Partnership may not be able to dispose of restricted or illiquid securities promptly and/or may only be able to do so at substantial discounts. As a result, the Partnership may experience difficulty satisfying redemption requests. Significant positions in other instruments, including those in which there is low trading volume, also may be difficult for the Partnership to liquidate and result in losses for the Partnership.

Market Events Risk

Turbulence in the financial markets and reduced liquidity in equity, credit and fixed-income markets may negatively affect issuers worldwide, which could have an adverse effect on the Partnership. Following the financial crisis that began in 2007, the Federal Reserve has attempted to stabilize the U.S. economy and support the U.S. economic recovery by keeping the federal funds rate at or near zero percent. In addition, the Federal Reserve has purchased large quantities of securities issued or guaranteed by the U.S. Government or its agencies or instrumentalities on the open market, a strategy known as quantitative easing. As the Federal Reserve tapers or reduces quantitative easing, and if the Federal Reserve raises the federal funds rate, there is a risk that interest rates across the U.S. financial system will rise. These policy changes may expose markets to heightened volatility and may reduce liquidity for certain Partnership investments, causing the value of the Partnership's investments and share price to decline. To the extent that the Partnership experiences high redemptions because of these governmental policy changes, the Partnership may experience increased portfolio turnover, which will increase the costs that the Partnership incurs and will lower the Partnership's performance.

Mid-Capitalization Company Risk

Investments in mid-capitalization companies may entail greater risks and their securities' prices may fluctuate more and have a higher degree of volatility than those of larger, more established companies. Securities of mid-capitalization companies may be traded in lower volume and be less liquid. At certain times, the general market may not favor the mid-sized companies in which the Partnership invests and as a result the Partnership could underperform the general market. Mid-sized companies may have more limited product lines, markets and financial resources that make them more susceptible to economic and market setbacks. The smaller the company, the greater effect these risks may have on the company's operations and performance which could have a significant impact on the price of the security. These factors could adversely affect the Partnership's ability to sell such securities at a desirable time and price.

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Options Risk

The Partnership's investment in options may have additional risks. The success of the Partnership's investment in options depends upon many factors, such as the price of the options which is a function of interest rates, volatility, dividends, the exercise price, stock price and other market factors. These factors may change rapidly over time. There may also be an imperfect correlation between the prices of options and movements in the price of the securities (or indices) hedged or used for cover which may cause a given hedge not to achieve its objective. In addition, each over-the-counter ("OTC") option exposes the Partnership to counterparty risk, and the Adviser may determine to concentrate any or all of its OTC option transaction with a single counterparty or a small group of counterparties. If a counterparty defaults, the Partnership's only recourse will be to pursue contractual remedies against the counterparty, and the Partnership may be unsuccessful in its pursuit. The Partnership thus assumes the risk that it may be delayed in or prevented from obtaining payments owed to it pursuant to an OTC options transaction.

Preferred Stock Risk

If interest rates rise, the dividend on preferred stock may be less attractive, causing the price of preferred stock to decline. Preferred stock may have mandatory sinking fund provisions, as well as provisions for their call or redemption prior to maturity which can have a negative effect on their prices when interest rates decline.

Preferred stocks are equity securities because they do not constitute a liability of the issuer and therefore do not offer the same degree of protection of capital or continuation of income as debt securities. The rights of preferred stock on distribution of a corporation's assets in the event of its liquidation are generally subordinated to the rights associated with a corporation's debt securities. Preferred stock may also be subject to credit risk.

Registered Investment Company and Exchange-Traded Funds Risk

The risks of investment in these securities typically reflect the risks of the types of instruments in which the investment company and ETF invests. When the Partnership invests in investment company securities or ETFs, Limited Partners of the Partnership bear their proportionate share of their fees and expenses, as well as their share of the Partnership's fees and expenses. As a result, an investment by the Partnership in an investment company or ETF could cause the Partnership's operating expenses to be higher and, in turn, performance to be lower than if it were to invest directly in the instruments underlying the investment company or ETF. To the extent that the Partnership invests in any investment company or ETF sponsored by the General Partner or its affiliates, the General Partner may waive certain fees and expenses. The trading in an ETF may be halted if the trading in one or more of the ETF's underlying securities is halted.

