

Item 1 Cover Page

ARMORED WOLF, LLC
18111 Von Karman Avenue
Suite #525
Irvine, CA 92612

www.armoredwolf.com

March 10, 2015

This brochure provides information about the qualifications and business practices of Armored Wolf, LLC. If you have any questions about the contents of this brochure, please contact us at (949) 333-7000. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Armored Wolf, LLC also is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 Material Changes

There have been no material changes made to this brochure since the firm's last annual update of the brochure, which was: March 6, 2014.

Item 3 Table of Contents

Brochure

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Item 4 Advisory Business

A. Describe your advisory firm, including how long it has been in business. Identify your principal owner(s).

Armored Wolf, LLC is a registered investment advisor firm registered with the Securities and Exchange Commission (SEC) securities regulators as of May 1, 2009. Please note that registration with the SEC does not imply a certain level of skill or training.

The Principal Owner of Armored Wolf, LLC is:

Armored Wolf Family Holdings, LLC, Member

Indirect Owners of Armored Wolf Family Holdings, LLC are:

Brynjolfsson Living Trust, Member
Brynjolfsson Family Irrevocable Trust, Member

Indirect Owners of Brynjolfsson Living Trust:

John B. Brynjolfsson, Co-Trustee
Margaret F. Brynjolfsson, Co-Trustee

Indirect Owner of Brynjolfsson Family Irrevocable Trust:

Erik N. Brynjolfsson, Trustee

Item 4 Advisory Business (continued)

B. Describe the types of advisory services the firm offers. If the firm holds itself out as specializing in a particular type of advisory service, explain the nature of that service in detail. If the firm provides investment advice only with respect to limited types of investments, explain the type of investment advice firm offers and disclose that the advice is limited to those types of investments.

Advisory Services

Armored Wolf, LLC (“**Armored Wolf**”) is a Delaware limited liability company that provides investment management services on behalf of its clients and other investment related duties and functions as may be agreed upon with the client. The specific services Armored Wolf provides to a particular client depend upon the investment objectives and restrictions of the client, as set forth in the documents governing Armored Wolf’s agreement with the client.

Armored Wolf provides discretionary investment advice to (1) clients through separate accounts (2) private funds sponsored by Armored Wolf (the “**Armored Wolf Funds**”) and (3) sub-advised registered mutual funds.

Except as otherwise described herein, investments for separate accounts and sub-advised registered mutual funds (referred to as “**Client(s)**”) are managed in accordance with the Client’s investment objectives, strategies, restrictions and guidelines as communicated to Armored Wolf by the Client.

The investments of each Armored Wolf Fund are managed in accordance with the investment objectives, strategies and guidelines applicable to such Armored Wolf Fund and are not tailored to any particular investor in the Armored Wolf Fund (an “**Investor**”). Armored Wolf does not provide individualized investment advice to such Investors; therefore, Investors should consider whether a particular Armored Wolf Fund meets their investment objectives, risk tolerance and financial situation. Armored Wolf’s investment management services include determining the investment objectives of an Armored Wolf Fund, determining appropriate asset allocation across the Armored Wolf Fund’s investment strategies, executing trades, and monitoring existing and prospective investments in light of each Armored Wolf Fund’s objectives and risk parameters. The Armored Wolf Funds are typically organized under the laws of Delaware or the Cayman Islands seek to invest in different sectors. The Armored Wolf Funds may also issue separate classes, sub-classes or series of interests, each with its own investment objectives, risk guidelines, strategies and offering terms (including without limitation different fee schedules and currency denominations).

C. Explain whether (and, if so, how) the firm tailors advisory services to the individual needs of clients. Explain whether clients may impose restrictions on investing in certain securities or types of securities.

Armored Wolf will tailor its advisory services to its client’s individual needs based on meetings and conversations with clients. If clients wish to impose certain restrictions on investing in

certain securities or types of securities, Armored Wolf will address those restrictions with the client to have a clear understanding of the client's requirements.

D. If the firm participates in wrap fee programs by providing portfolio management services, (1) describe the differences, if any, between how the firm manages wrap fee accounts and how it manages other accounts, and (2) explain that the firm receives a portion of the wrap fee for its services.

Armored Wolf does not provide portfolio management services to wrap fee programs therefore this question is not applicable.

E. If the firm manages client assets, disclose the amount of client assets it manages on a discretionary basis and the amount of client assets on a non-discretionary basis. Disclose the date "as of" which it calculated the amounts.

Armored Wolf manages client assets and as of December 31, 2014 had the following assets under management:

Discretionary assets:	\$453,395,052
Non-discretionary assets:	\$80,464,123

Item 5 Fees and Compensation

A. & B. Describe how the firm is compensated for its advisory services. Provide the fee schedule. Disclose whether the fees are negotiable. Describe whether the firm deducts fees from clients' assets or bills client for fees incurred. Explain how often firm bills clients or deducts its fee. Client Fees can be either directly debited from the account or invoiced and paid separately by the Client.

Advisory Fees – Separate Accounts

The fees paid to Armored Wolf are detailed in each Client's investment advisory agreement and generally include: (1) an annual or annualized "management fee" expressed as a percentage of the separate account's assets under management with Armored Wolf; (2) "incentive" or performance-based fees or compensation calculated based upon a percentage of the separate account's net capital appreciation; or (3) a combination of the foregoing. Clients also bear other expenses relating to securities transactions and account custody. However, the specifics of any fee arrangements are subject to negotiation with the Client. Except as otherwise negotiated with the Client, or described below, fees are generally calculated based on the aggregate market value of all assets under management within the separate account, including allocations to cash. Asset values for fee-billing purposes are generally based on market prices (as determined or provided

by the separate account's custodian or other relevant independent third party) on the relevant valuation date.

Incentive fees, if any, charged by Armored Wolf will be in compliance with Rule 205-3 under the Investment Advisers Act of 1940, as amended ("**Advisers Act**"), unless that rule is inapplicable by reason of Advisers Act Section 205(b) or interpretive provisions of the staff of the United States Securities and Exchange Commission ("**SEC**"). Incentive compensation is generally paid annually and may be subject to, among other things, a "high water mark" pursuant to which losses in a separate account are carried forward so that no performance fee is charged until the loss has been recouped, subject to certain adjustments. However, not all fee arrangements will include incentive fees and not all incentive fee arrangements will include such provisions. Management fees are generally paid quarterly (either in advance or in arrears), based on market values as of the relevant valuation day(s), adjusted for contributions to and withdrawals from the separate account. Management and/or incentive fees may be calculated and accrued or paid more or less frequently or in a different manner, as specified in the relevant investment advisory agreement.

Fees may change over time and different fee schedules may apply if Armored Wolf accepts Clients other than those described herein. Consequently, some Clients may pay more or less than other Clients for the same or similar management services.

Armored Wolf's investment advisory agreements generally provide for termination without penalty by either party upon prior written notice to the other party, as specified in the advisory agreement. Fees are generally pro-rated upon termination.

Advisory Fees - Armored Wolf Funds

Compensation paid to Armored Wolf by, or with respect to, Armored Wolf Funds may vary depending on the nature of the services provided and the investment strategy utilized and is not negotiable. However, any compensation earned by Armored Wolf in connection with its management of the Armored Wolf Funds may be shared, waived, rebated or reduced for any person or entity in the sole discretion of Armored Wolf, including "knowledgeable employees" (within the meaning of Rule 3c-5 of the Investment Company Act) and consultants of Armored Wolf.

Armored Wolf will generally serve as managing member or investment advisor to each Armored Wolf Fund it manages. Services provided to the Armored Wolf Funds also may include organizing and managing their business affairs; acting as general partner or managing member; executing and reconciling trades; preparing financial statements and providing audit support; preparing tax-related schedules; and drafting, printing and distributing correspondence to investors. Armored Wolf's compensation for management of the Armored Wolf Funds typically includes both management fees (currently 2.00% per annum of assets under management unless otherwise negotiated) and incentive compensation (currently, 20% of net gain unless otherwise negotiated). Management fees are payable quarterly in advance. Incentive compensation, if any, is paid through a quarterly allocation of profits from each investor into the capital account of Armored Wolf or an affiliate, at each calendar year end. The capital account of Armored Wolf, as managing member or investment advisor of each Armored Wolf Fund, is not included when calculating any such fees or compensation.

Specific requirements, procedures and restrictions apply to withdrawals and terminations by Investors and Armored Wolf, as managing member and in its sole discretion, may impose minimum redemption amounts and require the maintenance of a minimum capital account size in the event of a partial withdrawal. Typically an Investor may withdraw all or part of its interest in the Armored Wolf Fund on a monthly basis, on a date specified in the relevant Armored Wolf Fund's Private Placement Memorandum and subject to 30 days' prior written notice. However, Armored Wolf may, in its sole discretion, allow for withdrawals at other times and/or waive any applicable notice requirements.

Armored Wolf may also require an Investor to redeem all or part of its interest in an Armored Wolf Fund upon provision of reasonable notice, or without such notice, if necessary to ensure that the Armored Wolf Fund remains in compliance with applicable law. In certain circumstances, such redemptions may be imposed retroactively. If fees were to be pre-paid (as a result of a forced redemption or otherwise), a *pro rata* refund of unearned fees would be offered.

***** NOTICE TO CALIFORNIA CLIENTS *****

Pursuant to the California Code of Regulations Subsection (j) of Rule 260.238, Advisor discloses that the Client may receive lower fees from other sources for comparable services.

C. Describe any other types of fees or expenses clients may pay in connection with firm's advisory services, such as custodian fees or mutual fund expenses. Disclose that clients will incur brokerage and other transaction costs, and direct clients to the section(s) of your brochure that discuss brokerage.

See the response to Item 5A&B above. All fees paid to Armored Wolf for investment advisory services are separate and distinct from the expenses charged by mutual funds to their shareholders. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee and other fund expenses.

Armored Wolf may invest client assets in one or more pooled investment vehicles, such as mutual funds and exchange-traded funds (including mutual funds managed by Armored Wolf), if such investments are consistent with the investment objectives and policies of the client accounts involved. Subject to applicable law and regulations, if Armored Wolf makes such an investment on behalf of its clients, those clients will be responsible, indirectly as investors in the pooled investment vehicles, for a portion of the operating expenses of the pooled investment vehicles in which they are invested, in addition to the advisory fees those clients pay directly to Armored. In effect, those clients would be paying multiple advisory fees. Clients may incur fees in addition to the management fees paid Armored Wolf. This can include brokerage commissions and other custodian fees.

D. If the firm's clients either may or must pay your fees in advance, disclose this fact. Explain how a client may obtain a refund of a pre-paid fee if the advisory contract is terminated before the end of the billing period. Explain how you will determine the amount of the refund.

Armored Wolf's management fee may be payable in advance depending upon the arrangement with the client. In those circumstances, upon termination, any fees paid in advance will be prorated to the date of termination and any excess will be refunded to client.

E. If the firm or any of its supervised persons accepts compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds, disclose this fact.

Not applicable to Armored Wolf or its supervised persons.

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

If the firm or any of its supervised persons accepts performance-based fees, that is, fees based on a share of capital gains on or capital appreciation of the assets of a client, disclose this fact. If the firm or any of its supervised persons manages both accounts that are charged a performance-based fee and accounts that are charged another type of fee, such as an hourly or flat fee or asset-based fee, disclose this fact.

Armored Wolf does accept performance based fees. See the response to Item 5A&B above and Item 7 below.

There is an inherent conflict of interest when a firm charges performance-based fees to some accounts and management fees based on a percentage of assets under management to other accounts, in that an advisor is incented to favor the accounts from which it will earn higher compensation. To mitigate this conflict, the firm provides its advisory services to all client accounts, including those clients who are not charged a performance fee. These services include evaluation of investor suitability and adhering to the investor risk profile when making investment decisions, client communications and account reviews that are the same for all clients, and availability by the firm and supervised persons to meet with clients as necessary. In addition, the firm maintains trading policies and a Code of Ethics that are intended to deliver consistency, that no one client is favored over another.

