



## **Vigilant Investment Advisors, LLC**

500 N. Marketplace Drive, Suite 101  
Centerville, UT 84014  
801-951-7700

[www.vigilantinvestments.com](http://www.vigilantinvestments.com)

### **Firm Brochure, March 2012**

This brochure provides information about the qualifications and business practices of Vigilant Investment Advisors, LLC. If you have any questions about the contents of this brochure, please contact us at 801-951-7700 and / or [MTullis@vigilantinvestments.com](mailto:MTullis@vigilantinvestments.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any State Securities Authority. Additional information about Vigilant Investment Advisors, LLC also is available at the SEC's website [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) (click on the link, select "investment adviser firm" and type in our firm name). Results will provide you both Part 1 and 2 of our Form ADV.

## Material Changes

1. Initial Filing on 1/4/2010:
  - a. New Disclosures in this document include those items previously not requested, including:
    - i. Vigilant Low Volatility Fund I, LLC
    - ii. Vigilant Opportunity Fund I, LLC
2. In future filings, this section of the Brochure will address only those “material changes” that have been incorporated since our last delivery or posting of this document on the SEC’s public disclosure website (IAPD) [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).
3. We may, at any time, update this Brochure and send you a copy or offer to send you a copy (either by electronic means (email) or in hard copy form).
4. If you would like another copy of this Brochure, please download it from the SEC Website as indicated above or you may contact our Chief Compliance Officer, Matthew Tullis at 801-951-7700 or [MTullis@vigilantinvestments.com](mailto:MTullis@vigilantinvestments.com).

# Table of Contents

Material Changes .....	i
Table of Contents .....	ii
Item 4 - Advisory Business .....	1
Item 5 - Fees and Compensation .....	7
Item 6 - Performance-Based Fees and Side-By-Side Management .....	9
Item 7- Types of Clients .....	10
Item 8 - Methods of Analysis, Investment Strategies and Risk of Loss.....	11
Item 9 - Disciplinary Information .....	15
Item 10 - Other Financial Industry Activities and Affiliations .....	16
Item 11 - Code of Ethics, Participation or Interest in Client Transactions and Personal Trading .....	17
Item 12 - Brokerage Practices .....	20
Item 13 - Review of Accounts .....	22
Item 14 - Client Referrals and Other Compensation .....	23
Item 15 - Custody .....	24
Item 16 - Investment Discretion .....	26
Item 17 - Voting Client Securities (i.e., Proxy Voting) .....	27
Item 18 - Financial Information .....	28

## **Item 4 - Advisory Business**

Vigilant Investment Advisors, LLC (“Vigilant”) is a limited liability company organized under the laws of Utah in 2004. Vigilant became an SEC registered advisor on 1/4/2010. Vigilant is affiliated with WN Holdings LLC by virtue of its majority ownership of Vigilant. As of December 2011 Vigilant has approximately \$25 million in discretionary assets under management.

Vigilant provides investment advisory services to individuals, banks or thrift institutions, pension and profit sharing plans, trust, estates, corporation and other business entities (collectively “clients”). Clients will be solicited to invest in privately held pooled investment vehicles exempt from registration under the Investment Company Act of 1940 referenced below. Vigilant currently serves as the investment adviser and manager to the following Funds:

### **Vigilant Market Neutral Fund I, LLC (“VMNF”)**

Vigilant Market Neutral Fund I, LLC (“VMNF”) is a limited liability company organized under the laws of the State of Utah. VMNF seeks to generate above average long-term capital appreciation through long-term market cycles while limiting exposure to general market risk. VMNF seeks to achieve this objective by investing in publicly traded securities and by dynamically managing assets within a disciplined investment strategy that the Adviser believes offers the potential for attractive investment returns within risk parameters that limit VMNF’s general market risk exposure.

#### **Management Fee**

As compensation for services required to be provided by the Adviser under the Advisory Agreement, VMNF will pay the Adviser a quarterly fee in arrears (the “Advisory Fee”) computed at the annual rate of 2.00% of the aggregate value of outstanding interests determined as of the last day of the month (before any repurchases of interests). In addition to the Advisory Fee, an incentive fee (the “Incentive Fee”) will be paid by VMNF to the Adviser quarterly in arrears based on the investment performance of VMNF. This Incentive Fee is calculated as 20% of the capital net appreciation of the fund.

#### **Minimum Capital Investment**

The minimum initial investment in VMNF by any investor is \$250,000 and the minimum additional investment by any investor is \$10,000. VMNF may modify these minimums from time to time.

