

ITEM 1
COVER PAGE

PART 2A OF FORM ADV: FIRM BROCHURE

Porter Orlin LLC

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Porter Orlin LLC

666 Fifth Avenue, Suite 3403

New York, NY 10103

Tel: 212-484-5000

Fax: 212-484-5020

*This brochure provides information about the qualifications and business practices of Porter Orlin LLC ("**Porter Orlin**"). If you have any questions about the contents of this brochure, please contact us at 212-484-5000. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the "**SEC**") or by any state securities authority.*

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

Registration with the SEC or with any state securities authority does not imply a certain level of skill or training.

ITEM 2

MATERIAL CHANGES

Porter Orlin's most recent update to Form ADV Part 2 was made on October 1, 2010. Porter Orlin's business activities have not changed materially since the time of that update. However, in 2010 the SEC required significant changes to the content and format of Form ADV Part 2. This brochure, which reflects those changes, is materially different from brochures previously used by Porter Orlin.

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ITEM 4
ADVISORY BUSINESS

A. General Description of Advisory Firm.

Porter Orlin is a limited liability company formed in the State of Delaware in October 2004 that commenced operations in January 2005. A. Alex Porter and Paul E. Orlin are the owners and managing members of Porter Orlin.

B. Description of Advisory Services.

i. **Funds**

Porter Orlin provides investment advisory services on a discretionary basis (with discretionary trading authority) to the following private investment funds:

- ***Amici Associates, L.P.*** - Amici Associates, L.P. is a limited partnership formed in the State of New York in October 1976 that commenced operations in October 1976. Amici Associates, L.P. is exempted from registration under the Investment Company Act of 1940, as amended (the "**Investment Company Act**") in reliance on Section 3(c)(1) thereof;
- ***Amici Qualified Associates, L.P.*** - Amici Qualified Associates, L.P. is a limited partnership formed in the State of Delaware in September 2001 that commenced operations in September 2001. Amici Qualified Associates, L.P. is exempted from registration under the Investment Company Act in reliance on Section 3(c)(7) thereof;
- ***The Collectors' Fund, L.P.*** - The Collectors' Fund, L.P. is a limited partnership formed in the State of New York in January 1984 that commenced operations in January 1984. The Collectors' Fund, L.P. is exempted from registration under the Investment Company Act in reliance on Section 3(c)(1) thereof;
- ***Amici Global Partners, L.P.*** - Amici Global Partners, L.P. is a limited partnership formed in the State of Delaware in June 2004 that commenced operations in January 2005. Amici Global Partners, L.P. is exempted from registration under the Investment Company Act in reliance on Section 3(c)(7) thereof;
- ***Amici Healthcare, L.P.*** - Amici Healthcare, L.P. is a limited partnership formed in the State of Delaware in December 2003 that commenced operations in December 2003. Amici Healthcare, L.P. is exempted from registration under the Investment Company Act in reliance on Section 3(c)(1) thereof;
- ***Lightpath Capital, L.P.*** - Lightpath Capital, L.P. is a limited partnership formed in the State of Delaware in February 2000 that commenced operations in November 2003. Lightpath Capital, L.P. is exempted from registration under the Investment Company Act in reliance on Section 3(c)(1) thereof;

(collectively, the "**U.S. Funds**");

- ***Amici Fund International, Ltd.*** - Amici Fund International, Ltd. is a British Virgin Islands business company formed in February 2000 that commenced operations in January 2002. With respect to U.S. tax-exempt persons, Amici Fund International, Ltd. is exempted from registration under the Investment Company Act in reliance on Section 3(c)(1) thereof; and
- ***Amici Global International, Ltd.*** - Amici Global International, Ltd. is a British Virgin Islands business company formed in December 2004 that commenced operations in January 2006. With respect to U.S. tax-exempt persons, Amici Global International, Ltd. is exempted from registration under the Investment Company Act in reliance on Section 3(c)(1) thereof.

(collectively, the "**Offshore Funds**", and together with the U.S. Funds, the "**Funds**").

The interests in the U.S. Funds are offered on a private placement basis, pursuant to an exemption from registration requirements of Section 5 of the Securities Act of 1933, as amended (the "**Securities Act**"), to persons who are "accredited investors" as defined in Regulation D under the Securities Act, "qualified clients" as defined under the Investment Advisers Act, as amended (the "**Advisers Act**"), and/or "qualified purchasers" as defined under the Investment Company Act, and subject to certain other conditions, which are set forth in the offering documents of the U.S. Funds. CF Advisors, LLC, a limited liability company formed in the State of Delaware affiliated with Porter Orlin, is the general partner of the U.S. Funds.

The shares in the Offshore Funds are offered on a private placement basis to persons who are not "U.S. persons" as defined under Regulation S of the Securities Act, and U.S. tax-exempt persons who are "accredited investors" as defined in Regulation D under the Securities Act, and/or "qualified clients" as defined under the Investment Advisers Act, and subject to certain other conditions, which are set forth in the offering documents of the Offshore Funds.

The Funds are managed by Porter Orlin in accordance with their respective offering documents and investment management agreement entered into with Porter Orlin.

ii. **Mauritius Entities**

Porter Orlin provides investment subadvisory services on a discretionary basis (with discretionary trading authority) to Porter Orlin (Mauritius) Limited, a wholly-owned subsidiary of Porter Orlin.