Short Selling Risk

The Partnership may engage in short sales of securities by borrowing a security and then selling it. If the Partnership buys back the security at a higher price, the Partnership will incur a loss on the transaction. Furthermore, because the loss on a short sale stems from increases in the value of the security sold short, the extent of such loss is theoretically unlimited. Short sales may involve additional transactions costs and other

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expenses that may exceed the return on the position, which may cause the Partnership to lose money. Short sales may decrease the liquidity of certain securities or positions, or the Partnership as a whole, and may lower the Partnership's returns or result in a loss. A short sale may create leverage and as a result, may cause relatively smaller adverse market movement to have a disproportionate impact on the Partnership's performance. In addition, there is no guarantee that the Partnership will be permitted to continue to engage in short sales, which are designed to earn the Partnership a profit from the decline of the price of a security.

In addition, when the Partnership is selling stocks short, it must maintain a segregated account with its custodian of cash and/or high-grade securities equal to the current market value of the stocks sold short less any collateral deposited with the Partnership's broker. As a result, the Partnership may maintain high levels of cash or liquid assets (such as U.S. Treasury bills, money market accounts, repurchase agreements, certificates of deposit, high quality commercial paper and long equity positions) for collateral needs in addition to incurring the same Segregation Risk as in Derivatives Risk.

Small Capitalization Company Risk

Investments in small capitalization companies may entail greater risks and their securities' prices may fluctuate more and have a higher degree of volatility than those of larger, more established companies. Securities of small capitalization companies may be traded in lower volume and be less liquid. At certain times, the general market may not favor the smaller, growth-oriented companies in which the Partnership invests and as a result the Partnership could underperform the general market. Smaller companies may have more limited product lines, markets and financial resources that make them more susceptible to economic and market setbacks.

Additionally, information about these companies may not be readily available. The smaller the company, the greater effect these risks may have on the company's operations and performance which could have a significant impact on the price of the security. These factors could adversely affect the Partnership's ability to sell such securities at a desirable time and price.

Sovereign Debt Risk

A sovereign debtor's willingness and ability to repay principal and interest on issued debt securities may depend on, among other things, its cash flow situation, cash reserves, foreign exchange rates, the size of the debt service burden on the issuer's economy, its policy toward international lenders and political constraints. Sovereign debt risks are greater for emerging market issuers, and investors should be aware that certain emerging market countries are among the largest debtors to commercial banks and foreign governments. At times, certain emerging market countries have declared moratoria on the payment of principal and interest on foreign debt obligations. Such countries have experienced difficulty serving their sovereign debt on a timely basis, resulting in defaults and restructurings of their debt.

Swap Contracts Risk

The Partnership may engage in interest rate, currency, and equity swaps and CDSs, and related instruments, which require the General Partner to forecast, among other things, interest rate movements, currency

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fluctuations, market values and the likelihood of credit event for a securities issuer. Such forecasting is inherently difficult and entails investment risk. The use of swaps involves investment techniques and risks different from those associated with ordinary portfolio security transactions. There is no guarantee that the Partnership will be able to eliminate its exposure under an outstanding swap by entering into an offsetting swap, and the Partnership may not assign a swap without the consent of the counterparty to it. In addition, each swap exposes the Partnership to counterparty risk and the General Partner may determine to concentrate any or all of its swap transactions, including CDS, in a single counterparty or small group of counterparties. If a counterparty defaults, the Partnership's only recourse will be to pursue contractual remedies against the counterparty and the Partnership may be unsuccessful in such pursuit. The Partnership thus assumes the risk that it may be delayed in or prevented from obtaining payments owed to it pursuant to a swap contract. In addition to counterparty risks, CDS are subject to credit risk on the underlying investment. If the Partnership were the buyers of CDS and no event of default occurred, the Partnership would lose its entire investment.

Similarly, if the Partnership were the seller of CDS and an event of default occurred, it would be required to pay its counterparty the value of the CDS, which may cause the Partnership to incur a loss on the CDS transaction.