### **Vigilant Protection Fund I, LLC (“VPF”)**

Vigilant Protection Fund I, LLC (“VPF”) is a limited liability company organized under the laws of the State of Utah. VPF pursues its investment objective by employing a combination

of “market neutral,” “net market long,” and “net market short” investment strategies and by actively allocating its assets among specific alternative investment strategies that each individually offer the potential for attractive investment returns and are expected to blend together within the VPF’s portfolio to limit the overall investment exposure to general trends in equity, debt and other markets. VPF seeks to generate above average absolute returns over various market cycles. Although a significant portion of the investment returns will be income and short-term capital gains, current income is not the primary objective.

#### **Management Fee**

As compensation for services required to be provided by the Adviser under the Advisory Agreement, VPF will pay the Adviser a quarterly fee in arrears (the “Advisory Fee”) computed at the annual rate of 2.00% of the aggregate value of outstanding interests determined as of the last day of the quarter (before any repurchases of interests). In addition to the Advisory Fee, an incentive fee (the “Incentive Fee”) will be paid by VPF to the Adviser quarterly in arrears based on the investment performance of VPF. This Incentive Fee is calculated as 20% of the net capital appreciation of VPF.

#### **Minimum Capital Investment**

The minimum initial investment in VPF by an investor is \$50,000 and the minimum additional investment by an investor is \$10,000. These minimums may be modified by VPF from time to time.

### **CapLine Recovery Fund I, LLC (“CRF”)**

CapLine Recovery Fund I, LLC is seeking to fund activities through the offering of unsecured promissory notes to investors. Vigilant Investment Advisors, LLC, (“Vigilant Advisors” or the “Adviser”) is CRF’s investment adviser and Manager, and will have primary responsibility for determining the portion of CRF’s assets to be allocated to each investment strategy pursuant to the investment advisory agreement between CRF and the Adviser. Investors in CRF will be general, unsecured creditors of CRF and will not participate in any of its trading profits or other return on its investment.

#### **Management Fee**

As compensation for services required to be provided by the Adviser under the Advisory Agreement, CRF will pay the Adviser a quarterly fee in arrears (the “Advisory Fee”) computed at the annual rate of 2.00% of the aggregate value of outstanding interests determined as of the last day of the quarter (before any repurchases of interests). In addition to the Advisory Fee, CRF may collect reimbursement costs of organizing CRF and any additional administrative costs (the administrative costs may fluctuate based on the size of CRF’s assets. However, Vigilant will pay, out of the Advisory Services Fee, any amount of the administrative fee that exceeds 0.2% of the fund’s assets).

**Minimum Capital Investment**

Interests are being offered only to Accredited Investors that meet all requirements to invest in CRF. The minimum initial investment in CRF by an investor is \$50,000. These minimums may be modified by the Advisor from time to time.

**Vigilant Balanced Fund I, LLC (“VBF”)**

The Vigilant Balanced Fund I, LLC seeks to generate above average long-term capital appreciation through long-term market cycles while limiting the VBF’s exposure to general market risk. VBF seeks to achieve this objective by investing in funds with the same objectives and by dynamically managing VBF assets within a disciplined investment strategy among the funds that the Adviser believes offers the potential for attractive investment returns within risk parameters that reduce the VBF’s general market risk exposure.

- *Management Fee*

The underlying funds invested in by VBF will have an advisory and incentive fee as explained in each funds individual private placement memorandum.

- *Minimum Capital Investment*

Investors are required to maintain an account size of \$25,000 or greater in the fund.

**Vigilant Income Fund II, LLC (“VIF2”)**

Vigilant Income Fund II, LLC is seeking to fund investment activities through an offering of unsecured promissory notes, or “Promissory Notes,” as described in this Memorandum, to investors. Vigilant Investment Advisors, LLC, (“Vigilant Advisors” or the “Advisor”) is VIF2’s investment adviser and Manager, and will have primary responsibility for determining the portion of VIF2’s assets to be allocated to each investment strategy pursuant to that certain investment advisory agreement by and between VIF2 and the Advisor. Investors in VIF2 will be general, unsecured creditors of VIF2 and will not participate in any of its trading profits or other return on its investment.

**Management Fee**

As compensation for services required to be provided by the Advisor under the Advisory Agreement, VIF2 will pay the Advisor a quarterly fee in arrears (the “Advisory Fee”) computed at the annual rate of 2.00% of the aggregate value of outstanding interests determined as of the last day of the quarter (before any repurchases of interests).

**Minimum Capital Investment**

Promissory Notes are being offered only to Accredited Investors that meet all requirements to invest in VIF2. The minimum initial investment in VIF2 by an

investor is \$25,000 and the minimum additional investment by an investor is \$10,000. These minimums may be modified by VIF2 from time to time.