Porter Orlin (Mauritius) Limited, a private company incorporated in the Republic of Mauritius in July 2009 that commenced operations in August 2010, provides investment advisory services on a discretionary basis (with discretionary trading authority) to Amici Associates (Mauritius) Limited, Amici Qualified Associates (Mauritius) Limited, Amici Fund International (Mauritius) Limited, The Collectors' Fund (Mauritius) Limited, Amici Global Partners (Mauritius) Limited and Amici Global International (Mauritius) Limited (collectively, the "**Mauritius Entities**"), wholly-owned subsidiaries of Amici Associates, L.P., Amici Qualified Associates, L.P., Amici Fund International, Ltd., The Collectors' Fund, L.P., Amici Global Partners, L.P. and Amici Global International, Ltd.,

respectively. The Mauritius Entities are private companies incorporated in the Republic of Mauritius in July 2009 that commenced operations in August 2010 (in the case of The Collectors' Fund (Mauritius) Limited, Amici Global Partners (Mauritius) Limited and Amici Global International (Mauritius) Limited) or October 2010 (in the case of Amici Associates (Mauritius) Limited, Amici Qualified Associates (Mauritius) Limited and Amici Fund International (Mauritius) Limited) through which investments primarily in Indian securities may be made.

The Mauritius Entities are managed by Porter Orlin in accordance with the subadvisory agreement entered into between Porter Orlin (Mauritius) Limited and Porter Orlin.

iii. Managed Account

Porter Orlin provides investment advisory services on a discretionary basis (with discretionary trading authority) to a managed account (the "**Managed Account**").

The Managed Account is managed by Porter Orlin in accordance with the investment advisory agreement entered into between the Managed Account and Porter Orlin.

iv. Nippon Partners, L.P.

NP Management Company, LLC, a limited liability company formed in the State of Delaware affiliated with Porter Orlin, and Grant-Porter Investment Advisors, LLC, a limited liability company formed in the State of Delaware affiliated with Porter Orlin, are the management company and the general partner, respectively, of Nippon Partners, L.P., a limited partnership formed in the State of Delaware in September 1998 that commenced operations in September 1998. Nippon Partners, L.P. ceased investment activities on December 31, 2010 and is currently in the process of being dissolved.

C. Availability of Customized Services for Individual Clients.

Please refer to Item B.iii. above.

D. Wrap Fee Programs.

Not applicable.

E. Assets Under Management.

Porter Orlin managed \$1,276,462,453 on a discretionary basis as of December 31, 2010.

**ITEM 5
FEES AND COMPENSATION**

A. Advisory Fees and Compensation.

i. Funds

The advisory fees, allocations and expenses applicable to the Funds are set forth in detail in each Fund's respective offering documents. A summary of such fees, allocations and

expenses is provided below (this summary is qualified in its entirety by the actual terms and conditions set forth in each Fund's respective offering documents).

a. Management Fee

- *Amici Associates, L.P. and The Collectors' Fund, L.P.* - No management fee is applicable as each Fund is on an expense model basis whereby CF Advisors, LLC charges the expenses described in c. below.
- *Amici Qualified Associates, L.P.* - Subject to the following paragraph, Porter Orlin receives a monthly management fee from the Fund calculated at the rate of 1.5% per annum. The management fee is paid in advance within ten days after the first day of the month and is based on the value of the net assets of the Fund as of the first day of such month, without accrual of the incentive allocation (described in b. below), if any. The management fee is prorated for any period that is less than a full month and is deducted in determining the net profit or loss of the Fund.

With respect to the capital account of the limited partners that made an investment in the Fund prior to January 1, 2005, Porter Orlin receives a monthly management fee from the Fund calculated at the rate of 1.0% per annum. The management fee is paid in advance within ten days after the first day of the month and is based on the value of the net assets of the Fund as of the first day of such month, without accrual of the incentive allocation (described in b. below), if any. The management fee is prorated for any period that is less than a full month and is deducted in determining the net profit or loss of the Fund.

- *Amici Global Partners, L.P., Amici Healthcare, L.P., Lightpath Capital, L.P., Amici Fund International, Ltd. and Amici Global International, Ltd.* - Porter Orlin receives a quarterly management fee from each Fund calculated at the rate of 1.5% per annum. The management fee is paid in advance within ten days after the first day of the calendar quarter and is based on the value of the net assets of the Fund as of the first day of such quarter, without accrual of the incentive allocation or the incentive fee (described in b. below), if any. The management fee is prorated for any period that is less than a full calendar quarter and is deducted in determining the net profit or loss of the Fund.

b. Incentive Allocation and Incentive Fee

- *Amici Associates, L.P., Amici Qualified Associates, L.P., Amici Global Partners, L.P., Amici Healthcare, L.P. and Lightpath Capital, L.P.* - CF Advisors, LLC receives an incentive allocation equal to 20% of the net profits (realized and unrealized), if any, provisionally allocated to each limited partner's capital account during the applicable fiscal year. The incentive allocation is made at the end of each fiscal year or when a limited partner withdraws all or part of its capital from the Fund. The incentive allocation is subject to a loss carryforward limitation, or "high watermark", so that no incentive allocation is made to CF Advisors, LLC with respect to a

limited partner until prior net losses allocated to such limited partner's capital account are recouped. Any such loss carryforward is subject to reduction for withdrawals.

- ***Amici Fund International, Ltd. and Amici Global International, Ltd.***- Porter Orlin receives an incentive fee equal to 20% of the increase, if any, in the net asset value of each share during the applicable fiscal year. The incentive allocation is made at the end of each fiscal year or when a shareholder redeems all or part of its shares. The incentive fee is subject to a loss carryforward limitation, or "high watermark", so that no incentive fee is paid to Porter Orlin with respect to a share until prior net losses attributable to such share are recouped. Any such loss carryforward is subject to reduction for redemptions.