Treasury Inflation Protected Securities Risk

TIPS are income-generating instruments whose interest and principal payments are adjusted for inflation. In certain interest rate environments, such as when real interest rates are rising faster than nominal interest rates, TIPS may experience greater losses than other fixed income securities with similar durations. The inflation adjustment, which is typically applied monthly to the bond's principal, follows a designated inflation index, such as the consumer price index (CPI). A fixed coupon rate is applied to the inflation adjusted principal so that as inflation rises, both the principal value and the interest payments increase. This adjustment can provide investors with a hedge against inflation, as it helps preserve the purchasing power of their investments. Because of this inflation adjustment feature, inflation protected bonds typically have lower yields than conventional fixed-rate bonds. TIPS are subject to certain risks, including interest rate risk and deflation risk. TIPS may also be divided into individual zero-coupon instruments for each coupon or principal payment (known as "iSTRIPS"). An iSTRIP of the principal component of a TIPS issue will retain the embedded inflation floor that will allow the holder of that security to receive the greater of the original principal or inflation adjusted principal value at maturity. iSTRIPS may be less liquid than conventional TIPS because they are a small component of the TIPS market.

Warrants Risk

Warrants can provide a greater potential for loss than an equivalent investment in the underlying security. The price of a warrant does not necessarily move in tandem with the price of the underlying security, and therefore, a warrant may be highly volatile and speculative. Warrants have no voting rights, pay no dividends and have no rights with respect to the assets of the issuer other than a purchase option. If a warrant held by the Partnership were not exercised by the date of its expiration, the Partnership would lose the entire purchase price of the warrant.

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Systemic Risk

World events and/or the activities of one or more large participants in the financial markets and other events or activities of others could result in a temporary systemic breakdown in the normal operation of financial markets. Such events could result in the Partnership losing substantial value caused predominantly by a general loss of liquidity in the financial markets, which could result in the Partnership incurring substantial losses.

For a complete overview of risks associated with the Partners Fund, please refer to the private fund offering documents.

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 the Adviser or the integrity of the Adviser's management. The Adviser has no disciplinary information to report.

Item 10: Other Financial Industry Activities and Affiliations

Christian Aymond and Brian Hlidek each an Officer of Absolute are registered representatives of Foreside Fund Distributors, LLC, an unaffiliated broker-dealer that acts as a limited purpose distributor for the Absolute Funds.

The General Partner is an affiliate of Absolute and has appointed Absolute to serve as the Partners Fund's investment adviser with responsibility for the management of the Partners Fund portfolio. Absolute is responsible for researching, selecting and monitoring investments by the Partners Fund and making decisions on when and how much to invest in or withdraw from a particular investment. Each of the General Partner and Absolute will devote such time and attention to the Partners Fund's activities, as they deem necessary for the management of the affairs of the Fund.

Item 11: Code of Ethics

Absolute has adopted a Code of Ethics ("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, guidelines surrounding gifts and business entertainment items, personal securities trading procedures, conflicts of interest, among other things. All supervised persons must acknowledge the terms of the Code annually, or as amended.

The Code establishes standards and procedures for the detection and prevention of inappropriate personal securities transactions by persons having knowledge of the investments of the Absolute Funds and addresses other situations involving a potential conflict of interest.

Absolute Investment Advisers LLC

The Code is intended to ensure that the employee conduct is in accordance with the following principles:

- 1) The duty at all times to place first the interest of clients;
- 2) The requirement that all personal securities transactions are in compliance with the Code in order to avoid any actual or potential conflict of interest or any abuse of an individual's responsibility and position of trust;
- 3) The fundamental standard that Absolute personnel not take appropriate advantage of their positions; and
- 4) The fundamental standard that Absolute and its associated persons have a fiduciary obligation to its clients.

Generally, Absolute requires pre-clearance and reporting of covered securities and accounts for the Absolute's Access Persons. However, certain covered securities do not require pre-clearance but are subject to the reporting requirements. All covered security transactions are reviewed for compliance in accordance with the Code.

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

The Adviser or the Funds may affect certain affiliated transactions, including transactions in accordance with Section 17 of the Investment Company Act of 1940, as amended.