Another conflict of interest concerning accounts with performance-based fees is that the advisor is incented to use higher risk investments than called for by the client risk profile. Such investments may generate higher returns, which in turn would generate higher performance-based fees for the advisor. Armored Wolf has a fiduciary obligation to its clients to put the interest of their clients first over and above the interest of the firm and its supervised persons. In addition, Armored Wolf attempts to further mitigate this conflict by maintaining suitability and employing trading policies and procedures designed to assist the advisor in further meeting its fiduciary obligations to adhere to the client's agreed upon risk profile.

Item 7 Types of Clients

Describe the types of clients to who the firm generally provide investment advice, such as individuals, trusts, investment companies or pension plans. If the firm has any requirements for opening or maintaining an account, such as a minimum account size, disclose the requirements.

Armored Wolf's clients may include endowments, foundations, registered mutual funds, institutions, high net worth individuals and Armored Wolf Funds. Armored Wolf expects each Armored Wolf Fund to qualify for exemption from the definition of "investment company" under the 1940 Act under either 1940 Act Section 3(c)(1) or 1940 Act Section 3(c)(7) and to offer interests to Investors pursuant to Regulation D under the Securities Act of 1933, as amended ("**1933 Act**"). As a result, this disclosure brochure ("**Brochure**") may discuss information relevant to such Investors, as necessary or appropriate. **Nonetheless, this Brochure is designed solely to provide information about Armored Wolf and should not be considered to be an offer of interests in any Armored Wolf Fund.**

Armored Wolf Fund's investors ("**Investors**") are expected to include high net worth individuals and institutional investors (meeting the qualifications of those exceptions and exemptions under which the Armored Wolf Fund operates) wishing to invest in accordance with the Armored Wolf Fund's investment objective. Investors must meet the requirements for "accredited investors" under the 1933 Act and "qualified clients" under the Investment Advisers Act of 1940, as amended ("**Advisers Act**") and in some cases will also be required to be "qualified purchasers" under the 1940 Act and/or "qualified eligible persons" under regulations of the Commodity Futures Trading Commission.

Armored Wolf and its affiliates may invest in the Armored Wolf Funds and certain investors who qualify as "knowledgeable employees" may also be permitted to invest, generally provided that they are also "accredited investors".

The minimum initial investment by each prospective investor in an Armored Wolf Fund is \$10 million for entities and \$1 million for individuals. The minimum initial investment may be waived in the sole discretion of the Armored Wolf Funds.

Minimum account sizes for separate Client accounts vary depending on the type of investment advisory services to be performed and in certain circumstances may be negotiable. Separate Client account investment advisory services are generally available to individuals and institutional accounts with a minimum account size of \$5,000,000 in assets.

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

A. Describe the methods of analysis and investment strategies you use in formulating investment advice or managing assets.

Methods of Analysis

In making investment decisions on behalf of Clients and the Armored Wolf Funds, Armored Wolf utilizes third party research in addition to software, database and statistical models and the internal research of its employees and advisory affiliates. Armored Wolf's software may be used

as part of Armored Wolf's analysis of securities, market information and statistical patterns. Armored Wolf's investment decisions on behalf of Clients and the Armored Wolf Funds reflect Armored Wolf's experience and judgment in the relevant markets.

Investment Strategies

Leverage may be used in the Armored Wolf Funds' as described in the relevant Private Placement Memorandum. Also for Clients, depending on specific investment guidelines, leverage may be used by Armored Wolf. Subject to the investment guidelines and restrictions, if any, of the relevant Armored Wolf Fund or Client account, the Armored Wolf Funds or Client account may invest, directly or indirectly, in a wide variety of investments and instruments, including without limitation, equities, equity-related instruments, fixed income and fixed income-related instruments, securities issued by public and private issuers, futures, commodities, currencies and derivative instruments including swaps, repurchase and reverse repurchase agreements and forward contracts. The Armored Wolf Funds or Client accounts may invest in the foregoing for speculative or hedging purposes in accordance with their respective investment objectives and guidelines.

Types of Investments

Subject to the investment guidelines and restrictions, if any, of the relevant Armored Wolf Funds Armored Wolf may invest, directly or indirectly, in a wide variety of investments and instruments, including without limitation, equities, equity-related instruments, fixed income and fixed income-related instruments, securities issued by public and private issuers, futures, commodities, currencies and derivative instruments including swaps, repurchase and reverse repurchase agreements and forward contracts. The Armored Wolf Funds may invest in the foregoing for speculative or hedging purposes in accordance with their respective investment objectives and guidelines.

Specifically, the Armored Wolf Alpha Fund intends to seek to achieve its investment objectives (as described in the applicable Private Placement Memorandum) by allocating all or substantially all of its capital among certain sectors ("**Sectors**") and a sector overlay strategy. The Sectors in which the Armored Wolf Alpha Fund invests include the following: (i) commodities; (ii) global inflation-linked bonds; (iii) event-linked bonds; (iv) global equities; (v) emerging market bonds; (vi) emerging market currencies; (vii) high yield securities; and (viii) directional macro sector, each as described in detail below. Armored Wolf may, in its sole discretion, invest the assets of the Armored Wolf Alpha Fund in new or different Sectors from time to time. Within each Sector, Armored Wolf intends to employ a variety of investment techniques, including those commonly referred to as alternative investment strategies, and allocating up to 10% of a Sector's gross assets to investments outside those prescribed for that Sector. The Armored Wolf Alpha Fund will also be able to hold cash and cash equivalents, as deemed appropriate by Armored Wolf, including but not limited to money market instruments and other short-term debt obligations, shares of money market mutual funds, repurchase agreements and other funds managed by Armored Wolf. Capital will be allocated based on forecast return and risk characteristics of each Sector, including expected volatility and correlation of returns, drawdown patterns, and liquidity and transaction costs.

Armored Wolf's allocation will be based on a top-down assessment of the market environment and the relative strength of the opportunities available in each Sector and the volatility and

correlation of the Sectors. Armored Wolf expects that the maximum allocation to any one of the Sectors will be 33⅓%, except the macro sector which can be up to 50%. In addition, the Armored Wolf Alpha Fund may invest no more than 33⅓% (except the macro sector which can be up to 50%) of its assets in any single Sector at the time of initial investment or as a result of a rebalancing. It is possible that the investment in a Sector could exceed 33⅓% as a result of market movements. The actual positions may deviate from the maximum allocation percentage from time to time due to market movements, but this will not necessarily result in Armored Wolf rebalancing the Armored Wolf Alpha Fund Sector allocations.

Specifically, the Armored Wolf Hunter Fund intends to seek to achieve its investment objectives (as described in the applicable Private Placement Memorandum) by allocating all or substantially all of its capital among certain sectors (“**Sectors**”). The Sectors in which the Armored Wolf Hunter Fund can invest include the following: (i) event-linked bonds; (ii) global equities; and (iii) high yield securities, each as described in detail below. Armored Wolf may, in its sole discretion, invest the assets of the Armored Wolf Hunter Fund in new or different Sectors from time to time. Within each Sector, Armored Wolf intends to employ a variety of investment techniques, including those commonly referred to as alternative investment strategies, and allocating up to 10% of a Sector’s gross assets to investments outside those prescribed for that Sector. The Armored Wolf Hunter Fund will also be able to hold cash and cash equivalents, as deemed appropriate by Armored Wolf, including but not limited to money market instruments and other short-term debt obligations, shares of money market mutual funds, repurchase agreements and other funds managed by Armored Wolf. Capital will be allocated based on forecast return and risk characteristics of each Sector, including expected volatility and correlation of returns, drawdown patterns, and liquidity and transaction costs.

Armored Wolf’s allocation will be based on a top-down assessment of the market environment and the relative strength of the opportunities available in each Sector and the volatility and correlation of the Sectors. Armored Wolf expects that the maximum allocation to any one of the Sectors will be 75%. An allocation to any one Sector could be 0%. It is possible that the investment in a Sector could exceed 75% as a result of market movements. The actual positions may deviate from the maximum allocation percentage from time to time due to market movements, but this will not necessarily result in Armored Wolf rebalancing the Armored Wolf Hunter Fund Sector allocations.

The risk allocation and composition of the Armored Wolf Funds will be determined by Armored Wolf, in its sole discretion. The risk and capital allocations will be formally reassessed on a monthly basis and more frequently if Armored Wolf believes market conditions require adjustments in its risk allocations and/or more active rebalancing of the Armored Wolf Funds’ portfolio.

For Armored Wolf Clients invested in separate accounts, the separate account investment guidelines will apply. It is anticipated that Armored Wolf will have separate account clients in the following sectors: (i) commodities; (ii) global inflation-linked bonds; (iii) event-linked bonds; (iv) global equities; (v) emerging market bonds; (vi) emerging market currencies; and (vii) high yield bonds. Within each sector, Armored Wolf intends to employ a variety of investment techniques, including but not limited to, investing, directly or indirectly, in equities, equity-related instruments, fixed income and fixed income-related instruments, securities issued

by public and private issuers, futures, commodities, currencies and derivative instruments including swaps, repurchase and reverse repurchase agreements and forward contracts. The Armored Wolf Clients may invest in the foregoing for speculative or hedging purposes in accordance with their respective investment objectives and guidelines.

Clients need to be aware that investing in securities involves risk of loss that clients need to be prepared to bear.

B. For each significant investment strategy or method of analysis the firm uses, explain the material risks involved. If the method of analysis or strategy involves significant or unusual risks, discuss the risks in detail. If the firm's primary strategy involves frequent trading of securities, explain how frequent trading can affect investment performance, particularly through increased brokerage and other transaction costs and taxes.

The risks set forth below are certain of the key risks applicable with respect to each Sector. Certain risks listed under one Sector may apply to other Sectors as well.

Commodities

Commodity-Linked Instruments – The Sector may invest in commodity swap agreements, as well as commodity options, futures, options on futures and index-linked and commodity-linked “structured” notes (together with commodity swap agreements, “**commodity-linked derivative investments**”). The value of a commodity-linked derivative investment generally is based upon the price movements of a physical commodity (such as energy, mineral, or agricultural products), a commodity futures contract or commodity index, or other economic variable based upon changes in the value of commodities or the commodities markets. Swap transactions are privately negotiated agreements between the Sector and a counterparty to exchange or swap investment cash flows or assets at specified intervals in the future. The obligations may extend beyond one year. There is no central exchange or market for swap transactions and therefore they are less liquid investments than exchange-traded instruments.

The Sector may seek exposure to the commodity markets through investments in commodity-linked or index-linked notes, which are derivative debt instruments with principal and/or coupon payments linked to the value of commodities, commodity futures contracts or the performance of commodity indices. These notes are sometimes referred to as “structured notes” because the terms of these notes may be structured by the issuer and the purchaser of the note. The Sector would typically invest in these notes if commodity swaps were no longer available for investment or were no longer considered attractive investment vehicles. The value of these notes will rise or fall in response to changes in the underlying commodity or related index of investment. These notes expose the Sector economically to movements in commodity prices. These notes also are subject to risks, such as credit, market and interest rate risks, that in general affect the values of debt securities. Therefore, at the maturity of the note, the Sector may receive more or less principal than it originally invested. The Sector might receive interest payments on the note that are more or less than the stated coupon interest payments.

Risks Associated with Commodity Futures Contracts – There are several additional risks associated with transactions in commodity futures contracts.

Storage. Unlike the financial futures markets, in the commodity futures markets there are costs of physical storage associated with purchasing the underlying commodity. The price of the commodity futures contract will reflect the storage costs of purchasing the physical commodity, including the time value of money invested in the physical commodity. To the extent that the storage costs for an underlying commodity change while the Sector is invested in futures contracts on that commodity, the value of the futures contract may change proportionately. If the Sector chooses to accept physical delivery of commodities, the Investment Manager will have available to it facilities which permit it, from time to time, to accept physical delivery of commodities, which will result in certain risks to the Sector and its shareholders. Documentation, storage, transportation, spoilage and other risks not otherwise present are incurred when physical delivery is accepted. The Investment Manager intends to obtain property insurance to cover the risk of loss or damage to the physical commodities and believes it is able to manage other risks presented by physical delivery. Acceptance of physical delivery, however, may subject the liquidation of the commodities to delay as there can be no assurance of a readily liquid market for such commodities.