c. Expenses

- ***Amici Associates, L.P. and The Collectors' Fund, L.P.*** - Each Fund pays or incurs such costs and expenses as CF Advisors, LLC determines to be necessary for the conduct of the Fund's business, including but not limited to costs and expenses for research, legal and accounting services, investment banking expenses, administrator fees and expenses, investment expenses such as commissions, interest on margin accounts and other indebtedness, custodial fees and bank service fees, insurance expenses, salaries to employees of the Fund, taxes (other than taxes on income), interest, rent, electricity, clerical, bookkeeping and administrative services, and other general office expenses. In the event that either Fund shares offices with any other entity or entities in which CF Advisors, LLC has an interest, such costs and expenses are allocated between the Fund and such other entity or entities in such manner as CF Advisors, LLC determines to be appropriate in the circumstances.
- ***Amici Qualified Associates, L.P., Amici Global Partners, L.P., Amici Healthcare, L.P., Lightpath Capital, L.P., Amici Fund International, Ltd. and Amici Global International, Ltd.*** - Other than the expenses of Porter Orlin incurred in rendering the investment management services to each Fund (such as rent, supplies, secretarial expenses, stationery, charges for furniture and fixtures, employee insurance, payroll taxes and compensation of employees), the Fund bears all other expenses including legal, accounting, auditing, investment banking and other professional expenses, administration fees and expenses, directors' fees, insurance expenses, research expenses (including research related travel), all investment expenses including commissions, interest on margin accounts and other indebtedness, custodial fees, registrar and transfer agent fees, bank service fees and other reasonable expenses related to the purchase, sale or transmittal of the Fund's assets.

Porter Orlin, CF Advisors, LLC (with respect to the U.S. Funds) and the Board of Directors (with respect to the Offshore Funds) reserve the right to waive or reduce the management fee, the incentive allocation and/or the incentive fee, or impose different fees or allocations or otherwise modify the fee or allocation arrangements of existing investors

that are former, current or future members or employees of Porter Orlin or its affiliates, members of the family of such persons or trusts or other entities for their benefit, and for certain strategic investors, with the consent of such investors. In addition, each Fund reserves the right to impose different fees and allocations with respect to future investors.

ii. Mauritius Entities

Porter Orlin and Porter Orlin (Mauritius) Limited do not receive any management fee, incentive allocation, incentive fee or other asset-based compensation or performance-based compensation with respect to the Mauritius Entities. Porter Orlin (Mauritius) Limited may compensate Porter Orlin and reimburse it for expenses as may be agreed by the parties in accordance with the subadvisory agreement entered into between Porter Orlin (Mauritius) Limited and Porter Orlin.

iii. Managed Account

Porter Orlin receives a negotiated management fee and performance fee with respect to the Managed Account. Such fees are set forth in the investment advisory agreement entered into between the Managed Account and Porter Orlin.

iv. Nippon Partners, L.P.

Nippon Partners, L.P., which ceased investment activities on December 31, 2010 and is currently in the process of being dissolved, will pay or incur such fees, allocations and expenses necessary for the purpose of, and during the course of, completing any incomplete transactions, winding up its affairs, and distributing its assets.

B. Payment of Fees.

Please refer to Item 5.A. above.

C. Additional Fees and Expenses.

Please refer to Item 5.A. above.

D. Prepayment of Fees.

Please refer to Item 5.A. above.

E. Additional Compensation and Conflicts of Interest.

Not applicable.

**ITEM 6
PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

CF Advisors, LLC and Porter Orlin accept performance-based compensation in the form of the incentive allocations and the incentive fees described in Item 5.A.i.b. above.

ITEM 7 TYPES OF CLIENTS

As stated in Item 4.B. above, Porter Orlin provides investment advice to the Funds and the Managed Account. Porter Orlin, its affiliates and employees may, in the future, provide investment advisory services to other private investment funds, managed accounts, entities and/or persons.

ITEM 8 METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

A. Methods of Analysis and Investment Strategies.

i. **Funds**

The Funds are managed in accordance with the investment objectives and guidelines set forth in their respective offering documents. A summary of such investment programs is provided below (which summary is qualified in its entirety by the actual terms and conditions set forth in each Fund's respective offering documents).

- ***Amici Associates, L.P., Amici Qualified Associates, L.P. and Amici Fund International, Ltd.*** - The Funds' investment strategy objective is to achieve positive absolute returns in all market environments with a hedged portfolio of long and short-sale positions and a concurrent focus on capital preservation.

The Funds will adhere to a flexible investment approach that encompasses investments primarily in publicly-traded securities of companies in a broad spectrum of industries. The Funds seek to have a core of long-term, large investments in relatively few stocks on the long side utilizing Porter Orlin's research and analysis of those companies and a complement of short sales that represent both profit opportunities and a market hedge. Common characteristics of many of the Funds' long investments will include: a low multiple of price/cash flow; above-average return on equity and strong free cash flow generation; a strong balance sheet with low debt levels and significant liquidity; substantial inside ownership and shareholder-oriented management.

The Funds typically will not invest in momentum or concept plays and rely on bottom-up fundamental analysis. However, due to the volatile nature of the markets Porter Orlin continues to develop additional methods of investing and hedging to seek to achieve the investment objective of the Funds. In the discretion of Porter Orlin, the Funds may invest long in companies that do not share the characteristics listed above, including speculative, venture, or rapidly growing companies that trade at high multiples of earnings or book value. Such investments may be made for hedging or investment purposes.

In selecting short-sale positions, the Funds will emphasize stocks at the other end of the spectrum from the Funds' long positions (e.g., those characterized by high multiples of book value, cash flow and revenues). Such characteristics are often found in stocks that are broadly favored by investors and analysts and that may trade in volatile fashion. The Funds will evaluate these short-sale candidates by

focusing on those companies with perceived fundamental problems as evidenced by accounting issues, insider sales, and the suspected misrepresentation of company and industry conditions, among other factors. The Funds will seek greater diversification on the short side than on the long side and expect to trade these securities more frequently than their long positions to manage risk and take advantage of the higher volatility.

The Funds may take a more proactive role with respect to a portfolio company when Porter Orlin believes that taking such a role may protect or enhance the value of the Funds' holdings of the securities of that company. In taking such a role, Porter Orlin may seek to effect positive changes in the operations, policies, and structure of the portfolio company through various means.