Item 12: Brokerage Practices

The Absolute Funds

Generally, the subadvisers are responsible for making all decisions with respect to the Absolute Funds' investments and brokerage. Absent instructions of the Adviser to the contrary, the subadvisers shall, in the name of the Absolute Funds, place orders for the execution of portfolio transactions with or through such brokers, dealers or other financial institutions as they may select. In addition, the subadvisers may exercise authority with respect to all other things necessary or incidental to the furtherance or conduct of such purchases, sales or other transactions, including voting of proxies with respect to securities owned by the Funds, subject to such proxy voting policies as approved by the Funds' Board.

Absolute retains the discretion to invest the Absolute Funds' assets in securities and other instruments directly. We may exercise this discretion in order to invest the Absolute Funds' assets pending allocation to a subadviser, to hedge against overall Fund exposures created by the subadvisers, or to increase or reduce the Absolute Funds' net market or investment exposure or exposure to a particular issuer, sector or industry, which may involve leverage. Absolute may exercise its discretion over unallocated assets or may reallocate to itself assets previously allocated to a subadviser.

Absolute Investment Advisers LLC

Generally, Absolute may use futures, forwards and options to reduce the risk of market movements that may impact the Absolute Funds (*i.e.* managing exposure). The Absolute Funds may invest in derivatives to hedge (or reduce) its exposure to a portfolio asset or risk, to obtain leverage for speculative purposes, to modify the net market or investment exposure, or to manage cash and/or as a substitute for taking a position in the reference asset or to gain exposure to certain asset classes.

In placing orders for securities transactions not otherwise delegated to a subadviser, our primary consideration in executing transactions on behalf of the Absolute Funds is prompt execution of orders in an effective manner and at the most favorable priced available. To achieve best execution, we consider several factors, including but not limited to the size of the order, overall trading volume, the difficulty of execution, etc. In recognition of the value of the foregoing factors, Absolute may place portfolio transactions through a broker or dealer with whom we have negotiated a commission that is in excess of the commission another broker would have charged for effecting that transaction. Transactions are made independently with respect to each Fund and are not aggregated.

Soft Dollars / Directed Brokerage

Absolute does not participate in any soft dollars or directed brokerage arrangements.

The Partners Fund

Consistent with the Adviser's obligation to obtain "best execution" for each securities transaction made on behalf of the Partners Fund, Absolute has the sole and absolute power and authority to determine the brokers to be used for each securities transaction for the Partners Fund. In selecting brokers or dealers to execute transactions, the Adviser need not solicit competitive bids and does not have an obligation to seek the lowest available commission cost. In selecting brokers for transactions, Absolute will take into account factors such as price, the ability of the brokers and dealers to effect the transactions, their facilities, reliability and financial responsibility, research capabilities and ease of accessing research, and overall responsiveness of the broker to client and firm requests and inquiries. Accordingly, Absolute makes a good faith determination that the commissions paid are reasonable in relation to the value of the brokerage or other services provided. The General Partner has established a custodial relationship and prime brokerage account with Fidelity Investments. Neither the General Partner nor Absolute are affiliated with Fidelity Investments.

Absolute does not receive, nor has entered into agreements, for soft dollar benefits from Fidelity Investments. However, Absolute reserves the right and may enter into soft dollar arrangements to pay for research and brokerage services so long as such usage meets the safe harbor. Section 28(e) of the Securities Exchange Act of 1934, as amended, provides a "safe harbor" to investment managers who use commission dollars generated by their advised accounts to obtain "research" and "brokerage" products and services that provide lawful and appropriate assistance to the manager in the performance of investment decision-making responsibilities. Research or brokerage products and services provided by brokers through which portfolio transactions for the Partners Fund are executed may include research reports on particular industries and

Absolute Investment Advisers LLC

companies, economic surveys and analyses, recommendations as to specific securities, online quotations, news and research services, and other research-related services (*e.g.*, computer and telecommunications equipment and software). To the extent the Partners Fund engages in “soft dollars,” all such activities shall be within the Section 28(e) safe harbor.