Reinvestment. In the commodity futures markets, producers of the underlying commodity may decide to hedge the price risk of selling the commodity by selling futures contracts today to lock in the price of the commodity at delivery tomorrow. In order to induce speculators to purchase the other side of the same futures contract, the commodity producer generally must sell the futures contract at a lower price than the expected future spot price. Conversely, if most hedgers in the futures market are purchasing futures contracts to hedge against a rise in prices, then speculators will only sell the other side of the futures contract at a higher futures price than the expected future spot price of the commodity. The changing nature of the hedgers and speculators in the commodity markets will influence whether futures prices are above or below the expected future spot price, which can have significant implications for the Armored Wolf Funds. If the nature of hedgers and speculators in futures markets has shifted when it is time for the Armored Wolf Funds to reinvest the proceeds of a maturing contract in a new futures contract, the Armored Wolf Funds might reinvest at higher or lower futures prices, or choose to pursue other investments.

Other Economic Factors. The commodities which underlie commodity futures contracts may be subject to additional economic and non-economic variables, such as drought, floods, weather, livestock disease, embargoes, tariffs, and international economic, political and regulatory developments. These factors may have a larger impact on commodity prices and commodity-linked instruments, including futures contracts, than on traditional securities. Certain commodities are also subject to limited pricing flexibility because of supply and demand factors. Others are subject to broad price fluctuations as a result of the volatility of the prices for certain raw materials and the instability of supplies of other materials. These additional variables may create additional investment risks which subject the Sector's investments to greater volatility than investments in traditional securities.

The CFTC, the U.S. futures exchanges and certain non-U.S. futures exchanges have established “speculative position limits” or “position limits.” These limits restrict the maximum net long or net short (or, for certain commodities, the gross) positions which a person or group of persons may own, hold or control in certain futures or options contracts. As a result, the Sector is required to aggregate positions held by it with positions held by other Investment Vehicles or accounts managed by the Investment Manager. Such limits do not currently exist in the forward contracts markets or on most non-U.S. exchanges.

Depending upon the level of trading in commodities, futures and options by the Sector and other Investment Vehicles and accounts advised by the Investment Manager, and depending upon whether such trading is for hedging or non-hedging purposes, the Sector as a whole may be required to comply with such position limits unless it obtains exemptive relief from such limits. If imposed, position limits will restrict the Sector’s ability to trade in certain commodities, futures and options contracts, and there is no assurance that exemptive relief will continue to be available. If the Sector were required to modify its trading strategies, liquidate investment positions or otherwise comply with such position limits, there may be an adverse effect on the Sector’s and indirectly the Armored Wolf Funds’ operations and performance.

OTC Derivative Instrument Transactions – The Sector may invest in derivative instruments which are not traded on organized exchanges and as such are not standardized. Such transactions are known as over-the-counter (“**OTC**”) transactions. While some OTC markets are often highly liquid, transactions in OTC derivatives may involve greater risk than investing in exchange traded instruments because there is no exchange market on which to close out an open position. It may be impossible to liquidate an existing position, to assess the value of the position arising from an off-exchange transaction or to assess the exposure to risk. Bid and offer prices need not be quoted and, even where they are, they will be established by dealers in these instruments and consequently it may be difficult to establish what is a fair price. In respect of such trading, the Sector is subject to the risk of counterparty failure or the inability or refusal by a counterparty to perform with respect to such contracts. Market illiquidity or disruption could result in major losses to the Sector.

Inflation-Linked Bonds

U.S. Government Securities Risks – U.S. government securities include: (1) U.S. Treasury obligations, (2) obligations issued or guaranteed by U.S. government agencies and instrumentalities which are supported by: (a) the full faith and credit of the U.S. government; (b) the right of the issuer or guarantor to borrow an amount from a line of credit with the U.S. Treasury; (c) discretionary power of the U.S. government to purchase obligations of its agencies and its instrumentalities or; (d) the credit of the instrumentality and (3) real estate mortgage investment conduits (“**REMICs**”), collateralized mortgage obligations (“**CMOs**”) and other mortgage-backed securities issued or guaranteed by U.S. government agencies or instrumentalities. Although U.S. government securities are considered among the most creditworthy of fixed-income investments, the yields on U.S. government securities generally are lower than yields available from corporate debt securities.

Inflation-Indexed Bonds – Inflation-indexed bonds are fixed income securities whose principal values or interest payments are periodically adjusted according to the rate of inflation. If the

index measuring inflation falls, the principal value of inflation-indexed bonds may also be adjusted downward, and consequently the interest payable on these securities (calculated with respect to a smaller principal amount) may be reduced. Repayment of the original bond principal upon maturity (as adjusted for inflation) is guaranteed in the case of U.S. Treasury Inflation-Protection Securities. For certain instruments, the adjustment may be capped and, thus, inflation may exceed the protection provided.

The value of inflation-indexed bonds is expected to change in response to changes in real interest rates. Real interest rates are tied to the relationship between nominal interest rates and the rate of inflation. If nominal interest rates increase at a faster rate than inflation, real interest rates may rise, leading to a decrease in value of inflation-indexed bonds. Short-term increases in inflation may lead to a decline in value. Any increase in the principal amount of an inflation-indexed bond will be considered taxable ordinary income, even though investors do not receive their principal until maturity. Adjustments may be made based upon an index, which may not accurately reflect underlying price changes. The timing of such changes may not coincide with underlying price changes.

Variable and Floating Rate Securities – In addition to traditional fixed-rate securities, the Sector may invest in debt securities with variable or floating rates interest or dividend payments. Variable or floating rate securities bear rates of interest that are adjusted periodically according to formulae intended to reflect market rates of interest. Variable or floating rate securities allow the Sector to participate in increases in interest rates through upward adjustments of the coupon rates on such securities. However, during periods of increasing interest rates, changes in the coupon rates may lag the change in market rates or may have limits on the maximum increase in coupon rates. Alternatively, during periods of declining interest rates, the coupon rates on such securities readjust downward resulting in a lower yield.

The Sector also may invest in derivative variable rate securities, such as inverse floaters whose rates vary inversely with market rates of interest, or range floaters or capped floaters, whose rates are subject to periodic or lifetime caps, or in securities that pay a rate of interest determined by applying a multiple to the variable rate. Investment in such securities involves special risks as compared to a fixed-rate security. The extent of increases and decreases in the value of derivative variable rate securities and the corresponding change to the NAV of the Armored Wolf Funds in response to changes in market rates of interest generally will be larger than comparable changes in the value of an equal principal amount of a fixed-rate security having similar credit quality, redemption provisions and maturity. The markets for such securities may be less developed and have less liquidity than the markets for conventional securities.

Mortgage-backed and Asset-backed Securities – The Sector may invest in mortgage-backed and asset-backed securities. A mortgage-backed security is a general obligation of the issuer, which generally is secured by mortgages or mortgage-backed collateral. Mortgage-backed securities may be issued or guaranteed by U.S. government agencies or instrumentalities or by private entities such as banks, savings and loans, mortgage bankers and other nongovernmental issuers. Mortgage-backed securities may directly or indirectly represent a participation in, or are secured by and payable from, mortgage loans secured by real property. Mortgage-backed securities include mortgage pass-through certificates representing participation interests in pools of mortgage loans originated by the U.S. government or by private lenders and guaranteed

directly or indirectly by U.S. government agencies or by private lenders without government guarantees. The underlying collateral may include whole mortgage loans or pass-through certificates secured by mortgage loans.

The yield and payment characteristics of mortgage-backed securities differ from traditional debt securities. Interest and principal prepayments are made more frequently, usually monthly, over the life of the mortgage loans and principal may be prepaid at any time because the underlying mortgage loans generally may be prepaid at any time. Faster or slower prepayments than expected on underlying mortgage loans can dramatically alter the yield to maturity of a mortgage-backed security. The value of most mortgage-backed securities, like traditional debt securities, tends to vary inversely with changes in interest rates (*i.e.*, as interest rates increase, the value of such securities decrease). Mortgage-backed securities, however, may benefit less than traditional debt securities from declining interest rates because prepayment of mortgages tends to accelerate during periods of declining interest rates. Prepayments shorten the life of the security and shorten the time over which the Sector receives income at the higher rate. Additionally, when mortgage loans underlying mortgage-backed securities held by the Sector are prepaid, the Sector then reinvests the prepaid amounts in other income securities, the yields of which will reflect interest rates prevailing at the time. Therefore, the Sector's ability to hold higher-yielding mortgage-backed securities will be adversely affected by decreasing interest rates and to the extent that prepayments occur the Sector may be forced to reinvest in securities that have lower yields. Alternatively, during periods of rising interest rates, mortgage-backed securities are often more susceptible to extension risk than traditional debt securities (*i.e.*, rising interest rates could cause property owners to prepay their mortgages more slowly than expected when the security was purchased by the Sector which may further reduce the market value of such security and lengthen the duration of the security).

REMICs are private entities formed for the purpose of holding a fixed pool of mortgages secured by an interest in real property. CMOs are debt obligations collateralized by whole mortgage loans or mortgage pass-through securities held under an indenture issued by financial institutions or other mortgage lenders or issued or guaranteed by agencies or instrumentalities of the U.S. government. REMICs and CMOs generally are issued in a number of classes or series with different payment characteristics and maturities. The classes or series are retired in sequence as the underlying mortgages are repaid. Such securities are subject to market risk, prepayment risk and extension risk and certain classes or series may have more or less volatility depending upon the predictability of cash flow for such class or series. Certain of these securities may have variable or floating interest rates and others may be stripped (securities which provide only the principal or interest feature of the underlying security). See "Variable and Floating Rate Securities".

Certain classes of CMOs are structured in a manner that makes them more sensitive to changes in prepayment rates. Interest Only ("IO") and Principal Only ("PO") classes are examples of this. IOs are entitled to receive all or a portion of the interest, but none (or only a nominal amount) of the principal payments, from the underlying mortgage assets. If the mortgage assets underlying an IO experience greater than anticipated principal prepayments, then the total amount of interest payments allocable to the IO class, and therefore the total return to investors, generally will be reduced. In some instances, an investor in an IO may fail to recoup all of his or her initial investment, even if the securities are government guaranteed or considered to be of the

highest quality (rated AAA or the equivalent). Conversely, PO classes are entitled to receive all or a portion of the principal payments, but none of the interest, from the underlying mortgage assets. PO classes are purchased at substantial discounts from par, and the total return to investors will be reduced if principal prepayments are slower than expected. Some IOs and POs, as well as other CMO classes, are structured to have special protections against the effect of prepayments. These structural protections, however, normally are effective only within certain ranges of prepayments rates and thus will not protect investors in all circumstances.

Inverse floating rate CMO classes also may be volatile. These classes pay interest at a rate that decreases (increases) when a specified index of rates increases (decreases).

Asset-backed securities have structural characteristics similar to mortgage-backed securities, but have underlying assets such as automobile and credit card receivables and home equity loans. Asset-backed securities generally do not have the benefit of a security interest in such collateral like mortgage-backed securities. In addition, debtors may be entitled to the protection of a number of U.S. state and federal consumer credit laws, which may give the debtor the right to avoid payment. Although the assets underlying asset-backed securities generally are of a shorter duration than mortgage loans and historically have been less likely to experience substantial prepayments, no assurance can be given as to the actual duration of an asset-backed security because prepayments of principal may be made at any time.

Structured Notes – Structured notes are derivative debt securities, the interest rate or principal of which is determined by an unrelated indicator. Indexed securities include structured notes as well as securities other than debt securities, the interest rate or principal of which is determined by an unrelated indicator. Indexed securities may include a multiplier that multiplies the indexed element by a specified factor and, therefore, the value of such securities may be very volatile. The terms of the structured and indexed securities may provide that in certain circumstances no principal is due at maturity and therefore, may result in a loss of invested capital. Structured and indexed securities may be positively or negatively indexed, so that appreciation of the reference may produce an increase or a decrease in the interest rate or the value of the structured or indexed security at maturity may be calculated as a specified multiple of the change in the value of the reference; therefore, the value of such security may be very volatile. Structured and indexed securities may entail a greater degree of market risk than other types of debt securities because the investor bears the risk of the reference. Structured or indexed securities may also be more volatile, less liquid, and more difficult to accurately price than less complex securities or more traditional debt securities.