### **Vigilant Managed Equities Fund I, LLC (“VME”)**

The Vigilant Managed Equities Fund I, LLC seeks to generate above average long-term capital appreciation through long-term market cycles while limiting VME’s exposure to general market risk. VME seeks to achieve this objective by investing in publicly traded securities and by dynamically managing assets within a disciplined investment strategy that the Adviser believes offers the potential for attractive investment returns within risk parameters that limit VME’s general market risk exposure.

#### **Management Fee**

As compensation for services required to be provided by the Adviser under the Advisory Agreement, VME will pay the Adviser a quarterly fee in arrears (the “Advisory Fee”) computed at the annual rate of 2.00% of the aggregate value of outstanding interests determined as of the last day of the month (before any repurchases of interests). In addition to the Advisory Fee, an incentive fee (the “Incentive Fee”) will be paid by VME to the Adviser quarterly in arrears based on the investment performance of VME. This Incentive Fee is calculated as 20% of the net capital appreciation of VME.

#### **Minimum Capital Investment**

The minimum initial investment in VME by any investor is \$25,000 and the minimum additional investment by any investor is \$1,000. VME may modify these minimums from time to time

### **Vigilant Market Neutral Fund II, LLC (“VMNII”)**

Vigilant Market Neutral Fund II, LLC is a limited liability company organized under the laws of the State of Utah. VMNII seeks to generate above average long-term capital appreciation through long-term market cycles while limiting the VMNII’s exposure to general market risk. VMNII seeks to achieve this objective by investing in publicly traded securities and by dynamically managing assets within a disciplined investment strategy that the Adviser believes offers the potential for attractive investment returns within risk parameters that limit VMNII’s general market risk exposure.

- *Management Fee*

As compensation for services required to be provided by the Adviser under the Advisory Agreement, VMNII will pay the Adviser a quarterly fee in arrears computed at the annual rate of 2.00% of the aggregate value of outstanding interests determined as of the last day of the month (before any repurchases of interests). In addition to the Advisory Fee, an incentive fee will be paid by VMNII to

the Adviser quarterly in arrears based on the investment performance of VMNII. This Incentive Fee is calculated as 20% of the net capital appreciation of VMNII.

- *Minimum Capital Investment*  
The minimum initial investment in VMNII by any investor is \$250,000 and the minimum additional investment by any investor is \$1,000. VMNII may modify these minimums from time to time.

### **Vigilant Low Volatility Fund I, LLC (“VLVF”)**

The Vigilant Low Volatility Fund I, LLC seeks to generate a target rate of return while optimizing the portfolio for a low level of volatility consistent with the rate of return target. VLVF seeks to achieve this objective by investing in publicly traded securities and by dynamically managing assets within a disciplined investment strategy that the Adviser believes offers the potential for attractive investment returns within risk parameters that reduce VLVF’s general market risk exposure.

#### **Management Fee**

As compensation for services required to be provided by the Adviser under the Advisory Agreement, VLVF will pay the Adviser a quarterly fee in arrears (the “Advisory Fee”) computed at the annual rate of 2.00% of the aggregate value of outstanding interests determined as of the last day of the month (before any repurchases of interests). In addition to the Advisory Fee, an incentive fee (the “Incentive Fee”) will be paid by VLVF to the Adviser quarterly in arrears based on the investment performance of VLVF. This Incentive Fee is calculated as 20% of the net capital appreciation of the fund above the costs of managing VLVF.

#### **Minimum Capital Investment**

The minimum initial investment in VLVF by any investor is \$25,000 and the minimum additional investment by any investor is \$10,000. VLVF may modify these minimums from time to time

### **Vigilant Opportunity Fund I, LLC (“VOF”)**

The Vigilant Opportunity Fund I, LLC seeks to generate above average long-term capital appreciation through long-term market cycles while limiting the VOF’s exposure to general market risk. VOF seeks to achieve this objective by investing in publicly traded securities and by dynamically managing the fund assets within a disciplined investment strategy that the Adviser believes offers the potential for attractive investment returns within risk parameters that limit VOF’s general market risk exposure.

#### **Management Fee**

As compensation for services required to be provided by the Adviser under the



Advisory Agreement, VOF will pay the Adviser a quarterly fee in arrears (the "Advisory Fee") computed at the annual rate of 2.00% of the aggregate value of outstanding interests determined as of the last day of the month (before any repurchases of interests). In addition to the Advisory Fee, an incentive fee (the "Incentive Fee") will be paid by VOF to the Adviser quarterly in arrears based on the investment performance of VOF. This Incentive Fee is calculated as 20% of the net capital appreciation of the fund above the costs of managing VOF.

**Minimum Capital Investment**

The minimum initial investment in VOF by any investor is \$250,000 and the minimum additional investment by any investor is \$10,000. VOF may modify these minimums from time to time

## Item 5 - Fees and Compensation

Vigilant receives compensation in the form of advisory fees and incentive fees as explained above (Item 4) under each of the specific funds in the section titled *management fees*.