Portfolio Turnover

The Adviser will buy and sell securities or options for the portfolio as necessary to achieve the Partners Fund’s investment objective without regard to the frequency of turnover. The Partners Fund has no restrictions as to the amount of portfolio turnover. If the Adviser trades securities or options for the short term, the Partners Fund’s turnover can be expected to increase. The Partners Fund’s turnover will vary over time depending on the investment opportunities available. A high turnover rate involves greater brokerage commissions paid by the Partners Fund.

Trading performed by the Adviser is generally dependent upon the Portfolio Manager’s assessment of the Funds and the Partners Fund’s portfolio at any given time and whether or not there may be a need to adjust the risks associated with such portfolios. Thus, such transactions are generally made independently with respect to each of the Partners Fund or Funds. However, the Adviser has trade aggregation and allocation procedures in place for circumstances in which aggregation may be appropriate.

Absolute does not currently participate in any directed brokerage arrangements and does not select brokers based upon client referrals.

Item 13: Review of Accounts

The Absolute Funds

Reviews

Absolute allocates assets to various subadvisers who exercise full discretion over any assets allocated to them. Each subadviser has implemented their own policies and procedures with respect to reviewing the Funds’ portfolios on an ongoing basis to determine compliance with the Funds’ registration statement and applicable regulatory requirements.

Absolute, in its role as Adviser, provides additional oversight with respect to the Absolute Funds and services provided to the Absolute Funds. The Portfolio Manager monitors the portfolios on an ongoing basis, focusing on short and long range parameters of risk, performance and diversification. The Vice President of Operations and/or the Vice President of Portfolio Management review post-trade and compliance monitoring reports on a regular basis and maintain ongoing dialog with the subadvisers. Reviews of compliance checklists and questionnaires completed by each subadviser are also performed on a quarterly basis.

Absolute Investment Advisers LLC

Reporting

Absolute provides quarterly reports to the Funds' trustees and/or Fund CCO. Information provided includes, but is not limited to, investment management updates from the Portfolio Manager, a brokerage summary report, general updates regarding the subadvisers and compliance updates with respect to Absolute or the subadvisers.

The Partners Fund

Reviews

Portfolio reviews are primarily conducted by the Portfolio Manager on a daily basis. The Portfolio Manager continuously reviews the investments in the portfolio to ensure that its investments are consistent with the investment objectives, philosophy, strategy and methodologies that are described to the Limited Partners in our offering documents and to ensure that the general levels of investment, position concentration and other measures of risk and potential reward in the portfolio are consistent with the investment strategy.

Reporting

Monthly capital statements are sent to each Limited Partner by the Administrator summarizing the investor's individual performance.

On an annual basis, each Limited Partner receives a copy of the Partners Fund's audited financial statements prepared by the independent auditors and tax reporting information. The Adviser also provides additional information as requested by our Limited Partners provided that such requests are deemed reasonable in content and scope.

Item 14: *Client Referrals and Other Compensation*

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

These payments are generally based on one or more of the following factors: average net assets of the Funds shares, gross or net sales of Fund shares, reimbursement of ticket charges (including fees that a dealer firm charges its representatives for effecting transactions in Fund shares and payments for processing transactions via National Securities Clearing Corporations ("NSCC")) or a negotiated lump sum payment for services rendered. In addition, program servicing payments may be paid in some instances to third parties in connection with investments in the Funds by retirement plans and other investment programs. Absolute may make on-time or annual payments to select financial institutions receiving program servicing payments in reimbursement of printing costs for literature for participants, account maintenance fees or fees for establishment of Absolute's mutual funds on the financial institution's system. Absolute, at its expense, may

Absolute Investment Advisers LLC

provide additional compensation to financial institutions which sell or arranges for the sale of shares of the Funds to the extent not prohibited by laws or FINRA rules. Such compensation provided by Absolute may include financial assistance to financial institutions that enable Absolute to participate in and/or present at conferences or seminars, sales or training programs for invited registered representatives and other dealer employees, dealer entertainment, and other dealer-sponsored events, and travel expenses, including lodging incurred by registered representatives and other employees in connection with prospecting retention and due diligence trips.

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

NOTE: Absolute currently does not have any arrangements in place to compensate third parties for client referrals for the Absolute Partners Fund LP.