Event-Linked Bonds

Risk-Linked Securities – Risk-linked securities include debt and equity securities, as well as options, swaps and other instruments, whose returns are linked to risks related to natural disasters, weather, health care payments, lease residuals, inflation and other types of events or conditions and that are primarily offered by domestic and offshore insurance companies for the purpose of reinsuring their obligations under catastrophe insurance policies (“**Trigger Events**”). Catastrophe bonds issued by special purpose vehicles created by insurance companies are one such example of a risk-linked security. In these bonds, the principal paid at maturity is correlated to the occurrence, or non-occurrence, of a specific catastrophic event. If the event is

severe enough the entire principal could retrocede to the insurance company. The bond's interest payments, which usually float with the three-month LIBOR, may or may not be discontinued in the event of full or partial retrocession. Other examples of risk-linked securities are (i) equity securities issued by a special purpose vehicle organized in the Cayman Islands or Bermuda that has entered into a reinsurance treaty with an insurance company to cover the company's catastrophe insurance exposure and (ii) put options whereby an insurance company purchases the right to require the issuer of the option (*e.g.*, the Sector) to pay a portion of any claims made under the company's catastrophe policies. Factors influencing performance of risk-linked securities tend to encompass different variables than the usual factors influencing performance of stock and fixed income markets.

The Bond Market Association has advised dealers in risk-linked securities that a purchaser of such securities could be regarded as subject to potential regulation as a provider of insurance or reinsurance. **Although the Investment Manager does not believe that the Sector should be so regulated, it is not possible to predict whether the insurance laws of any jurisdiction would be interpreted and applied in such manner as to require such regulation.** The Sector could be subject to civil and criminal penalties for violations of such insurance laws.

Event-Linked Instrument Liquidity – The Sector's investments in event-linked securities and other instruments may at any given time be illiquid such that either no market exists for them or they are restricted as to their transferability under U.S. federal and state securities laws as well as the applicable laws of other jurisdictions. Thus, the sale of these investments may be made at substantial discounts, delayed or impossible. In addition, the illiquidity of a security or other instrument held by the Sector may also make it difficult for the Administrator to value.

There can be no assurance that a secondary market for such securities will develop or, if it were to develop, that it would provide efficient or even adequate pricing or liquidity. Furthermore, if a secondary market were to develop, the price and liquidity of such securities at any time likely would be affected by a number of factors, including whether a Trigger Event has occurred or whether factors that typically affect such Trigger Event have passed (*e.g.*, hurricane season has passed and the Sector holds a hurricane-linked instrument).

Pricing Risk – Despite the heavy volume of trading in certain securities, the markets for many of the investments in event-linked instruments that will be undertaken by the Sector have limited liquidity and depth and market participants may be inexperienced and unsophisticated in pricing the risks of the event-linked instruments. As a result, the market prices of the event-linked instruments held by the Sector may not reflect the actual risk, which could disadvantage the Sector, both in the realization of the prices which are quoted and in the execution of orders at desired prices.

Lack of Recourse Risk – The event-linked securities purchased by the Sector may be without recourse. As a result, if an issuer of an event-linked security were to default on its obligations under the event-linked security, the Sector would have no recourse to recover any amount invested by it to purchase the event-linked security and some or all of its investment in such event-linked security would be lost.

Unpredictability of Risk and Losses – With respect to event-linked instruments, the type, frequency and severity of Trigger Events are difficult to predict. “Expected loss” amounts are statistical constructs that provide some information but are not intended as projections or predictions of the actual losses on a particular instrument or portfolio of instruments. Actual losses may vary greatly. While the economics of event-linked instruments may rely on the occurrence or non-occurrence of certain Trigger Events, such events are difficult to predict or model, and thus, the expected return on an investment with respect to such instruments is difficult to calculate. For example, with respect to weather-linked instruments, climate changes can affect the occurrence of a Trigger Event. Therefore, in such circumstances, the long term average rates of occurrence for a Trigger Event would have virtually no predictive usefulness in the short term and would make models of the probability of the Trigger Events less reliable. In addition, the market for event-linked securities may be illiquid and an event-linked security can suffer a loss due to unforeseeable factors, such as (i) severe natural disasters or aberrant weather patterns, (ii) insufficient trading interest, (iii) restrictions imposed by an exchange or governmental authority; or (iv) unusual or unforeseen circumstances that interrupt normal exchange operations. While the Investment Manager will make assessments regarding the expected investment return to the Sector on such instruments, because of the unpredictability of the Trigger Events upon which investment return may be based, the investment return provided by such instruments may not be adequate to compensate the Sector for the risk borne thereby. The maturities of some instruments may be extended, and those extensions may significantly increase the risk of a Trigger Event during the term.

Reliance on Certain Information – With respect to event-linked instruments, the Trigger Events which affect investment returns may be based upon information provided by the issuer of such instruments or by an independent source (such as an index). Where an event-linked instrument is based on an index, the source providing such index may be under no obligation to correct or update the index in the event of errors or subsequently discovered information; similarly, with respect to exchange-traded instruments, the applicable trading period may expire before the underlying index is adjusted, with no mechanism for post-settlement adjustment. As a result, the relevant information provided by outside sources may not be accurate, and it may not be economically feasible or efficient for the Investment Manager to attempt to verify or challenge such information.

Ratings of Event-Linked Securities – Event-linked securities are not offered or traded on exchanges, and investors in event-linked securities do not benefit from the regulatory protections of such exchanges, the U.S. Securities and Exchange Commission (the “SEC”) or other governmental or regulatory authorities in any jurisdiction. With respect to event-linked securities, the rating primarily reflects the rating agency’s calculated probability that a pre-defined Trigger Event will occur. The rating also assesses the event-linked securities’ credit risk and the model used to calculate the probability of the Trigger Event. Given the relatively new market for event-linked securities, the rating system for event-linked securities is relatively new and significantly less developed than that of corporate securities and continues to evolve as the market develops.

The event-linked securities purchased by the Sector may be unrated, or be rated BBB or lower by S&P’s or Baa or lower by Moody’s. Securities rated BBB or Baa are generally regarded as having adequate capacity to pay interest and repay principal, but may have some speculative

characteristics. Lower-rated securities (rated below Baa3 by Moody's or BBB- by S&P) may have speculative characteristics (including the possibility of default or bankruptcy of the issuers of such securities, market price volatility based upon interest rate sensitivity, questionable creditworthiness, relative liquidity of the secondary trading market and adverse publicity and investor perceptions), any of which may act to depress prices.

Development of Event-Linked Instruments – The types of event-linked securities invested in by the Sector may fluctuate from time to time. The Sector may invest in other types of event-linked securities than the securities described herein or other types of event-linked securities yet to be developed. Tax or regulatory uncertainty may cause the Sector to forego some instruments described herein or that may be developed in the future. Future offerings of event-linked securities may contain non-standardized terms, including varying Trigger Events. As the market for event-linked securities evolves, it is expected that the types of events covered by event-linked securities will expand. As a result, future event-linked securities could base returns on measures and occurrences such as temperature fluctuations, wind speeds and rainfall levels, as well as other types of insurance related risks. The Investment Manager will assess the terms of such potential investments and will make investment decisions in its sole discretion.

Insurance Regulatory Risks – Certain jurisdictions have broad definitions of activities that constitute the conduct of the business of insurance and insurance regulatory authorities often have broad discretionary powers in administering insurance laws, including the authority (subject to appeal in court or otherwise) to determine whether a party is conducting the business of insurance or reinsurance within their applicable jurisdictions. Because event-linked instruments have certain features and an investment return that may be based on the occurrence of events which could be considered the subject of insurance, it is possible that insurance regulatory authorities or courts could determine that the purchase or holding of such securities or the writing of such derivatives constitutes the conduct of the business of insurance or reinsurance. In the event such a determination is made and a holder of such securities or a writer of such derivative instruments is not duly licensed to conduct such activities in the applicable jurisdiction, such holder or writer may be subject to regulatory and legal action. Typically, such regulatory and legal action may include orders to cease and desist from the offending activities (which may require a divestiture of the offending securities or an unwinding or termination of the offending derivative instruments), civil forfeitures or criminal sanctions. Although the Investment Manager will analyze such risks prior to causing the Sector to invest in such securities or write such derivative instruments, the insurance regulatory authorities may challenge the purchase or writing of one or more such securities or derivative instruments as constituting the business of insurance, and such a challenge might affect the Armored Wolf Funds, as a holder or writer thereof. The Armored Wolf Funds do not intend to seek licensing under any insurance laws or an opinion that such licensing is not required.

In addition, entities that issue event-linked securities may be subject to substantial regulation of their insurance and other activities. Such regulation can lead to unanticipated expenses that may result in such an entity being unable to satisfy its obligations, including those related to its issued securities. Conversely, because such entities often are domiciled in non-U.S. jurisdictions, such entities may not be subject to the same degree of regulatory oversight to which investors may be accustomed to seeing issuers and insurance companies subject in the United States. Similarly, because such entities often are subject only to the laws of non-U.S. jurisdictions, it could be

difficult for an investor in such an entity to make a claim or enforce a judgment against the entity or its directors or officers.

Funding Agreements – The Sector may purchase funding agreements, under which the Sector invests an amount of cash generally with an insurance company and the company credits such investment on generally a monthly basis with guaranteed interest which is based on an index. These agreements provide that the guaranteed interest will not be less than a certain minimum rate. These agreements also provide for adjustment of the interest rate generally monthly and are considered variable rate instruments. Funding agreements are subject to interest rate risk for the index and credit risk with respect to the issuer.

Convertible Securities – A convertible debt security is a bond, debenture, note, or other security that entitles the holder to acquire common stock or other equity securities of the same or a different issuer. A convertible security generally entitles the holder to receive interest paid or accrued until the convertible security matures or is redeemed, converted or exchanged. Before conversion, convertible securities have characteristics similar to non-convertible debt securities. Convertible securities rank senior to common stock in a corporation's capital structure and, therefore, generally entail less risk than the corporation's common stock, although the extent to which such risk is reduced depends in large measure upon the degree to which the convertible security sells above its value as a fixed income security.

Because of the conversion feature, the price of a convertible security will normally fluctuate in some proportion to changes in the price of the underlying asset, and as such is subject to risks relating to the issuer and/or general market and economic conditions. The income component of a convertible security may tend to cushion the security against declines in the price of the underlying asset. However, the income component of convertible securities causes fluctuations based upon changes in interest rates and the credit quality of the issuer.

A convertible security may be subject to redemption at the option of the issuer at a predetermined price. If a convertible security held by the Sector is called for redemption, the Sector could be required to receive the underlying common stock, or alternatively, to transfer the convertible security to a third party.

Equity Securities – The Sector is subject to risks associated with investing in equity securities, including market risk, issuer risk, price volatility risks and market trends risk. The Sector's ability to achieve its investment objective may be affected by the risks attendant to any investment in equity securities. The Sector may invest in equity securities without regard to market capitalization, and the Sector may invest a substantial portion of its assets in securities for which there is no market.

Exchange-Traded Futures Contracts and Options on Futures Contracts – The Sector's use of futures contracts and options on futures contracts presents the same types of volatility and leverage risks associated with transactions in derivative instruments generally. In addition, such transactions present a number of risks which might not be associated with the purchase and sale of other types of investment products.

Prior to exercise or expiration, a futures or option position can be terminated only by entering into an offsetting transaction. This requires a liquid secondary market on the exchange on which the original position was established. If a liquid secondary market does not exist for such futures or options, it might not be possible for the Sector to liquidate a position.