The Funds may invest in securities meeting its investment criteria without geographic limitation, including those issued by companies in emerging and developing markets. The Funds' investments may at any time include, on margin or otherwise, long or short positions in U.S. or non-U.S. publicly traded or privately issued or negotiated common stocks, preferred stocks, stock warrants and rights, corporate debt, bonds, notes or other debentures, debt participations or trust receipts, convertible securities, options (purchased or written), futures contracts (and options on futures contracts), commodities, currency forward and spot contracts, swaps (including credit default swaps) and other derivative instruments, partnership interests and other securities or financial instruments including those of investment companies. The Funds may make these investments for investment or hedging purposes.

- ***The Collectors' Fund, L.P.*** - The Fund's investment strategy is substantially similar to that of Amici Associates, L.P., Amici Qualified Associates, L.P. and Amici Fund International, Ltd., however, the Fund's weightings and distribution of invested capital will favor securities of smaller companies (as measured by total enterprise value).
- ***Amici Global Partners, L.P. and Amici Global International, Ltd.*** - The Funds primarily invest in equity, debt and currencies across global markets. The Funds' investment strategy is substantially similar to that of Amici Associates, L.P., Amici Qualified Associates, L.P. and Amici Fund International, Ltd., however, the Funds will invest a substantial portion of their assets in non-U.S. markets, including Asia, Eastern Europe and Latin America, as well as the U.S. markets.
- ***Amici Healthcare, L.P.*** - The Fund primarily invests in the equity securities of companies in the healthcare industry and those companies that provide services and/or products to the healthcare industry. For this purpose, companies in the healthcare industry may include, but are not limited to, biotechnology companies; pharmaceutical companies; medical device, system and equipment companies; and medical care managers, providers and insurers.

While it is anticipated that the Fund will invest primarily in common equities (including both long and short positions) of companies in the healthcare industry, the Fund has broad and flexible investment authority and may seek other related opportunities when appropriate.

The Fund may invest in securities meeting its investment criteria without geographic limitation, including those issued by companies in emerging and developing markets. Accordingly, the Fund's assets may at any time include long or short positions in U.S. or foreign publicly traded or privately issued or negotiated common stocks, preferred stocks, stock warrants and rights, corporate or sovereign debt, bonds, notes or other debentures, debt participations or bank debt, partnership interests, privately placed securities, interests in investment companies, convertible securities, swaps (including credit default swaps), options, futures contracts, commodities and other derivative instruments and other securities or financial instruments.

- ***Lightpath Capital, L.P.*** - The Fund's investment strategy is substantially similar to that of Amici Associates, L.P., Amici Qualified Associates, L.P. and Amici Fund International, Ltd., however, the Fund's weightings and distribution of invested capital will favor securities of companies in the technology sector.

ii. Mauritius Entities

Certain Funds may invest in securities meeting their investment criteria without geographic limitation, including those issued by companies in emerging and developing markets. In order to comply with securities regulations in various jurisdictions and for tax-efficiency, certain Funds may utilize such custodial structures and other arrangements as may be necessary and appropriate. In this context, Amici Associates, L.P., Amici Qualified Associates, L.P., Amici Fund International, Ltd., The Collectors' Fund, L.P., Amici Global Partners, L.P. and Amici Global International, Ltd. established Amici Associates (Mauritius) Limited, Amici Qualified Associates (Mauritius) Limited, Amici Fund International (Mauritius) Limited, The Collectors' Fund (Mauritius) Limited, Amici Global Partners (Mauritius) Limited and Amici Global International (Mauritius) Limited, respectively, through which investments primarily in Indian securities may be made.

iii. Managed Account

The Managed Account is managed in accordance with the investment objectives and guidelines set forth in the investment advisory agreement entered into between the Managed Account and Porter Orlin. In summary, the investment strategy of the Managed Account is a concentrated and leveraged version of the investment strategy of Amici Associates, L.P., Amici Qualified Associates, L.P. and Amici Fund International, Ltd. (this summary is qualified in its entirety by the actual terms and conditions set forth in the investment advisory agreement entered into between the Managed Account and Porter Orlin).

iv. Nippon Partners, L.P.

The Fund ceased investment activities on December 31, 2010 and is currently in the process of being dissolved.

B. Material, Significant, or Unusual Risks Relating to Investment Strategies.

The risks set forth herein with respect to the Funds are also applicable to the Managed Account and any other private investment fund or managed account managed by Porter Orlin in the future to the extent the investment program overlaps with that of the Funds.

General Investment Risks - All investments made by Porter Orlin on behalf of a Funds risk the loss of capital. Porter Orlin believes that its investment program and research techniques moderate this risk through a careful selection of securities and other financial instruments. However, there can be no guarantee or representation that an investment program will be successful.

Illiquidity of Investment in a Fund - Because of the restrictions on redemptions and the fact that Fund shares are not tradable, an investment in a Fund is a relatively illiquid investment and involves a high degree of risk.

Diversification - A Fund's portfolio may, from time to time, be concentrated in the securities of a few companies and the portfolio, at such times, is unlikely to be widely diversified. The investment portfolio of a Fund may, therefore, periodically be subject to more rapid change in value than would be the case if a Fund were required to maintain a wide diversification among companies or industry groups.

Market Risks - The profitability of a significant portion of a Fund's investment program depends to a great extent upon correctly assessing the future course of the price movements of securities and other investments. There can be no assurance that Porter Orlin will be able to predict accurately these price movements. Although Porter Orlin may attempt to mitigate market risk through the use of long and short positions or other methods, there may be a significant degree of market risk. Therefore, any adverse changes in the overall market may result in a decline in the value of a Fund's assets.