### Fee Payment Option

- Direct debit : Each Fund's administrator calculates the fee due each quarter. Vigilant will notify the Fund's custodian of the amount of the fee due and payable to us through our fee schedule and contract as calculated by the Fund's administrator. The custodian does not validate or check our fee or its calculation on the assets on which the fee is based. .

### **Additional Fees and Expenses:**

Advisory fees payable to us do not include all the fees you will pay when we purchase or sell securities for your Account(s). The following list of fees or expenses are what you pay directly to third parties, whether a security is being purchased, sold or held in your Account(s) under our management. Fees charged are by the broker dealer / custodian. We do not receive, directly or indirectly any of these fees charged to you. They are paid to your broker, custodian or the mutual fund or other investment you hold. The fees include:

- Brokerage commissions;
- Transaction fees;
- Exchange fees;
- SEC fees;
- Advisory fees and administrative fees charged by Mutual Funds (MF), Exchange Traded Funds (ETFs)
- Advisory fees charged by sub-advisers (if any are used for your account);
- Custodial Fees;
- Deferred sales charges (on MF or annuities);
- Odd-Lot differentials;
- Deferred sales charges (charged by MFs);
- Transfer taxes;
- Wire transfer and electronic fund processing fees;
- Commissions or mark-ups / mark-downs on security transactions ;
- Among others that may be incurred.

In addition, we do not have or employ any "Employee" at all that receives (directly or indirectly) any compensation from the sale of securities or investments that are purchased

or sold for your account or to which we provide consulting expertise / services. As a result, we are a “fee only” investment adviser.

## **Item 6 - Performance-Based Fees and Side-By-Side Management**

We do charge advisory fees on a share of the capital appreciation of the funds or securities in a client account (so-called performance based fees). These fees are calculated on an investor preferred rate of return specific to the fund the investor holds. Please refer to the *management fee* sections above (Item 4) for the specific guidelines Vigilant will use to calculate this fee.

## **Item 7- Types of Clients**

We currently only provide our services to pooled investment vehicles (e.g., Hedge Funds)

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

The foregoing descriptions are not intended to be exhaustive. Investors should refer to the Funds' offering documents for a complete description of the Funds' methods of analysis, investment strategies and risk factors. Vigilant offers nine private investment funds as described below:

### **Vigilant Market Neutral Fund I, LLC ("VMNF")**

VMNF will pursue its investment objective by investing in publicly traded securities and similar investment vehicles. The investment program of the VMNF is multi-strategy and includes strategies such as long/short equity, net market long, net market short and long/short equity option investing. VMNF will seek to dynamically allocate its assets, both long and short, using relative pricing models and methodologies developed by Vigilant. VMNF may invest and trade in a wide range of instruments and markets including, but not limited to, U.S. equities and equity-related instruments, debt obligations of U.S. issuers, equity and equity index options and money market instruments. In connection with VMNF's investment program, VMNF may make use of sophisticated investment techniques that involve, among other things, short sales of securities, the use of leverage (i.e., borrowing money for investment purposes), and transactions in other financial instruments such as stock and index options.

### **Vigilant Protection Fund I, LLC ("VPF")**

VPF may utilize a variety of special investment instruments and techniques to hedge its portfolio against various risks (such as changes in interest rates or other factors that affect security values) or for non-hedging purposes to pursue VPF's investment objective. These techniques include but are not limited to options trading, leverage and short selling. VPF pursues its investment objective by employing a combination of "market neutral," "net market long," and "net market short" investment strategies and by actively allocating its assets among specific alternative investment strategies that each individually offer the potential for attractive investment returns and are expected to blend together within VPF's portfolio to limit VPF's overall investment exposure to general trends in equity, debt and other markets. The investment program of VPF may include allocating assets based on Vigilant's perception of the economic and market outlook of various investments, market neutral strategies, such as long/short equity or equity option investing, net long equity and net short equity. Together this investment program encompasses a range of investments that historically have exhibited a relatively low correlation to the performance of debt, equity and other markets.

### **Capline Recovery Fund I, LLC ("CRF1")**

CRF1 will pursue its investment objective by purchasing and selling privately traded notes and securities based on consumer and corporate debt and by managing and collecting

principal and interest based on these notes. The investment program of CRF1 is multi-strategy and includes assets such as credit card debt, title loans, payday loans and other short-term and installment loans. CRF1 will seek to dynamically allocate its assets, using relative pricing models and methodologies developed by the Manager and the Advisor. CRF1 may invest and trade in a wide range of instruments, markets and money market instruments. The Advisor and the Manager will have the primary responsibility for determining the portion of CRF1's assets to be allocated to each investment strategy.