The Sector's ability to utilize futures or options on futures to hedge its exposure to certain positions or as a surrogate for investments in instruments or markets will depend on the degree of correlation between the value of the instrument or market being hedged, or to which exposure is sought and the value of the futures or option contract. If the instrument underlying a futures contract or option traded by the Sector is different from the instrument or market being hedged or to which exposure is sought, the correlation risk could be significant and could result in substantial losses to the Sector. The use of futures and options involves the risk that changes in the value of the underlying instrument will not be fully reflected in the value of the futures contract or option.

The liquidity of a secondary market in futures contracts and options on futures contracts is also subject to the risk of "daily price fluctuation limits" (which limit trading to prices within an established range), trading halts, suspensions, exchange or clearing house equipment failures, government intervention, insolvency of a brokerage firm, clearing house or exchange or other disruptions of normal trading activity.

Futures contracts markets are highly volatile and are influenced by a variety of factors, including national and international political and economic developments. In addition, because of the low margin deposits normally required in futures trading, a high degree of leverage is typical of a futures trading account. As a result, a relatively small price movement in a futures contract may result in substantial losses to the trader. Moreover, futures positions are marked to market each day and variation margin payments must be paid to or by a trader.

Positions in futures contracts may be closed out only on the exchange on which they were entered into or through a linked exchange, and no secondary market exists for such contracts. Although the Investment Manager expects to typically enter into futures contracts only if an active market exists for the contracts, no assurance can be given that an active market will exist for the contracts at any particular time. Certain futures exchanges do not permit trading in particular futures contracts at prices that represent a fluctuation in price during a single day's trading beyond certain set limits. If prices fluctuate during a single day's trading beyond those limits, the Investment Manager could be prevented from promptly liquidating unfavorable positions and thus be subjected to substantial losses.

Emerging Market Bonds

Loan Participations and Assignments – The Sector may purchase participations in, or assignments of, loans. Such indebtedness may be secured or unsecured. Loan participations and assignments typically represent direct participation in a loan to a corporate borrower, and generally are offered by banks or other financial institutions or lending syndicates. The Sector may participate in such syndications, or can buy part of a loan, becoming a part lender. When purchasing loan participations or assignments, the Sector assumes the credit risk associated with

the corporate borrower and, in the case of a loan participation, may assume the credit risk associated with an interposed bank or other financial intermediary.

A loan is often administered by an agent bank acting as agent for all holders. The agent bank administers the terms of the loan, as specified in the loan agreement and is normally responsible for the collection of principal and interest payments. Unless, under the terms of the loan or other indebtedness, the Sector has direct recourse against the corporate borrower, the Sector may have to rely on the agent bank or other financial intermediary to apply appropriate credit remedies against a corporate borrower.

A financial institution's employment as agent bank might be terminated in the event that it fails to observe a requisite standard of care or becomes insolvent. A successor agent bank would generally be appointed to replace the terminated agent bank, and assets held by the agent bank under the loan agreement should remain available to holders of such indebtedness. However, if assets held by the agent bank for the benefit of the Sector were determined to be subject to the claims of the agent bank's general creditors, the Sector might incur certain costs and delays in realizing payment on a loan or loan participation and could suffer a loss of principal and/or interest. In situations involving other interposed financial institutions (*e.g.*, an insurance company or governmental agency), similar risks may arise.

Purchasers of loans and other forms of direct indebtedness depend primarily upon the creditworthiness of the corporate borrower for payment of principal and interest. If the Sector does not receive scheduled interest or principal payments on such indebtedness, the Sector's yield could be adversely affected and the value of the Sector's assets may decrease. Loans that are fully secured offer the Sector more protection than an unsecured loan in the event of non-payment of scheduled interest or principal. However, there is no assurance that the liquidation of collateral from a secured loan would satisfy the corporate borrower's obligation, or that the collateral can be liquidated.

Loans and other types of direct indebtedness may be illiquid. Consequently, some indebtedness may be difficult or impossible to dispose of readily at what the Investment Manager believes to be a fair price. In addition, valuation of illiquid indebtedness involves a greater degree of judgment than if that value were based on available market quotations, and could result in significant variations in the Sector's NAV.

Bank Obligations – The Sector may invest in obligations issued by U.S. and non-U.S. banks and their subsidiaries or overseas branches, including time deposits, certificates of deposit and bankers' acceptances, as well as securities secured by such obligations. Certificates of deposit are instruments representing the obligation of a bank to repay funds deposited with it for a specified period of time. Time deposits are interest-bearing deposits maintained in a bank for a specified period of time at a specific rate of interest. Time deposits held by the Sector generally will not benefit from insurance provided by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation. Bankers' acceptances are credit instruments evidencing the obligation of a bank to pay a draft drawn on it by a customer. These instruments reflect the obligation both of the bank and of the drawer to pay the face amount of the instrument upon maturity.

The Sector may have a substantial portion of its assets invested in obligations of issuers in the banking industry. To the extent the Sector's investments are concentrated in the banking industry, the Sector is subject to legislative or regulatory changes, adverse market conditions and/or increased competition affecting banks.

The purchase of obligations of non-U.S. banks may subject the Sector to additional risks relating to investments in non-U.S. markets and issuers, as described above. For example, non-U.S. banks and non-U.S. branches or subsidiaries of domestic banks are not necessarily subject to the same or similar regulatory requirements that apply to U.S. banks, such as mandatory reserve requirements, loan limitations and accounting, audit and financial record keeping requirements.

Emerging Market Currencies

Currency Exchange – Since the Sector may invest in securities or other instruments denominated in, or linked to, currencies other than the U.S. Dollar, or directly in currencies other than the U.S. Dollar, the Sector may be affected favorably or unfavorably by exchange control regulations or changes in the exchange rate between such currencies and the U.S. Dollar. A change in the value of a non-U.S. currency relative to the U.S. Dollar will result in a corresponding change in the dollar value of the Sector's assets denominated in that non-U.S. currency as well as the dollar value of non-U.S. currency held by the Sector.

Changes in currency exchange rates may also affect the value of dividends and interest earned and gains and losses realized on the sale of securities held by the Sector. The rate of exchange between the U.S. Dollar and other currencies is determined by the forces of supply and demand in the foreign exchange markets. Changes in the exchange rate may result over time from the interaction of many factors directly or indirectly affecting economic and political conditions in the U.S. and a particular non-U.S. country, including economic and political developments in other countries. Sovereign governments may use a variety of techniques, such as intervention by a country's central bank or imposition of regulatory controls or taxes, to affect the exchange rates of their currencies.

The Sector may enter into forward currency exchange contracts or invest in currency futures contracts and options on currencies and futures as well as swap agreements and options on swaps to manage the Sector's exposure to a foreign currency or to shift exposure to foreign currency fluctuations from one country to another with respect to the Sector as a whole or a particular class of shares thereof. A forward currency exchange contract, which involves an obligation to purchase or sell a specific currency at a future date at a price set at the time of the contract, reduces the Sector's exposure with respect to its investment to changes in the value of the currency it will deliver and increases its exposure to changes in the value of the currency it will receive for the duration of the contract. The effect on the value of the Sector is similar to selling securities denominated in one currency and purchasing securities denominated in another currency. A contract to sell foreign currency would limit any potential gain which might be realized if the value of the hedged currency increases. The Sector may enter into these contracts to hedge against currency exchange risk, to increase exposure to a currency or to shift exposure to currency fluctuations from one currency to another.

Suitable hedging transactions may not be available in all circumstances and there can be no assurance that the Sector will engage in such transactions at any given time or from time to time. Also, such transactions may not be successful and may eliminate any chance for the Sector or a particular Class of the Armored Wolf Funds to benefit from favorable fluctuations in relevant currencies. The Sector may use one currency (or a basket of currencies) to hedge against adverse changes in the value of another currency (or a basket of currencies) when exchange rates between the two currencies are positively correlated.

The effect of governmental intervention may be particularly significant at certain times in currency and other related markets. Such intervention (as well as other factors) may cause such markets to move rapidly in the same direction because of, among other things, interest rate fluctuations.

High Yield Bonds

Debt Securities Risks – Debt securities are subject to various risks. Debt securities are subject to two primary (but not exclusive) types of risks: credit risk and interest rate risk. These risks can affect a security's price volatility to varying degrees, depending upon the nature of the instrument. In addition, the depth and liquidity of the market for an individual or class of debt security can also affect its price and, hence, the net asset value of the Armored Wolf Funds.

“Credit risk” refers to the likelihood that an issuer will default in the payment of principal and/or interest on a security. Financial strength and solvency of an issuer are the primary factors influencing credit risk. In addition, lack of or inadequacy of collateral or credit enhancements for a fixed income security may affect its credit risk. Credit risk of a security may change over time, and securities that are rated by ratings agencies are often reviewed and may be subject to downgrade.

The Sectors may invest or hold securities rated lower than Baa by Moody's, BBB by S&P's, or the equivalent rating of another nationally recognized statistical rating organization (“**NRSRO**”), which are considered below investment grade, or in comparable unrated securities. See Exhibit A hereto for information on securities ratings. Debt securities that are rated below investment grade are considered to be speculative and are also commonly known as “junk bonds.” These securities are regarded as bonds predominately speculative with respect to the issuer's continuing ability to meet principal and interest payments. Securities which are in the lower-grade categories generally offer a higher current yield than is offered by higher-grade securities of similar maturities, but they also generally involve greater risks, such as greater credit risk, greater market risk and volatility, and greater liquidity concerns. Because investment in lower quality securities involves greater investment risk, achievement of the Armored Wolf Funds' investment objectives will be more dependent on the Investment Manager's analysis than would be the case if the Armored Wolf Funds were investing in higher quality debt securities. In addition, lower quality securities may be more susceptible to real or perceived adverse economic and individual corporate developments than would investment grade debt securities. A projection of an economic downturn or of a period of rising interest rates, for example, could cause a decline in high yield security prices because the advent of a recession could lessen the ability of a highly leveraged company to make principal and interest payments on its debt securities. If an issuer of high yield securities defaults, in addition to risking payment of all or a

portion of interest and principal, the Armored Wolf Funds may incur additional expenses to seek recovery. In the case of high yield securities structured as zero-coupon or pay-in-kind securities, their market prices are affected to a greater extent by interest rate changes, and therefore tend to be more volatile than securities which pay interest periodically and in cash. Moreover, the secondary trading market for lower quality securities may be less liquid than the market for investment grade securities. This potential lack of liquidity may make it more difficult for the Investment Manager to accurately value certain portfolio securities.

“Interest rate risk” refers to the change in value of debt instruments associated with changes in interest rates. Interest rate changes may affect the value of a debt security directly (especially in the case of fixed rate securities) and indirectly (especially in the case of adjustable rate securities). In general, rises in interest rates will negatively impact the value of fixed rate securities and falling interest rates will have a positive effect on value. The degree to which a security’s price will change as a result of changes in interest rates is measured by its “duration.” Generally, securities with longer maturities have a greater duration and thus are subject to greater price volatility from changes in interest rates. Adjustable rate instruments also react to interest rate changes in a similar manner although generally to a lesser degree (depending, however, on the characteristics of the reset terms, including the index chosen, frequency of reset and reset caps or floors, among other things).

High Yield Securities Risks – High yield securities can be classified into two categories: (a) securities issued with a below investment grade rating and (b) securities whose credit ratings have been downgraded below investment grade because of deteriorating investment fundamentals. The first category includes securities issued by middle market companies that generally do not have the significant operating histories necessary to secure investment grade ratings from the rating agencies, yet many have attractive growth prospects and the potential to achieve an investment grade rating in the future. This category also includes companies that have converted from public to private ownership through leveraged buyout transactions or that have restructured their balance sheets through leveraged recapitalizations. The second category of high yield securities consists of securities of former investment grade companies that have experienced poor operating performance due to such factors as cyclical downtrends in their industry, poor management or increased foreign competition.

The economy and interest rates affect high yield securities differently from other securities. The prices of high yield bonds have been found to be less sensitive to interest rate changes than higher-rated investments, but more sensitive to adverse economic changes or individual corporate developments. During an economic downturn or substantial period of rising interest rates, highly leveraged issuers may experience financial stress. Also, changes in the creditworthiness of lower-rated issuers and in market perceptions of the issuers’ creditworthiness tend to occur more frequently and in a more pronounced manner than in the case of higher-rated issuers. The lower ratings of the high yield securities which the Armored Wolf Funds will purchase reflect a greater possibility that the financial condition of the issuers and/or adverse changes in general economic conditions may impair the ability of the issuers, individually or in general, to make payments of principal and interest.