Item 15: Custody

The Absolute Funds

Absolute's clients are three open-end mutual funds. As such, Absolute does not have custody of client of the respective assets. Cash and securities are maintained by the Funds' Custodian, which has been approved by the Absolute Funds' Board.

The Partners Fund

The Adviser does not maintain physical possession of client cash and/or securities. However, as the investment manager and the General Partner, as relying adviser, for the Partners Fund, the Adviser does have access to cash and securities in the Partners Fund, along with the authority to perform various acts that may be deemed to result in custody, as defined under Rule 206(4)-2 of the Advisers Act.

Consistent with the requirements under the Advisers Act, the assets of the Partners Fund are held in an account maintained with its broker, who is a "qualified custodians" within the meaning of the Advisers Act.

Absolute Investment Advisers LLC

The Partners Fund's broker is a registered broker-dealer that hold the Partners Fund assets in a separate account (or in a separate customer account with records identifying the assets of the Partners Fund in accordance with applicable broker-dealer and custodial bank regulation).

Securities are maintained at the broker and cash is kept at the broker in the Partners Fund's bank account which is administered by the Administrator. The Administrator oversees all cash transfers into and out of the Partners Fund.

The financial statements of the Partners Fund is audited annually (in accordance with GAAP) by an independent public accounting firm that is registered with, and subject to regular inspection by, the PCAOB (the Public Company Accounting Oversight Board). Copies of the audited financial statements are independently distributed to each Limited Partner within 120 days of the Partners Fund's fiscal year end.

Item 16: Investment Discretion

Absolute Funds

Absolute receives discretionary authority from its clients (the Absolute Funds) pursuant to the investment management agreements. Absolute's primary role is to select subadvisers to manage the Funds' assets and to allocate assets among the selected subadvisers. Discretionary authority is transferred to the subadvisers pursuant to an investment management agreement between Absolute and each respective subadviser. In all cases, discretion is exercised in a manner consistent with the stated investment objectives for the particular client account.

Partners Fund

The Adviser has full discretionary authority over all assets it manages for the Partners Fund, consistent with the investment objectives and strategy described in the Partners Fund's confidential private offering memoranda and subject to any restrictions from time to time communicated by the Partners Fund or otherwise set forth in such private offering memoranda. This discretionary authority is conferred on the Adviser as set forth in the Partnership Agreement and as provided in the power of attorney executed by Limited Partners in connection with their initial investment in the Partners Fund. The Adviser does not provide advisory services directly to Limited Partners in the Partners Fund.

Item 17: Voting Client Securities

Each subadviser is responsible for voting proxies with respect to the portfolio of securities they manage on behalf of our Funds. The subadvisers maintain documentation of all proxies/corporate action information that was received, records of how the proxies were voted, when the vote was submitted, and any other applicable details that may be needed in order to facilitate the Administrator in filing Form N-PX on behalf of the Absolute Funds.

Absolute Investment Advisers LLC

Proxy voting is generally not applicable to Absolute given the type of securities we transact in (futures) on behalf of the Absolute Funds. However, we have adopted the Forum Funds' Proxy Voting Procedures should we have proxy voting responsibilities at any time in the future.

Proxy Voting for the Partners Fund

The Adviser has adopted a proxy voting policy to facilitate the voting of proxies in what we perceive to be in the best interests of the Partners Fund. We recognize our fiduciary obligation and will comply with our obligations under Rule 206(4)-6 under the Advisers Act.

The Portfolio Manager is responsible for making decisions with respect to voting proxies. The VP of Operations is responsible for facilitating the overall voting process—from receipt of the proxies to casting the votes, and for working with the CCO to ensure accurate and adequate disclosure in Form ADV Part 2.

We have identified a limited range of issues upon which Absolute intends to exercise proxy voting authority - either to register disapproval of management proposals or to demonstrate support for company initiatives through positive use of voting powers. These issues are outlined as follows:

Absolute will use reasonable efforts to determine whether a potential conflict may exist, and a potential conflict shall be deemed to exist only if the Adviser actually knew or should have known of the conflict.

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

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

Item 18: Financial Information

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