### **Vigilant Balanced Fund I, LLC ("VBF")**

VBF will pursue its investment objective by investing in funds that meet the investment objectives of VBF. The investment program of the funds that VBF invests in is multi-strategy and includes strategies such as long/short equity, net market long, net market short and long/short equity option investing. VBF will seek to dynamically allocate its assets, both long and short, using relative pricing models and methodologies developed by the Adviser. VBF may invest and trade in a wide range of instruments and markets including, but not limited to, U.S. equities and equity-related instruments, debt obligations of U.S. issuers, equity and equity index options and money market instruments. In connection with VBF's investment program, VBF may make use of sophisticated investment techniques that involve, among other things, short sales of securities, the use of leverage (i.e., borrowing money for investment purposes), and transactions in other financial instruments such as stock and index options. Vigilant Investment Advisors, LLC (the "Adviser") is the Fund's investment adviser and will have primary responsibility for determining the portion of the Fund's assets to be allocated to each investment strategy.

### **Vigilant Income Fund II, LLC ("VIF2")**

VIF2 will pursue its investment objective by investing in publicly traded securities and similar investment vehicles. The investment program of VIF2 is multi-strategy and includes strategies such as long/short equity, net market long, net market short and long/short equity option investing. VIF2 will seek to dynamically allocate its assets, both long and short, using relative pricing models and methodologies developed by the Advisor. VIF2 may invest and trade in a wide range of instruments and markets including, but not limited to, U.S. equities and equity-related instruments, debt obligations of U.S. issuers, equity options and money market instruments. In connection with VIF2's investment program, VIF2 may make use of sophisticated investment techniques that involve, among other things, short sales of securities, the use of leverage (i.e., borrowing money for investment purposes), and transactions in other financial instruments such as stock options. The Advisor will act as the VIF2's Manager, investment adviser, and have primary responsibility for determining the portion of the Fund's assets to be allocated to each investment strategy.

The foregoing descriptions are not intended to be exhaustive. Investors should refer to VIF2's offering documents for a complete description of the VIF2's methods of analysis, investment strategies and risk factors.

### **Vigilant Managed Equities Fund I, LLC (“VME”)**

VME will pursue its investment objective by investing in publicly traded securities and similar investment vehicles. The investment program of the VME is multi-strategy and includes strategies such as long/short equity, net market long, net market short and long/short equity option investing. VME will seek to dynamically allocate its assets, both long and short, using relative pricing models and methodologies developed by the Adviser. VME may invest and trade in a wide range of instruments and markets including, but not limited to, U.S. equities and equity-related instruments, debt obligations of U.S. issuers, equity and equity index options and money market instruments. In connection with the VME’s investment program, VME may make use of sophisticated investment techniques that involve, among other things, short sales of securities, the use of leverage (i.e., borrowing money for investment purposes), and transactions in other financial instruments such as stock and index options. Vigilant Investment Advisors, LLC (the “Adviser”) is the VME’s investment adviser and will have primary responsibility for determining the portion of VME’s assets to be allocated to each investment strategy.

### **Vigilant Market Neutral Fund II, LLC (“VMNII”)**

VMNII will pursue its investment objective by investing in publicly traded securities and similar investment vehicles. The investment program of VMNII is multi-strategy and includes strategies such as long/short equity, net market long, net market short and long/short equity option investing. VMNII will seek to dynamically allocate its assets, both long and short, using relative pricing models and methodologies developed by the Adviser. VMNII may invest and trade in a wide range of instruments and markets including, but not limited to, U.S. equities and equity-related instruments, debt obligations of U.S. issuers, equity and equity index options and money market instruments. In connection with VMNII’s investment program, VMNII may make use of sophisticated investment techniques that involve, among other things, short sales of securities, the use of leverage (i.e., borrowing money for investment purposes), and transactions in other financial instruments such as stock and index options. Vigilant Investment Advisors, LLC (the “Adviser”) is VMNII’s investment adviser and will have primary responsibility for determining the portion of VMNII’s assets to be allocated to each investment strategy.

### **Vigilant Low Volatility Fund I, LLC (“VLVF”)**

VLVF will pursue its investment objective by investing in publicly traded securities and similar investment vehicles. The investment program of VLVF is multi-strategy and includes strategies such as long/short equity, net market long, net market short and long/short equity option investing. VLVF will seek to dynamically allocate its assets, both long and short, using relative pricing models and methodologies developed by the Adviser. VLVF may invest and trade in a wide range of instruments and markets including, but not limited to, U.S. equities and equity-related instruments, debt obligations of U.S. issuers, equity options and money market instruments. In connection with the VLVF’s investment program, the VLVF may make use of sophisticated investment techniques that involve,



among other things, short sales of securities, the use of leverage (i.e., borrowing money for investment purposes), and transactions in other financial instruments such as stock options. Vigilant Investment Advisors, LLC (the “Adviser”) is VLVF’s investment adviser and will have primary responsibility for determining the portion of the VLVF’s assets to be allocated to each investment strategy.