Leverage - From time to time, a Fund may use leverage. While the use of margin borrowing can substantially improve the return on invested capital, such use may also increase the adverse impact to which the portfolio of a Fund may be subject. Borrowings will usually be from securities brokers and dealers and will typically be secured by a Fund's securities and other assets. Under certain circumstances, such a broker-dealer may demand an increase in the collateral that secures a Fund's obligations and if a Fund were unable to provide additional collateral, the broker-dealer could liquidate assets held in the account to satisfy a Fund's obligations to the broker-dealer. Liquidation in that manner could have extremely adverse consequences. In addition, the amount of a Fund's borrowings and the interest rates on those borrowings, which will fluctuate, will have a significant effect on a Fund's profitability.

Proactive Investing - In those cases where Porter Orlin may take a more proactive role with respect to a portfolio company, there is a risk that a Fund's intended strategy for that company may not achieve or fully achieve the desired outcome, and the value of the investment in the company's securities may not be protected or enhanced as anticipated. Moreover, there may be instances (such as when a representative of Porter Orlin serves on the board of directors of a portfolio company) when a Fund will be restricted in transacting in or redeeming a particular investment as a result of, among other things, legal restrictions on transactions by company directors or affiliates.

Counterparty and Custodial Risk - To the extent a Fund invests in swaps or derivative instruments, certain types of options or other customized financial instruments, or, in certain circumstances, non-U.S. securities, a Fund takes the risk of non-performance by the other party to the contract. This risk may include credit risk of the counterparty and the risk of settlement default. This risk may differ materially from those entailed in exchange-traded transactions that generally are supported by guarantees of clearing organizations, daily marking-to-market and settlement, and segregation and minimum capital requirements applicable to intermediaries. Transactions entered directly between two counterparties generally do not benefit from such protections and expose the parties to the risk of counterparty default.

In addition, there are risks involved in dealing with the custodians or brokers who settle Fund trades particularly with respect to non-U.S. investments. It is expected that all securities and other assets deposited with custodians or brokers will be clearly identified as being assets of a Fund, and hence a Fund should not be exposed to a credit risk with respect to such parties. However, it may not always be possible to achieve this segregation, and there may be practical or timing problems associated with enforcing a Fund's rights to its assets in the case of an insolvency of any such party.

Market Risks; Long Bias - The profitability of a significant portion of a Fund's investment program depends to a great extent upon correctly assessing the future course of the price movements of securities and other investments. There can be no assurance that Porter Orlin will be able to predict accurately these price movements. Although Porter Orlin may attempt to mitigate market risk through the use of long and short positions or other methods, there may be a significant degree of market risk. Typically, a Fund's portfolio will in the aggregate have a long bias (i.e., a Fund's portfolio will be net long). Therefore, any adverse changes in the overall market may result in a decline in the value of a Fund's assets.

Emerging Markets - Investing in emerging market debt or equity involves certain risks and special considerations not typically associated with investing in other more established economies or securities markets. Such risks may include (i) the risk of nationalization or expropriation of assets or confiscatory taxation; (ii) social, economic and political uncertainty including war; (iii) dependence on exports and the corresponding importance of international trade; (iv) price fluctuations, less liquidity and smaller capitalization of securities markets; (v) currency exchange rate fluctuations; (vi) rates of inflation (including hyperinflation); (vii) controls on foreign investment and limitations on repatriation of invested capital and on a Fund's ability to exchange local currencies for U.S. dollars; (viii) governmental involvement in and control over the economies; (ix) governmental decisions to discontinue support of economic reform programs generally and to impose centrally planned economies; (x) differences in auditing and financial reporting standards which may result in the unavailability of material information about issuers; (xi) less extensive regulation of the securities markets; (xii) longer settlement periods for securities transactions in emerging markets; (xiii) less developed corporate laws regarding fiduciary duties of officers and directors and the protection of investors; (xiv) certain considerations regarding the maintenance of Fund portfolio securities and cash with non-U.S. subcustodians and securities depositories.

High Growth Industry Related Risks - A Fund may have investments in the securities of high growth companies. These securities may be very volatile. In addition, these companies may face undeveloped or limited markets, have limited products, have no proven profit-making history, may operate at a loss or with substantial variations in operating results from period to period,

have limited access to capital and/or be in the developmental stages of their businesses, have limited ability to protect their rights to certain patents, copyrights, trademarks and other trade secrets, or be otherwise adversely affected by the extremely competitive markets in which many of their competitors operate.

Special Situations - A Fund may invest in companies involved in (or the target of) acquisition attempts or tender offers or in companies involved in work-outs, liquidations, spin-offs, reorganizations, bankruptcies and similar transactions. In any investment opportunity involving any such type of special situation, there exists the risk that the contemplated transaction either will be unsuccessful, take considerable time or result in a distribution of cash or a new security the value of which will be less than the purchase price to a Fund of the security or other financial instrument in respect of which such distribution is received. Similarly, if an anticipated transaction does not in fact occur, a Fund may be required to sell its investment at a loss. Because there is substantial uncertainty concerning the outcome of transactions involving financially troubled companies in which a Fund may invest, there is a potential risk of loss by a Fund of its entire investment in such companies.

Regulatory/Legal Risks - In emerging markets, there may be less government supervision and regulation of business and industry practices, stock exchanges, over-the-counter markets, brokers, dealers and issuers than in other more established countries. Whatever supervision is in place may be subject to manipulation or control. While many emerging market countries have mature legal systems comparable to those of more developed countries, others do not. Moreover, the process of legal and regulatory reform may not be proceeding at the same pace as market developments which could result in investment risk. Legislation to safeguard the rights of private ownership may not yet be in place in certain areas, and there may be a risk of conflict among local, regional and national requirements. In certain cases, the laws and regulations governing investments in securities may not exist or may be subject to inconsistent or arbitrary appreciation or interpretation. Both the independence of judicial systems and their immunity from economic, political or nationalistic influences remain largely untested in many countries. A Fund may also encounter difficulties in pursuing legal remedies or in obtaining and enforcing judgments in non-U.S. courts.