If the issuer of a bond owned by the Armored Wolf Funds defaults, the Armored Wolf Funds may incur additional expenses should they seek recovery. The securities in which the Armored

Wolf Funds invest may be subordinated to senior indebtedness. Furthermore, the market prices of high yield bonds structured as zero coupon or pay-in-kind securities are affected to a greater extent by interest rate changes and thereby tend to be more volatile than securities which pay interest periodically and in cash.

The markets for high yield securities may be less liquid than the markets for investment grade securities. To the extent that there is no established retail market for high yield securities in which the Sectors may invest, trading in such securities may be relatively inactive. Prices of high yield securities may decline rapidly if a significant number of holders were to decide to sell their holdings in those securities. Changes in expectations regarding an individual issuer of high yield securities generally could reduce market liquidity for such securities and make their sale by the Sectors more difficult. To the extent there is a limited secondary market for particular high yield bonds, these bonds may be thinly-traded and the Investment Manager's ability to accurately value high yield bonds and the Armored Wolf Funds' assets may be more difficult because there is less reliable, objective data available. In addition, the Armored Wolf Funds' ability to acquire or dispose of the bonds may be negatively-impacted. Adverse publicity and investor perceptions, whether or not based on fundamental analysis, may decrease the market values and liquidity of high yield bonds, especially in a thinly-traded market. To the extent the Armored Wolf Funds own or may acquire illiquid or restricted high yield bonds, these securities may involve special registration responsibilities, liabilities and costs, and liquidity and valuation difficulties.

Additional Considerations – Special tax considerations are associated with investing in high yield bonds. Additionally, underwriting and dealer spreads associated with the purchase of high yield bonds are typically higher than those associated with the purchase of high grade bonds.

Global Macro Strategy

Because this Sector's objective is to invest primarily in long or short exposures to securities permitted in the any of the other seven Sectors, the risks described under the headings of such other Sectors are generally applicable to this Sector. The focus of this Sector is on directional trading of these exposures, on an opportunistic and speculative basis, and where the Investment Manager is unable to or incorrectly implements such directional trading, the Armored Wolf Funds' risk-based capital and overall portfolio may lose value.

C. If the firm recommends primarily a particular type of security, explain the material risks involved. If the type of security involves significant or unusual risks, discuss these risks in detail.

Armored Wolf does not primarily recommend a particular type of security, however refer to the response to Item 4B and 8A above for information related to the Armored Wolf Funds. In those instances where it may be appropriate for a client to invest in these funds, the client will be provided with the appropriate disclosure information about the particular fund which will include risk information.

Item 9 Disciplinary Information

If there are legal or disciplinary events that are material to a client's or prospective client's evaluation of the firm's advisory business or the integrity of the firm's management, disclose all material facts regarding those events.

Clients should be aware that neither Armored Wolf nor its management persons have had any legal or disciplinary events, currently or in the past.

Item 10 Other Financial Industry Activities and Affirmations

A. If the firm or any of its management person are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer, disclose this fact.

Neither Armored Wolf nor its management persons are registered or have an application pending to register as a broker-dealer or registered representative of a broker-dealer. Therefore this question is not applicable.

B. If the firm or any of its management persons are registered or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities, disclose this fact.

Armored Wolf is registered as a commodity pool operator and a commodity trading advisor and its management persons are registered as principals or as associated persons of this entity.

C. Describe any relationship or arrangement that is material to the firm's advisory business or to your clients that the firm or any of its management persons have with any related person listed below. Identify the related person and if the relationship or arrangement creates a material conflict of interest with clients, describe the nature of the conflict and how you address it.

Armored Wolf, or its control affiliates, serve as either the Managing Member or Investment Advisor of the Armored Wolf Funds. Those funds include the Armored Wolf Alpha Fund, Armored Wolf Alpha Master Fund, Ltd., the Armored Wolf Alpha (Offshore) Fund, Ltd., the Armored Wolf Hunter Fund, LLC, the Armored Wolf Master Hunter Fund, Ltd. and Armored Wolf Hunter (Offshore) Fund, Ltd. (collectively, the "Armored Wolf Hunter Fund"). Armored Wolf may solicit institutional or individual Clients to invest in such Armored Wolf Funds. To the extent that Armored Wolf, LLC is a Managing Member of any of these funds, the firm may receive compensation described in Item 5A&B above. The receipt of additional compensation

creates a conflict of interest. All fees will be disclosed to the client in advance of the client purchasing an interest in the fund.

D. If firm recommends or selects other investment advisers for its clients and receives compensation directly or indirectly from those advisers that creates a material conflict of interest, or if the firm has other business relationships with those advisers that create a material conflict of interest, describe these practices and discuss the material conflicts of interest these practices create and how you address them.

Armored Wolf does not recommend or select other investment advisers for clients therefore this question is not applicable.

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

A. If the firm is an SEC-registered advisor, briefly describe your code of ethics adopted pursuant to SEC rule 204A-1 or similar state rules. Explain that you will provide a copy of your code of ethics to any client or prospective client upon request.

General Principles

Armored Wolf is not obligated to refrain from investing in securities held in the Client accounts or in the Armored Wolf Funds that it manages except to the extent that such investments violate the Code of Ethics (“**Code**”) adopted by Armored Wolf. Additionally, Armored Wolf personnel may invest in the Armored Wolf Funds which, in turn, may invest in securities Armored Wolf invests in on behalf of other managed Client accounts.

From time to time, employees and certain consultants of Armored Wolf or its affiliates may have interests in securities owned by or recommended to Clients or the Armored Wolf Funds. Armored Wolf has implemented procedures relating to personal securities transactions and insider trading that is designed to prevent actual conflicts of interest.

Personal transactions in securities by officers and employees and certain consultants of Armored Wolf who have access to nonpublic information regarding Clients’ or the Armored Wolf Funds’ purchase or sale of securities, are involved in making securities recommendations to Clients or the Armored Wolf Funds’ or who have access to such non-public recommendations (“**access persons**”) are subject to the restrictions and procedures in Armored Wolf’s Code. All Armored Wolf employees are currently identified as access persons under the Code and, thus, all personnel are subject to the Code’s restrictions and requirements.

The Code addresses, among other things, the following: (i) general principles that address Armored Wolf’s fiduciary obligations to its Clients, including the Armored Wolf Funds, (ii) provisions requiring Armored Wolf to provide all access persons with a copy of the current Code and any subsequent amendments, and all access persons to provide Armored Wolf with a written

acknowledgement of their receipt of the Code and any amendments; and (iii) provisions restricting the purchase and sale, by access persons for their own accounts, of securities that have been purchased or sold for Client or Armored Wolf Funds' accounts as described below.

The Code is based upon the principle that directors, officers and employees of Armored Wolf have a fiduciary duty to place client interests first and to conduct all personal securities transactions in a manner that does not interfere with client transactions or otherwise take unfair advantage of the relationship of the director, officer or employee to Clients. In addition, the personal securities transactions of personnel must be effected in such a way so as to avoid a conflict between the personal interests of Armored Wolf personnel and the interests of Armored Wolf's Clients, including the Armored Wolf Funds.

Further, personnel must avoid actions or activities that allow such a person or a member of his or her family, to profit or benefit from his or her position with Armored Wolf, or otherwise call into question such person's independent judgment.

Access persons are also prohibited from accepting personal gifts of more than a "de minimis" (\$500) fair market value from any person or entity (including Clients and vendors) that does business with or on behalf of Armored Wolf.

Restrictions on Personal Securities Transactions

The Code requires access persons to provide certain reports, including initial and annual reports listing all securities covered by the Code for which the access person had any direct or indirect beneficial ownership as well as a list of any broker, dealer or bank account in which the securities are held. Access persons must also pre-clear certain securities transactions.

An existing or prospective client may obtain a copy of the Code by contacting Armored Wolf at 949-330-6135, or contacting us via facsimile at 949-315-3383 or via E-mail at info@armoredwolf.com.

Insider Trading Policy

Armored Wolf may from time to time perform a variety of services for, or solicit business from, a variety of companies, including issuers of securities, that Armored Wolf may recommend for purchase or sale by, or in which Armored Wolf may effect transactions for the account of, Armored Wolf Clients, including the Armored Wolf Funds. In connection with providing these services, Armored Wolf and its affiliated persons may come into possession from time to time of material nonpublic or other confidential information which, if disclosed, might affect an investor's decision to buy, sell, or hold a security. Under applicable law, Armored Wolf and its affiliated persons may be prohibited from improperly disclosing or using such information for their personal benefit or for the benefit of any person, regardless of whether such other person is a client. Accordingly, should Armored Wolf or any affiliated person come into possession of material nonpublic or other confidential information with respect to any company, Armored Wolf may be prohibited from communicating such information to clients, and Armored Wolf will have no responsibility or liability for failing to disclose such information to clients as a result of following its policies and procedures designed to comply with applicable law.

Armored Wolf has adopted an "Insider Trading" policy in accordance with Advisers Act Section 204A, which prohibits the misuse of material nonpublic information by Armored Wolf and all of its access persons. In addition, the Code contains restrictions on using inside information to engage in any personal transactions or to "tip" or otherwise disclose any material nonpublic information. Any Armored Wolf officer, director, employee or other access person who fails to observe the above-described policies risks serious sanctions, including dismissal and personal liability.

Participation by Armored Wolf Personnel in Armored Wolf Funds' Profits

As the Investment Advisor or Managing Member of The Armored Wolf Funds' Armored Wolf or its affiliates may participate in the Armored Wolf investments, pro rata, in accordance with its member accounts and receives a portion of the annual allocation of the net capital appreciation of the Investors that is made. Principal executive officers and other personnel of Armored Wolf may receive annual compensation and bonuses based, in part, on the performance of the Armored Wolf Funds' and are permitted to invest in the Armored Wolf Funds.

B. If firm or its related persons recommends to clients, or buys or sells for client accounts, securities in which the firm or a related person has a material financial interest, describe the firm's practice and discuss the conflicts of interest it presents. Describe generally how you address conflicts that arise.

See the response to Item 10A above.

C. If the firm or a related person invests in the same securities (or related securities, e.g., warrants, options or futures) that the firm or a related person recommends to clients, describe the firm's practice and discuss the conflicts of interest this presents and generally how the firm addresses the conflicts that arise in connection with personal trading.

Armored Wolf and its affiliates, including its access persons, may invest for their own accounts and for the accounts of Clients in various instruments that are senior, *pari passu* or junior to, or have interests different from or adverse to, the instruments that are owned by the Armored Wolf Funds or Client accounts. Furthermore, Armored Wolf and its affiliates may in the future serve as an investment adviser to other funds and Client accounts and may make investment decisions for their own accounts and for the accounts of others, including other funds and Client accounts that may be different from those that will be made by Armored Wolf on behalf of the Armored Wolf Funds and Client accounts. When making investment decisions where a conflict of interest may arise, Armored Wolf will endeavor to act in a fair and equitable manner as between the Armored Wolf Funds and other Clients. Armored Wolf may at certain times (subject to applicable law) be simultaneously seeking to purchase (or sell) investments from the Armored Wolf Funds or Client accounts and sell (or purchase) the same investment for a similar entity, including other funds and Client accounts, for which it serves as asset manager now or in the future. In addition, Armored Wolf and its affiliates may buy securities from or sell securities to

its Clients or the Armored Wolf Funds to the extent permitted by applicable law. These other relationships may also result in securities laws restrictions on transactions in these instruments by the Armored Wolf Funds or its other Clients and otherwise create potential conflicts of interest for Armored Wolf.

D. If the firm or related person recommends securities to clients, or buys or sells securities for client accounts, at or about the same time that the firm or related person buys or sells the same securities for your own account, describe the firm's practice and discuss the conflicts of interest it presents. Describe generally how you address conflicts that arise.