### **Vigilant Opportunity Fund I, LLC**

VOF will pursue its investment objective by investing in publicly traded securities and similar investment vehicles. The investment program of VOF is multi-strategy and includes strategies such as long/short equity, net market long, net market short and long/short equity option investing. VOF will seek to dynamically allocate its assets, both long and short, using relative pricing models and methodologies developed by the Adviser. VOF may invest and trade in a wide range of instruments and markets including, but not limited to, U.S. equities and equity-related instruments, debt obligations of U.S. issuers, equity and equity index options and money market instruments. In connection with the VOF’s investment program, VOF may make use of sophisticated investment techniques that involve, among other things, short sales of securities, the use of leverage (i.e., borrowing money for investment purposes), and transactions in other financial instruments such as stock and index options. Vigilant Investment Advisors, LLC (the “Adviser”) is the VOF’s investment adviser and will have primary responsibility for determining the portion of the VOF’s assets to be allocated to each investment strategy.

### **Risk of Loss:**

All investments in securities include a risk of loss of your principal (invested amount) and any profits that have not been realized (the securities were not sold to “lock in” the profit). As you know, stock markets, bond markets fluctuate substantially over time. In addition, as recent global and domestic economic events have indicated, performance of any investment is not guaranteed. As a result, there is a risk of loss of the assets we manage that may be out of our control. We will do our very best in the management of your assets; however, we cannot guarantee any level of performance or that you will not experience a loss of your account assets.

## **Item 9 - Disciplinary Information**

In February, 2002, Matthew Tullis entered into a stipulation and consent order with the United States Comptroller of the Currency resulting from allegations by the Comptroller that Mr. Tullis engaged in improper management actions including mispricing and mismanagement of collateralized mortgage obligations in client accounts at his prior employer, Zions National Bank. Without admitting or denying the allegations, Mr. Tullis paid a fine of \$4000 and agreed to refrain from engaging in management activities at any Institutional-affiliated party without the written consent of the Comptroller.

Mr. Tullis asserted that the accounts were properly managed, auditors had reviewed and approved his activities, all of his actions were approved by senior management of the bank and that Mr. Tullis did not have ultimate and supervisory responsibility over the issues alleged by the Comptroller.

## **Item 10 - Other Financial Industry Activities and Affiliations**

R. Matthew Tullis, Owen Fisher, Adam Fisher and Ryan Halliday are Members of Wealth Navigation, LLC, an affiliated investment advisor under common ownership and control. Wealth Navigation, LLC is registered as an investment advisor with the Securities & Exchange Commission and various state jurisdictions. These other business activities utilize approximately 80% of their time.

Vigilant currently serves as the investment adviser and manager to the Vigilant Market Neutral Fund I, Vigilant Market Neutral Fund II, LLC, Vigilant Balanced Fund I, LLC Vigilant Protection Fund I, LLC , Capline Recovery Fund I, LLC ("CRF1"), Vigilant Income Fund II, LLC, Vigilant Managed Equities Fund I, LLC. Vigilant Low Volatility Fund I, LLC, and Vigilant Opportunity Fund I, LLC. These are private pooled investment vehicles, in which clients are solicited to invest.

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

Individuals associated with the Firm may buy or sell – for their personal account(s) – investment products identical to those purchased by the Funds which may create a conflict of interest between such individuals, the Funds and clients who invest in the Funds. It is the expressed policy of Vigilant that employees shall not have priority in any purchase or sale over the Funds' accounts. (1)(2) Vigilant has adopted a Code of Ethics, the full text of which is available to investors upon request. Vigilant has several goals in adopting this Code. First, the Firm desires to comply with all applicable laws and regulations governing its practice, and the management of Vigilant has determined to set forth guidelines for professional standards, under which all associated persons of Vigilant are to conduct themselves. Vigilant has set high standards, the intention of which is to protect the Funds and investors' interests at all times and to demonstrate its commitment to its fiduciary duties of honesty, good faith and fair dealing with the Funds and investors. All associated persons are expected to adhere strictly to these guidelines, as well as the procedures for approval and reporting established in the Code of Ethics primarily related to personal securities transactions, and violations of the Code. Vigilant and its employees may not participate in private placements or initial public offerings (IPOs) without pre-clearance from the Firm's Compliance Officer.