C. Risks Associated With Particular Types of Securities.

General - As noted above, Porter Orlin utilizes different securities and instruments in pursuing the investment objectives and strategies of the Funds. Risks associated with these securities and instruments are more fully described below. Risks shown below may or may not be applicable to a Fund depending upon such Fund's investment mandate and/or investment restrictions.

Short Sales - Short selling, or the sale of securities not owned by a Fund, necessarily involves certain additional risks. Such transactions expose a Fund to the risk of loss in an amount greater than the initial investment, and such losses can increase rapidly and without effective limit. There is the risk that the securities borrowed by a Fund in connection with a short sale would need to be returned to the securities lender on short notice. If such request for return of securities occurs at a time when other short sellers of the subject security are receiving similar requests, a "short squeeze" can occur, wherein a Fund might be compelled, at the most disadvantageous time, to replace borrowed securities previously sold short with purchases on the open market, possibly at prices significantly in excess of the proceeds received earlier.

Futures Contracts - A Fund may invest in futures contracts and options thereon. Trading in futures contracts and options is a highly specialized activity which, while it may increase the total return on a Fund's portfolio, may entail greater than ordinary investment risks.

Non-U.S. Securities - Investing in securities of non-U.S. companies which are generally denominated in non-U.S. currencies, involves certain considerations comprising both risk and opportunity not typically associated with investing in the United States. These considerations include changes in exchange rates and exchange control regulations, political and social instability, expropriation, imposition of non-U.S. taxes, less liquid markets and less available information than is generally the case in the United States, higher transaction costs, less government supervision of exchanges, brokers and issuers, difficulty in enforcing contractual obligations, lack of uniform accounting and auditing standards and greater price volatility. It also may be more difficult for Porter Orlin to hedge a Fund's investments in non-U.S. companies than it is to hedge a Fund's investments in U.S. companies.

Currency Risks - A Fund's investments that are denominated in currencies other than the U.S. dollar are subject to the risk that the value of the particular currency will change in relation to one or more other currencies. As a result, a Fund could realize a net loss on an investment, even if there were a gain on the underlying investment before currency losses were taken into account. Among the factors that may affect currency values are trade balances, the level of short-term interest rates, differences in relative values of similar assets in different currencies, long-term opportunities for investment and capital appreciation and political developments. Porter Orlin may seek to hedge these risks in whole or in part by investing in currencies, currency futures contracts and options on currency futures contracts, forward currency contracts, options, swaps, swaptions, or any combination thereof (whether or not exchange traded), but there can be no assurance that such strategies will be implemented or, if implemented, will be effective.

Options - The purchase or sale of an option involves the payment or receipt of a premium by the investor and the corresponding right or obligation, as the case may be, either to purchase or sell the underlying security, commodity or other instrument for a specific price at a certain time or during a certain period. Purchasing options involves the risk that the underlying instrument will not change price in the manner expected, so that the investor loses its premium. Selling options, on the other hand, involves potentially greater risk because the investor is exposed to the extent of the actual price movement in the underlying security rather than only the premium payment received (which could result in a potentially unlimited loss). Over-the-counter options also involve counterparty solvency risk.

High Yield Securities - It is anticipated that from time to time a portion of a Fund's assets may be invested in "high yield" bonds and preferred securities (including emerging market debt securities) denominated in various currencies. These securities may be unrated or rated in the lower rating categories by the various credit rating agencies. These securities are subject to greater risk of loss of principal and interest than higher-rated securities and are generally considered to be predominantly speculative with respect to the issuer's capacity to pay interest and repay principal. They are also generally subject to greater risk than securities with higher credit ratings in the case of deterioration of general economic conditions. Additionally, evaluating credit risk for non-U.S. debt securities involves great uncertainty because credit rating agencies throughout the world have different standards, making comparisons across countries difficult. Because investors generally perceive that there are greater risks associated

with lower-rated securities, the yields or prices of such securities may tend to fluctuate more than those for higher-rated securities. The market for emerging market debt securities is thinner and less active than that for higher rated securities, which can adversely affect the prices at which securities are sold. In addition, adverse publicity and investor perceptions about emerging market debt securities, whether or not based on fundamental analysis, may be a contributing factor in a decrease in the value and liquidity of such securities.

Credit Default Swaps - The buyer of a credit default contract is obligated to pay the seller a periodic stream of payments over the term of the contract in return for a contingent payment upon the occurrence of a credit event with respect to an underlying reference obligation or entity. Generally, a credit event means bankruptcy, failure to pay, cross default/acceleration, obligation acceleration, repudiation/moratorium, restructuring, or rating decline. A Fund may be either the buyer or seller in a transaction. If a Fund is a buyer and no credit event occurs, a Fund will have made fixed payments and received nothing. However, if a credit event occurs, a Fund, as a buyer, typically will receive full notional value for a reference obligation that may have little or no value. As a seller, a Fund receives a fixed rate of income throughout the term of the contract, which typically is between one month and five years, provided that no credit event occurs. If a credit event occurs, the seller may pay the buyer the full notional value of the reference obligation which may have little or no value. In addition to general market risks, credit default swaps are subject to liquidity risk and credit risk. Swap contracts that are not traded on an exchange are not otherwise regulated, and as a consequence investors in such contracts do not benefit from regulatory protections. The selling of credit default swaps involves greater risks than if a Fund had invested in the reference obligation directly. If a credit event were to occur, the value of the reference obligation received by the seller, coupled with the periodic payments previously received, may be less than the full notional value it pays to the buyer, resulting in a loss of value. The buyer of credit default swaps will incur a loss if the seller fails to perform on its obligation should a credit event occur. In certain circumstances, the buyer can receive the notional value of a credit default swap only by delivering a physical security to the seller, and is at risk if deliverable security is unavailable or illiquid.