See the response to Item 11C above.

Item 12 Brokerage Practices

A. Describe the factors the firm considers in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation (e.g. commissions).

Generally, Armored Wolf is retained with respect to Client Accounts on a discretionary basis and authorized to make the following determinations in accordance with Clients' specified investment objectives without Client consultation or consent before a transaction is effected:

- Which instruments, including foreign currencies both spot and forward, to buy or sell.
- The total amount of instruments, including foreign currencies both spot and forward, to buy or sell.
- The broker or dealer through whom instruments, including foreign currencies both spot and forward, are bought or sold.
- The commission rates at which transactions in instruments, including foreign currencies both spot and forward, for Client accounts are effected.
- The prices at which instruments, including foreign currencies both spot and forward, are to be bought or sold, which may include dealer spreads or mark-ups and transaction costs.

Investment and Brokerage Decisions and Review

Armored Wolf will allocate the Armored Wolf Funds and the Sectors' and other Clients portfolio transactions to brokers and dealers. It is expected that brokers and dealers will be selected on the basis of best execution. Nevertheless, the Armored Wolf Funds and other Clients may be deemed to be using soft dollars by virtue of selecting brokers based on factors other than the best available price.

Investment and brokerage decisions for Client accounts, to the extent such discretion has been granted to Armored Wolf, are made by portfolio managers and traders, with assistance from other relevant personnel. In placing brokerage for Client accounts with respect to which Armored Wolf has been granted discretion, Armored Wolf seeks to (1) determine each Client account's trading requirements, (2) select appropriate trading methods, venues and agents to execute the trades under the circumstances, (3) evaluate market liquidity of each instrument and take appropriate steps to mitigate excessive market impact, to the extent practicable, (4) maintain Client confidentiality and Armored Wolf's proprietary information inherent in the decision to trade, and (5) review the results of execution on a periodic basis.

At least semi annually Armored Wolf's Broker Allocation and Best Execution Committee meets to review Armored Wolf's trading practices, including the quality of executions received and commission rates paid by discretionary accounts, in order to determine what changes, if any, should be made in its brokerage arrangements. Armored Wolf's goal in this process is to exercise reasonable, good faith judgment to select broker-dealers or other trading venues that will consistently provide quality execution at acceptable cost.

1.a.-f. Research and Other Soft Dollar Benefits.

If the firm receives research or other products or services other than execution from a broker-dealer or a third party in connection with client securities transactions ("soft dollar benefits"), disclose the firm's practices and discuss the conflicts of interest they create.

Presently Armored Wolf does not currently take advantage of any soft dollar benefits. However, Armored Wolf at any time reserves the right, when appropriate under its discretionary authority and consistent with its duty to obtain best execution, to direct brokerage transactions for client accounts to broker-dealers who provide Armored Wolf with research and brokerage services. The brokerage commissions used to acquire these services are known as "soft dollars." 1934 Act Section 28(e) and related SEC interpretive materials provide a "safe harbor" which allows Armored Wolf to pay for research and brokerage services with soft dollars generated by client account transactions. Section 28(e) permits Armored Wolf, under certain circumstances, to cause Armored Wolf Funds' and Client accounts to pay brokers and dealers a commission for effecting portfolio transactions in excess of the commission another broker or dealer would have charged to effect such transactions.

Broker-dealers typically provide a bundle of services, including research and execution. The services provided can be either proprietary (created and provided by the broker-dealer, including tangible research products as well as access to analysts and traders) or third-party (created by a third party but provided by the broker-dealer). Armored Wolf may use soft dollars to acquire either type. It is not generally possible to place a dollar value on the special executions or on the research services Armored Wolf receives from broker-dealers effecting transactions in portfolio securities. Accordingly, Armored Wolf may pay broker-dealers commissions for effecting Armored Wolf Funds' and Clients' portfolio transactions in excess of amounts other broker-dealers would have charged for effecting similar transactions if Armored Wolf determines in good faith that such amounts are reasonable in relation to the value of the brokerage and/or

research services provided by those broker-dealers, viewed either in terms of a particular transaction or Armored Wolf's overall duty to its discretionary accounts.

In determining whether a service or product qualifies as research or brokerage, Armored Wolf must evaluate whether the service or product provides lawful and appropriate assistance to it in carrying out its investment decision-making responsibilities. Brokerage and research services that may be provided under Section 28(e) include: (1) furnishing advice as to the value of securities, the advisability of investing in, purchasing or selling securities, and the availability of securities or purchasers or sellers of securities; (2) furnishing analyses and reports and sponsoring seminars or conferences concerning industries, issuers, securities, economic factors and trends, portfolio strategy, and the performance of accounts; and (3) effecting securities transactions and performing functions incidental thereto (such as clearance, settlement, and custody). Examples of services which Armored Wolf may pay for with Client commissions include certain market publications and commentaries, research and data reports, economic forecasts, Bloomberg, Multex, and similar 28(e) permitted services.

The receipt of research in exchange for soft dollars benefits Armored Wolf by allowing Armored Wolf, at no cost to it, to supplement its own research and analysis activities. This creates a conflict of interest which Armored Wolf recognizes. Armored Wolf limits its use of soft dollars to only those services which are within the safe harbor. Moreover, any research services received by Armored Wolf are in addition to, and not in lieu of, services required to be performed by Armored Wolf under its investment management agreements.

However, Armored Wolf may receive "mixed use" services, or those that can be used for both research and "non-research purposes," such as for firm administration or marketing. In such cases, Armored Wolf may have a conflict of interest in allocating the costs of such services between those that primarily benefit Armored Wolf and those that primarily benefit its Armored Wolfs' or Clients and determining which portion may be paid for with soft dollars. Armored Wolf makes a good faith allocation of the relative proportion of the cost of such services used for non- research purposes and pays for such proportion from its own funds.

As a general matter, brokerage and research services are used to service all of Armored Wolf's discretionary accounts. However, each and every brokerage or research service may not be used for the benefit of each and every account managed by Armored Wolf, and brokerage commissions paid by one account may be used to pay for brokerage and research services that may not be used to service that account. Armored Wolf does not usually attempt to allocate the relative costs or benefits or research among client accounts because it believes that, in aggregate, the research it receives benefits clients and assists Armored Wolf in fulfilling its overall duty to its Clients.

Armored Wolf will not enter into any agreement or understanding with any broker-dealer which would obligate Armored Wolf to direct a specific amount of brokerage transactions or commissions in return for such services. However, certain broker-dealers may state in advance the amount of brokerage commissions they require for certain services and the applicable cash equivalent.

In appropriate circumstances, Armored Wolf may accept advisory accounts with limited discretion or where investments or brokerage arrangements are Client directed pursuant to an agreement between Armored Wolf and the Client. Armored Wolf requires that such Client-imposed limitations or directions be in writing and prefers that such arrangements be set forth in the Client's investment advisory agreement or other relevant documentation, at account inception.

2. Brokerage for Client Referrals.

If the firm considers, in selecting or recommending broker-dealers, whether the firm or a related person receives client referrals from a broker-dealer or third party, disclose this practice and discuss the conflicts of interest it creates.

Services Provided by Prime Broker

Armored Wolf may select one or more firms to serve as prime brokers ("**Prime Brokers**") to hold the funds and securities of, and execute transactions for, the Armored Wolf Funds, consistent with best execution. In addition to custody and execution, Prime Brokers may provide other core functions (such as reporting, clearing, financing, securities lending, and client service) as well as value added items (such as capital introductions, advanced research and analytics and technology services) to the Armored Wolf Funds.

Armored Wolf may choose which broker effects a particular transaction and, on occasion, the amount of commission the Armored Wolf Funds pays for such trade. Armored Wolf may "trade away" for specific trades, executing trades through brokers other than the Prime Brokers in an effort to gain access to greater inventory or better price or execution. Armored Wolf may use Prime Brokers that it believes will provide specific services to the Armored Wolf Funds, allowing the Armored Wolf Funds to operate effectively and efficiently by, for example, providing Armored Wolf with electronic access to account information and trade confirmations, bulk mailing of statements to Investors and access to specialized customer service personnel.

Armored Wolf's use of Prime Brokers with respect to the Armored Wolf Fund's may yield increased administrative ease and, therefore, increased profitability for Armored Wolf. Prime Brokers may also introduce investors to Armored Wolf Funds. Because an increase in the size of the Armored Wolf Funds would likely result in additional compensation to Armored Wolf and the Prime Brokers, both Armored Wolf and whatever Prime Broker it uses may receive benefits from the Prime Brokers introduction of investors to the Armored Wolf Funds. Therefore, Armored Wolf has an incentive to recommend Prime Brokers based on its interest in receiving client referrals.

Armored Wolf reserves the right, in its sole discretion, to change the Armored Wolf Fund's brokerage arrangements without further notice to Investors.

Capital Introduction Services

Other broker-dealers may provide capital introduction services to Armored Wolf with respect to the Armored Wolf Funds on a no reimbursement basis. Such firms generally do so in order to

establish a relationship with Armored Wolf which may assist the firm in obtaining future business. However, no promise of future brokerage direction or other business arrangements is made in connection with these services.

3.a. Directed Brokerage.

If the firm routinely recommends, requests or requires that a client direct you to execute transactions through a specified broker-dealer, describe the firm's practice or policy.

Armored Wolf recommends that all clients use a particular broker-dealer for execution and/or custodial services. The broker-dealer is recommended based on criteria such as, but not limited to, reasonableness of commissions charged to the client, tools and services made available to the client and the Advisor, and convenience of access to the account trading and reporting. The client will provide authority to Armored Wolf to direct all transactions through that broker-dealer in the investment advisory agreement. See also the response to Item 12A above.

As an investment advisory firm, Armored Wolf has a fiduciary duty to seek best execution for client transactions. While best execution is difficult to define and challenging to measure, there is some consensus that it does not solely mean the achievement of the best price on a given transaction. Rather, it appears to be a collective consideration of factors concerning the trade in question. Such factors include the security being traded, the price of the trade, the speed of the execution, apparent conditions in the market, and the specific needs of the client. Armored Wolf's primary objectives when placing orders for the purchase and sale of securities for client accounts is to obtain the most favorable net results taking into account such factors as 1) price, 2) size of order, 3) difficulty of execution, 4) confidentiality and 5) skill required of the broker. Armored Wolf may not necessarily pay the lowest commission or commission equivalent as specific transactions may involve specialized services on the part of the broker.

3.b If the firm permits a client to direct brokerage, describe your practice.

In some circumstances, a Client may arrange to direct its securities transactions to a particular broker or dealer ("**designated broker**") in exchange for various account services ("**directed account**") and may negotiate its brokerage commissions directly with the designated broker. By directing trades to a specific and exclusive brokerage firm, the account may not participate in potential savings on execution costs resulting from volume discounts that Armored Wolf might otherwise be able to obtain for clients which have not directed Armored Wolf to send their trades to designated brokers ("non-directed accounts"). The brokerage commission rates charged to directed accounts may differ substantially from the rates charged to non-directed accounts.

Armored Wolf generally attempts to aggregate or "block" trades for Client accounts and Armored Wolf Funds. By directing Armored Wolf to use a designated broker, an account will generally be unable to participate in block trades. However, Armored Wolf may, from time to

time and at its discretion, execute a trade for a directed account as part of a "block" trade under either of the following circumstances:

- a) the designated broker is the executing broker-dealer for an otherwise blocked trade; or
- b) the executing broker-dealer for the block trade is willing to "step out" the directed account's portion of the trade in a way that does not disadvantage other participating accounts and the designated broker is willing to accept a trade handled in such manner.

Except in the circumstances described above, Armored Wolf may, and routinely does, execute trades for directed accounts after trades have been executed for non-directed accounts which may include the Armored Wolf Funds. Under these circumstances, trades for a directed account may be subject to price movements, particularly if they are trading after large block trades, involve illiquid securities or occur in volatile markets, that may cause the directed account to receive a price/execution that is less favorable than that obtained for non-directed accounts, or, in the event of a significant price movement, a directed account may not trade at all.