### **Footnotes:**

(1) This policy has been established recognizing that some securities being considered for purchase and/or sale on behalf of the Funds trade in sufficiently broad markets to permit transactions for the Funds to be completed without an appreciable impact on the markets of the securities. Under certain circumstances, exceptions may be made to the policies stated above. Records of these trades, including the reasons for the exceptions, will be maintained with Vigilant's records in the manner set forth above.

(2) The foregoing does not apply to certain types of securities, such as obligations of the U.S. Government, and shares in open-end mutual funds. Open-end mutual funds are purchased or redeemed at a fixed net asset value price per share specific to the date of purchase or redemption. As such, transactions in mutual funds by Advisory Representatives are not likely to have an impact on the prices of the Funds' shares in which clients invest. In accordance with Section 204-A of the Investment Advisers Act of 1940, Vigilant also maintains and enforces written policies reasonably designed to prevent the misuse of material non-public information by Vigilant or any person associated with Vigilant.

As required by regulation (and because it's good business), we have adopted a Code of Ethics that governs a number of potential conflicts of interest we have when providing our

advisory services to you. This Code of Ethics is designed to ensure we meet our fiduciary obligation to you, our Client (or Prospective Client) and to drive home a Culture of Compliance within our firm. An additional benefit of our Code is to detect and prevent violations of securities laws, including our obligations we owe to you. Our Code is comprehensive, is distributed to each employee at the time of hire, and annually thereafter (if there are changes). We also supplement the Code with annual training and on-going monitoring of employee activity.

Our Code includes the following:

- Requirements related to the confidentiality of your information;
- Prohibitions on:
  - Insider trading (if we are in possession of material, non-public information);
  - Rumor mongering;
  - The acceptance of gifts and entertainment that exceed our policy standards;
- Reporting of gifts and business entertainment;
- Pre-clearance of employee and firm transactions;
- Reporting (on an on-going and quarterly basis) all personal securities transactions (what we call “reportable securities” as mandated by regulation); and,
- On an annual basis, we require all employees to re-certify to our Code, identify members of their household and any account to which they have a beneficial ownership (they “own” the account or have “authority” over the account), securities held in certificate form and all securities they own at that time).

Our Code does not prohibit personal trading by employees (or our firm). As you may imagine, as a professional investment adviser, we follow our own advice. As a result, we may purchase or sell the same or similar securities (or securities that are suitable for an employee or related account but not suitable for any client, including you) at the same time that we place transactions for your account and the accounts of our other Clients.

You may request a complete copy of our Code by contacting us at the address, telephone or email on the cover page of this Part 2; attn.: Chief Compliance Officer.

Participation or Interest in Client Transactions:

Vigilant recommends to its clients the purchase or sale of our private investment funds. (A discussion of these funds may be found in Item 4 and Item 8 above.) Vigilant earns both a management fee and a performance-based fee on the private investment funds. (A discussion of these fees may be found in Item 4 above.)

Vigilant recommends to its clients the purchase or sale of Vigilant Funds. Vigilant Fund serves as the investment advisor for and receives fees from the Vigilant Funds.

Potential conflicts of interest exist. To avoid the duplication of fees and the potential for conflicts of interest, we do not charge an advisory fee to clients on their assets which are invested in the private investment funds.

## **Item 12 - Brokerage Practices**

Subject to the Funds' investment restrictions, Vigilant has complete discretion over the selection and amount of securities to be bought or sold, the broker or dealer to be used and the commission rates to be paid regarding investments in the Funds without obtaining any investor's prior consent or approval.

Portfolio transactions for the Funds generally are allocated to broker-dealers on the basis of best execution, in such a manner that the Funds' total costs or proceeds are the most favorable under the circumstances. The Firm takes into account the following criteria in selecting broker-dealers including but not limited to: special execution capabilities, knowledge of the market, block trading and block positioning capabilities, access to sources of supply or markets, record keeping services, clearance, settlement, reputation, financial strength and stability, efficiency of execution, the availability of stocks to borrow for short trades, custody and record keeping and similar services.

### **Trade Allocation Policy**

Vigilant may aggregate sale and purchase orders of securities held by the Funds with similar orders being made simultaneously for other accounts, including Vigilant and/or its associated persons own accounts, in Vigilant's reasonable judgment, such aggregation is reasonably likely to result in an overall economic benefit to the Funds based on an evaluation that the Funds are benefited by relatively better purchase or sale prices, lower commission expenses, beneficial timing of transactions, or a combination of these and other factors. In many instances, the purchase or sale of securities for the Funds are effected simultaneously with the purchase or sale of like securities for other accounts. Such transactions may be made at slightly different prices, due to the volume of securities purchased or sold. In such event, the average price of all securities purchased or sold in such transactions may be determined in Vigilant's sole discretion; the Funds may be charged or credited, as the case may be, with such average price.