Securities of Healthcare-Related Companies - Healthcare-related companies are generally subject to greater governmental regulation than other companies at both the state and federal levels. Changes in governmental policies may have a material affect on the demand for or costs of certain products and services. A healthcare-related company must receive government approval before introducing new drugs and medical devices or procedures. This process may delay the introduction of these products and services to the marketplace, resulting in increased development costs, delayed cost-recovery and loss of competitive advantage to the extent that rival companies have developed competing products or procedures, adversely affecting the company's revenues and profitability. Expansion of facilities by healthcare-related providers is subject to "determinations of need" by the appropriate government authorities. This process not only increases the time and cost involved in these expansions, but also makes expansion plans uncertain, limiting the revenue and profitability growth potential of healthcare-related facilities operators and negatively affecting the price of their securities. Certain healthcare-related companies depend on the exclusive rights or patents for the products they develop and distribute. Patents have a limited duration and, upon expiration, other companies may market substantially similar "generic" products which cost less to develop and may cause the original developer of the product to lose market share and/or reduce the price charged for the product, resulting in lower profits for the original developer. Finally, because the products and services of healthcare-related companies affect the health and well-being of many individuals, these

companies are especially susceptible to product liability lawsuits. The share price of a healthcare-related company can drop dramatically not only as a reaction to an adverse judicial ruling, but also from the adverse publicity accompanying threatened litigation.

Small Capitalization Stocks - At any given time, a Fund may have significant investments in smaller-to-medium sized companies of a less seasoned nature whose securities are traded in the over-the-counter market. These "secondary" securities often involve significantly greater risks than the securities of larger, better-known companies.

Technology and Related Risks - Companies in the rapidly changing technology field face special risks. For example, certain of the companies in which a Fund invests may allocate greater than usual amounts to research and product development. The securities of such companies may experience above-average price movements associated with the perceived prospects of success of the research and development programs. In addition, companies in which a Fund invests could be adversely affected by lack of commercial acceptance of a new product or products or by technological change and obsolescence. Further, many technology companies rely on a combination of patent, copyright, trademark and trade secret protection and non-disclosure agreements, to establish and protect their proprietary rights, which are frequently essential to the growth and profitability of a technology company. There can be no assurance that a particular company will be able to protect these rights or will have the financial resources to do so, or that competitors will not develop or patent technologies that are substantially equivalent or superior to the technology of a company in which a Fund invests. Conversely, other companies may make infringement claims against a company in which a Fund invests, which could have a material adverse effect on such company.

ITEM 9 DISCIPLINARY INFORMATION

Porter Orlin has no previous or existing disciplinary events that are material to a client's or prospective client's evaluation of Porter Orlin's investment advisory business or the integrity of Porter Orlin's management.

ITEM 10 OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

A. Broker-Dealer Registration Status.

Porter Orlin and its management persons are not registered as, and do not have any application to register as, a broker-dealer or registered representative of a broker-dealer.

B. Futures Commission Merchant, Commodity Pool Operator, or Commodity Trading Adviser Registration Status.

Porter Orlin and its management persons are not registered as, and do not have any application to register as, a futures commission merchant, commodity pool operator, commodity trading advisor, or an associated person of the foregoing entities.

C. Material Relationships or Arrangements with Industry Participants.

The following entities are related person investment advisers of Porter Orlin:

- ***CF Advisors, LLC*** - CF Advisors, LLC is a limited liability company formed in the State of Delaware in January 1999 that commenced operations in January 1999. A. Alex Porter and Paul E. Orlin are the managing members of CF Advisors, LLC. CF Advisors LLC is owned by A. Alex Porter and Paul E. Orlin, with certain employees having an economic interest in the entity. CF Advisors, LLC is the general partner of the U.S. Funds.
- ***Porter Orlin (Mauritius) Limited*** - Porter Orlin (Mauritius) Limited is a private company incorporated in the Republic of Mauritius in July 2009 that commenced operations in August 2010. Porter Orlin (Mauritius) Limited is a wholly-owned subsidiary of Porter Orlin. Porter Orlin (Mauritius) Limited provides investment advisory services to the Mauritius Entities.
- ***NP Management Company, LLC*** - NP Management Company, LLC is a Delaware limited liability company formed in Delaware in August 1998 that commenced operations in September 1998. Porter Felleman, Inc. and Grant's Fund, LLC are the owners and managing members of NP Management Company, LLC. NP Management Company, LLC is the investment manager of Nippon Partners, L.P., which ceased investment activities on December 31, 2010 and is currently in the process of being dissolved.
- ***Grant-Porter Investment Advisors, LLC*** - Grant-Porter Investment Advisors, LLC is a Delaware limited liability company formed in Delaware in August 1998 that commenced operations in September 1998. Porter Felleman, Inc. and Grant's Fund, LLC are the owners and managing members of Grant-Porter Investment Advisors, LLC. Grant-Porter Investment Advisors, LLC is the general Partner of Nippon Partners, L.P., which ceased investment activities on December 31, 2010 and is currently in the process of being dissolved.

D. Material Conflicts of Interest Relating to Other Investment Advisers.

Not applicable.

ITEM 11

CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS
AND PERSONAL TRADING

A. Code of Ethics

Porter Orlin has adopted a Code of Ethics (the "**Code of Ethics**") which outlines Porter Orlin's fiduciary duty (discussed below), as well as its policies relating to: standards of conduct; gifts, entertainment and other benefits; outside business activities; compliance with laws; confidential information; prevention of insider trading (discussed below); and personal securities trading (discussed below).

Fiduciary Duty - The Code of Ethics emphasizes Porter Orlin's fiduciary duty to act in the best interest of its clients. In particular, employees are expected to uphold the following principles: always place the interests of clients first; all personal securities transactions must be conducted in a manner consistent with the Code of Ethics and avoid any actual or potential conflicts of interest or any abuse of an employee's position of trust and responsibility; employees must not take any inappropriate advantage of their positions; information concerning the identity of securities and financial circumstances of clients, including the Funds' investors, must be kept confidential; and independence in the investment decision-making process must be maintained at all times.