Directed brokerage arrangements may also arise in connection with account that are introduced to Armored Wolf by other investment advisers ("**consultants**") that have separately negotiated with certain designated brokers ("**designated brokers**") to provide brokerage and custody services to clients of the consultant. The designated brokerage arrangements negotiated by these consultants often subject their clients to additional charges such as trade away service fees if trades are not executed through the designated brokers. In order to attempt to minimize the total execution cost of trades for these accounts, Armored Wolf anticipates that it will direct most, if not all, transactions for Client accounts that are subject to these designated brokerage arrangements to the designated brokers. Because they will be treated by Armored Wolf as directed accounts, Clients of consultants who have negotiated these designated brokerage arrangements should understand that their accounts will be subject to all the constraints that generally affect directed accounts (e.g., relating to block trades and trade sequencing) discussed above.

In addition to trade away fees, Clients introduced to Armored Wolf through these consultants may incur higher commission rates and minimum ticket charges to which other Clients and the Armored Wolf Funds are not subject. Because these designated brokerage arrangements are established by the consultants, Armored Wolf is not in a position to negotiate brokerage commissions or fees, or even to rely on compensation arrangements that Armored Wolf itself previously may have negotiated with the designated broker that may be more favorable. As a result, Clients subject to these designated broker arrangements may receive higher commissions, greater spreads or less favorable net prices than might be the case if Armored Wolf were able to negotiate commission rates or spreads freely.

B. Discuss whether and under what conditions the firm aggregates the purchase or sale of securities for various client accounts. If the firm does not aggregate orders when it has the opportunity to do so, explain your practice and describe the costs to clients of not aggregating.

Portfolios for which Armored Wolf acts as an advisor are governed by the principle of fair allocation of investment opportunities. This applies to all portfolios (Client accounts and Armored Wolf Funds) advised by Armored Wolf. Trades will be allocated on a basis believed to be fair and equitable; no participating client account will receive preferential treatment over any other. The portfolio management team will take steps to ensure that no participating client account will be systematically disadvantaged by the aggregation, placement, or allocation of trades. Transactions are allocated promptly, usually on the trade date, and no reallocations are permitted from one account to another except where the original allocation was done in error. No allocations will be made to a personal account of the portfolio management team or any access person (as defined in Armored Wolf's Code of Ethics).

Principle of Fair Allocation of Investment Opportunities

In order to ensure fairness in the allocation of investment opportunities among the client accounts it manages, Armored Wolf allocates investment opportunities with consideration to the prime determinants of market exposure, cash availability and sector exposure and with regard to the suitability of such investments for each client account. In determining the suitability of each investment opportunity for a client account, consideration will be given to a number of factors, the most important being the client account's investment objectives and strategies, existing portfolio composition and cash levels. Where an investment opportunity is suitable for two or more client accounts, Armored Wolf allocates such investment opportunity equitably in order to ensure that client accounts have equal access to similar quality and quantity of investment opportunities.

Factors to Consider

- Investment instruments including derivative instruments will not necessarily be allocated pro rata, given that the client account's investment objectives and guidelines, cash levels and portfolio composition may be different.
- In client accounts having similar investment objectives and guidelines and portfolio composition and where investments are not allocated pro rata, the client accounts will be managed over time with a goal of achieving "performance parity."
- Given different inception dates and historical cash flows, each client account may hold the same position with a different cost base, or hold different positions.

Block Trading

Armored Wolf may, in its discretion, "bunch" orders being placed for execution at the same time for the accounts of two or more clients, which may include Client accounts and Armored Wolf Funds for which Armored Wolf may receive a performance-based fee and/or in which Armored Wolf's affiliates and employees may have an ownership interest, where it believes such aggregation is appropriate and in the best interest of its clients. This practice may enable Armored Wolf to seek more favorable executions and net prices for the combined order. However, Armored Wolf is not obligated to bunch or aggregate orders or to include any particular account in a bunched order if portfolio management decisions for different accounts are made separately or if Armored Wolf determines that aggregating trades would be inconsistent with Armored Wolf's investment management duties or with any investment objectives, guidelines or restrictions applicable to a particular account.

The portfolio manager will bunch orders where appropriate for the participating Clients and Armored Wolf Funds and consistent with Armored Wolf's duty to seek best execution. Prevailing trading activity frequently may make it impossible to receive the same price or execution on the entire volume of securities purchased or sold. When Armored Wolf cannot fill all orders at the same price, each Client account and any Armored Wolf Fund that participates in the block order will receive the average price for that particular transaction. Thus, the effect of the aggregation may operate in some circumstances to a particular Client's disadvantage. Adjustments to the allocation may be made to avoid *de minimis* allocations to Client accounts or to avoid deviations from pre-determined holding limits established for any Client account or Armored Wolf Fund.

IPOS

Generally, a company issuing in an initial public offering (“**IPO**”) will have a limited operating history and thus IPO investments might frequently be considered speculative. The principle of fair allocation of investment opportunities is applied to IPO's, with special attention being given to the suitability of investments vis á vis the Client accounts and Armored Wolf Funds investment objectives and guidelines.

Item 13 Review of Accounts

A. Indicate whether your firm periodically reviews client accounts or financial plans. If you do, describe the frequency and nature of the review and the titles of the supervised persons who conduct the review.

Holdings across Client accounts are continuously reviewed. An account-by account review is conducted quarterly or more frequently as necessary to respond to significant changes in economic or market conditions or a Client's informing Armored Wolf of changes in the Client's financial circumstances or investment objectives and guidelines. Client accounts will be reviewed by the Portfolio Managers and personnel in the Marketing Department of Armored Wolf.

B. If the firm reviews client accounts on other than a periodic basis, describe the factors that trigger a review.

This question is not applicable.

C. Describe the content and indicate the frequency of regular reports the firm provides to clients regarding their accounts. State whether these reports are written.

Audited annual financial statements and additional unaudited periodic reports shall be provided to investors as disclosed in the relevant Armored Wolf Funds' offering documents. Separate accounts Clients generally receive written quarterly and annual reports from the custodian.

Item 14 Client Referrals and Other Compensation

A. If someone who is not a client provides an economic benefit to the firm for providing investment advice or other advisory services to your clients, generally describe the arrangement, explain the conflicts of interest, and describe how the firm addresses the conflicts of interest. For purposes of this Item, economic benefits include any sales awards or other prizes.

Prime Brokers or other brokerage firms may also solicit Investors for the Armored Wolf Funds as described above in Item 12A2 above. Such solicitations will comply with applicable law.

B. If the firm or a related person directly or indirectly compensates any person who is not a supervised person for client referrals, describe the arrangement and the compensation.

Armored Wolf may from time to time compensate, either directly or indirectly, either employees or third parties for client referrals. Any such referral arrangements will comply with the relevant portions of the "cash solicitation" rule (Rule 206(4)-3). The fees paid to referral sources do not affect the fees clients pay to Armored Wolf. In each instance, a written agreement will exist between Armored Wolf and the referral source. At the time of a referral, prospective advisory clients will receive Armored Wolf's Brochure and a Solicitor's Disclosure Document.

Item 15 Custody

If the firm has custody of client funds or securities and a qualified custodian sends quarterly, or more frequent, account statements directly to clients, explain that clients will receive account statements from the broker-dealer, bank or other qualified custodian and that clients should carefully review those statements.

Armored Wolf does not have physical custody of client funds or securities, however, the client will receive written statements no less than quarterly from the custodian. Armored Wolf encourages clients to carefully review their account statements for any inaccuracies. Any discrepancies should be immediately brought to the firm's attention.

Item 16 Investment Discretion

If the firm accepts discretionary authority to manage securities accounts on behalf of clients, disclose this fact and describe any limitations clients may (or customarily do) place on this authority. Describe the procedures you follow before you assume this authority (e.g., execution of a power of attorney).

Armored Wolf generally has discretion over the selection and amount of securities to be bought or sold in client accounts without obtaining prior consent or approval from the client for each transaction. However, these purchases or sales may be subject to specified investment objectives, guidelines, or limitations previously set forth by the client and agreed to by Armored Wolf.

Discretionary authority will only be provided upon full disclosure to the client. The granting of such authority will be evidenced by the client's execution of an Investment Advisory Agreement containing all applicable limitations to such authority. All discretionary trades made by Armored Wolf will be in accordance with each client's investment objectives and goals.

Item 17 Voting Client Securities

A. If the firm has, or will accept authority to vote client securities, briefly describe the voting policies and procedures, including those adopted pursuant to SEC rule 206(4)-6 and the applicable state securities rules.

Armored Wolf's Policies, Guidelines and Procedures pursuant to Rule 206(4)-6 under the Advisors Act relating to Proxy Voting are summarized below.

General Policy

Armored Wolf believes that proxy voting rights are a valuable portfolio asset and an important part of our investment process, and Armored Wolf exercises its voting responsibilities solely with the goal of serving the best interests of its clients as shareholders of a company. Armored Wolf believes that the proxy voting process is a significant means of addressing crucial corporate governance issues and encouraging corporate actions that Armored Wolf believes enhance shareholder value. In determining how to vote on any proposal, Armored Wolf will consider the proposal's expected impact on shareholder value and will not consider any benefit to us, at Armored Wolf, or our employees or affiliates.

Proxy Voting Guidelines

Armored Wolf's Proxy Committee has established a number of proxy voting guidelines on various issues of concern to investors. We will normally vote proxies in accordance with these guidelines unless we determine that it is in the best economic interests of Armored Wolf's clients to vote contrary to the guidelines. Our voting guidelines generally address issues related to boards of directors, auditors, equity based compensation plans, and shareholder rights.

Conflicts of Interest

Armored Wolf's Proxy Committee, in consultation with our legal and compliance departments, will monitor and resolve any potential conflicts of interest with respect to proxy voting. A conflict of interest might exist, for example, when an issuer who is soliciting proxy votes also has a client relationship with Armored Wolf, when a client of Armored Wolf's is involved in a proxy contest (such as a corporate director), or when one of our employees has a personal interest in a proxy matter. When a conflict of interest arises, in order to insure that proxies are voted solely in the best interests of the clients, Armored Wolf will vote in accordance with either our written guidelines or the recommendation of an independent third-party voting service. If Armored Wolf believes that voting in accordance with the guidelines or the recommendation of the proxy voting service would not be in the collective best interests of Armored Wolf clients, the Management Committee of Armored Wolf will determine how shares should be voted.

Proxy Voting Record

Clients may receive a copy of the Proxy Voting Policies, Guidelines and Procedures, as well as information on how proxies were voted for a relevant client account upon request by contacting Armored Wolf at 949-333-7000, or contacting us via facsimile at 949-315-3383 or via E-mail at info@armoredwolf.com. Armored Wolf will not disclose proxy votes for a client account to a third party, unless specifically requested in writing by the relevant client.

B. If the firm does not have authority to vote client securities, disclose this fact. Explain whether clients will receive their proxies or other solicitations directly from their custodian or a transfer agent or from you and discuss whether (and, if so, how) clients can contact you with questions about a particular solicitation.

Armored Wolf does vote proxies for clients therefore this question is not applicable.

Item 18 Financial Information

A. If the firm requires or solicits prepayment of more than \$1,200 in fees per client, six months or more in advance, include a balance sheet for your most recent fiscal year.

Armored Wolf does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance.

B. If firm has discretionary authority or custody of client funds or securities, or firm requires or solicits prepayment of more than \$1,200 in fees per client, six months or more in advance, disclose any financial condition that is reasonably likely to impair your ability to meet contractual commitments to clients.

Armored Wolf has discretionary authority over client accounts and is not aware of any financial condition that will likely impair its ability to meet contractual commitments to clients. If Armored Wolf does become aware of any such financial condition, this brochure will be updated and clients will be notified.

C. If firm has been the subject of a bankruptcy petition at any time during the past ten years, disclose this fact, the date the petition was first brought and the current status.

Armored Wolf has not been the subject of a bankruptcy petition, therefore this question is not applicable.

Item 19 Requirements for State-Registered Advisers

Armored Wolf is registered with the Securities and Exchange Commission (SEC) and therefore not subject to this Item.