### **Research and Other Soft Dollar Benefits:**

Vigilant may receive research and other brokerage related services from broker-dealers. Research products or services provided to Vigilant may include research reports on particular industries and companies, economic surveys and analyses, recommendation as

to specific securities and other products and services providing lawful and appropriate assistance to Vigilant in the performance of its investment decision-making responsibilities. The use of commissions or “soft dollars” to pay for research products or services will fall within the safe harbor created by Section 28(e) of the Securities Exchange Act of 1934. Under Section 28(e), research obtained with soft dollars generated by the Funds may be used by Vigilant to service accounts other than the Funds. Where a product or service obtained with soft dollars provides both research and non-research assistance to Vigilant or Vigilant will make a reasonable allocation of the cost which may be paid for with soft dollars.



### **Item 13 - Review of Accounts**

Investments in Fund's are monitored on a continuous basis by Matthew Tullis, a member of the Firm. Changes in market outlooks, valuation of securities and changes in opinion on specific issues, among others, may prompt particular reviews of specific investments. Transactions and accounts in general are formally reviewed on at least a quarterly basis. The Funds are governed by a Board of Managers who are elected by members and meet periodically throughout the year to oversee the Funds' business, review their performance, and review the actions of Vigilant.

Investors in Funds will receive audited financial statements on a yearly basis.

## **Item 14 - Client Referrals and Other Compensation**

Vigilant does not solicit client referrals or make/receive payments for such services. It also does not receive any additional compensation other than the disclosed fees listed above.

## **Item 15 - Custody**

Vigilant continually evaluates its custodian relationships for both qualified funds as well as non-qualified funds. Although Vigilant is an approved alternative asset on the Millennium Trust Company, LLC and the Fidelity Platform, we have recently needed the ability to custody funds at Vigilant. In preparation for this we have established relationships with two third-party administrators to provide quarterly statements and track performance. We also have a Public Company Accounting Oversight Board (PCAOB) registered firm to provide annual and/or surprise audits. We have made every effort to fulfill the SEC rule 206(4)-2 through the use of these independent third party administrators and auditors. Vigilant currently does not custody or plan to custody any qualified money. These types of funds are all currently held as Millennium Trust Company, LLC and Fidelity as the custodian. Information regarding the third party administrators and auditors can be found below:

### **Administrators**

**Mutual Shareholder Services, LLC (MSS)** provides transfer agent and accounting services for small to medium size no load/loaded mutual funds. Located in Cleveland, Ohio, MSS specializes in an array of services, including fund accounting, regulatory compliance, administrative, and transfer agent services. MSS incorporates a number of services into one company. By decreasing fund cost with a comprehensive cost effective customized service, MSS provides the greatest dollar value for its customers. Our focus is on providing quality-customized services, which maximize our customers' growth and assets. Contact 440-922-0066

**Strata Fund Services LLC** launched in 2008 to provide high-quality administration services to the alternative investment industry. While working in the hedge fund industry in areas of administration, tax, audit, and consulting services, the founders noted many fund managers were frustrated by the lack of knowledge and level of services delivered by some administrators and launched Strata to fill this gap. Contact 801-214-7700

### **Auditors**

**KPMG LLP**, the audit, tax and advisory firm, is the U.S. member firm of KPMG International. KPMG International's member firms have 137,000 professionals, including more than

7,600 partners, in 144 countries. KPMG delivers a globally consistent set of multidisciplinary services based on deep industry knowledge.  
Contact 201-307-7000

**Mantayla McReynolds, LLC**, an independent member of BDO Seidman Alliance. Mantayla McReynolds is a Salt Lake City, Utah based CPA firm. Memberships and associations include, American Institute of Certified Public Accountants (AICPA), Utah Association of Certified Public Accountants (UACPA), Public Accounting Oversight Board (PCAOB) registrant and Center for Public Company Accounting Oversight Board (CPCAF).  
Contact 801-269-1818

## **Item 16 - Investment Discretion**

Subject to the Fund's investment restrictions, Vigilant has complete discretion over the selection and amount of securities to be bought or sold, the broker or dealer to be used and the commission rates to be paid regarding investments in the Funds without obtaining any investor's prior consent or approval.

## **Item 17 - Voting Client Securities (i.e., Proxy Voting)**

Vigilant does not vote proxies for securities held in the funds.

## **Item 18 - Financial Information**

Based on Vigilant's business practices, use of a qualified custodian and advisory procedures, the SEC does not require the disclosure of financial information. Please be advised that there are no known financial conditions that would impair Vigilant's ability to meet contractual commitments to clients.