Personal Securities Trading - Under the Code of Ethics, Porter Orlin's employees must obtain the approval of A. Alex Porter or Paul E. Orlin and the Chief Compliance Officer prior to buying or selling "Reportable Securities" as defined in Rule 204A-1 under the Advisers Act (including any security issued in an initial public offering or in a private placement) for their own accounts or accounts in which they may have a direct or indirect beneficial interest. No personal securities trading activity will be permitted if such activity would result in any actual or potential conflict of interest, or could reasonably be expected to adversely influence the judgment of the employee in the performance of his/her duties on behalf of Porter Orlin. All employees are required to submit to the Chief Compliance Officer a holdings report promptly upon becoming an employee and annually thereafter, as well as report all trading activity to the Chief Compliance Officer on a quarterly basis. In addition, for each of their personal accounts in which they can trade or hold "Reportable Securities", employees must direct the firms where such personal accounts are maintained to supply Porter Orlin with a duplicate copy of their account statements.

Prevention of Insider Trading - Under the Code of Ethics, Porter Orlin and its employees are prohibited from trading for the clients of themselves, or recommend trading, in securities of a company while in possession of material non-public information about such company ("**Inside Information**") and from disclosing Inside Information to any person not entitled to receive it. In addition, Porter Orlin maintains a restricted list of companies about which a determination has been made that it is prudent to restrict trading activities. Any determination to remove a company from the restricted list must be approved by the Chief Compliance Officer.

Acknowledgement - Each employee is required to acknowledge, on an annual basis, his/her responsibility for reading, understanding and complying with the Code of Ethics.

A copy of Porter Orlin's Code of Ethics is available to clients upon written request directed to compliance@porterorlin.com.

B. Securities That You or a Related Person Has a Material Financial Interest.

Please refer to Item 11.D. below.

C. Investing in Securities That You or a Related Person Recommends to Clients.

Please refer to Item 11.D. below.

D. Conflicts of Interest Created by Contemporaneous Trading.

From time to time, various potential and actual conflicts of interest may arise from the overall advisory, investment and other activities of Porter Orlin, its affiliates and employees. Porter Orlin has adopted a Code of Ethics (discussed in Item 11.A above) which established policies and procedures designed to monitor and address such conflicts of interest.

Advisory and Other Activities - Porter Orlin provides discretionary investment advice to the Funds and the Managed Account. Porter Orlin and its affiliates may, in the future, provide investment advisory services to other private investment funds, managed accounts, entities and/or persons.

Porter Orlin may give advice or take action with respect to the investment of one or more clients that may not be given or taken with respect to other clients with the same or similar investment programs, strategies and objectives. Accordingly, clients with the same or similar investment programs, strategies and objectives may not hold the same securities or instruments or achieve the same performance. Porter Orlin, its affiliates and employees also may advise clients with conflicting programs, strategies and objectives. These activities may adversely affect the process and availability of securities or instruments held by or potentially considered for one or more clients.

Furthermore, the time and effort of Porter Orlin will not be devoted exclusively to the business of a client, and Porter Orlin will devote as much time to each client as Porter Orlin deems appropriate to perform its duties. Porter Orlin, its affiliates and employees may also participate in other ventures, as principals or otherwise. Accordingly, Porter Orlin, its affiliates and employees may have conflicts in allocating their time and services among clients, other investment and other ventures. To the extent that Porter Orlin employees engage in outside business activities, Porter Orlin has established policies and procedures which require Porter Orlin's employees to obtain the prior approval of A. Alex Porter or Paul E. Orlin and the Chief Compliance Officer with respect to the conduct of any such outside business.

Investment Activities - Porter Orlin, its affiliates and employees may make investments in the Funds of their choosing, are not required to invest in all Funds, and are not required to keep any investment minimum in any of the Funds. If such investments are made, it is expected that the size of these investments will change over time. Accordingly, potential conflicts may arise due to the fact that Porter Orlin, its affiliates and employees may have investment in some Funds but not in others, or may have different levels of investments in the various Funds.

Furthermore, Porter Orlin, its affiliates and employees may invest on behalf of themselves in securities and other instruments that would be appropriate for, may be held by, or may fall within the investment programs, strategies and objectives of a client. They may also give advice or take action for their own accounts or others that may differ from or, conflicts with or be adverse to advice given or taken for a client. However, as discussed below, Porter Orlin employees must obtain the prior approval of A. Alex Porter or Paul E. Orlin and the Chief Compliance Officer prior to buying or selling "Reportable Securities" as defined in Rule 204A-1 under the Advisers Act (including any security issued in an initial public offering or in a private placement) for their own accounts or accounts in which they have a direct or indirect beneficial interest.

ITEM 12
BROKERAGE PRACTICES

A. Factors Considered in Selecting or Recommending Broker-Dealers for Client Transactions.

Porter Orlin has full discretionary authority to manage the investments of clients, including authority to make decisions with respect to which securities are bought and sold, the amount and price of those securities, the brokers or dealers to be used for a particular transaction, and commissions or markups and markdowns paid. Porter Orlin's authority is limited by the investment program of each client and Porter Orlin's own internal policies and procedures.

i. **Brokerage Commissions and Other Compensation**

Securities transactions generate a substantial amount of brokerage commissions and other compensation, all of which the clients are obligated to pay. Porter Orlin has sole discretion in deciding which brokers and dealers the clients use and in negotiating the rates of compensation the clients pay. In addition to using brokers as agents and paying commissions, clients may buy or sell securities directly from or to dealers acting as principal at prices that include markups or markdowns, and may buy securities from underwriters or dealers in public offerings at prices that include compensation to the underwriters and dealers.

ii. **Best Execution**

Selection of Brokers and Dealers - Porter Orlin does not have any agreement or formula for the allocation of brokerage transactions. Generally, at least once a year, Porter Orlin determines which brokers and dealers have been helpful in the management of its clients. To the extent consistent with the foregoing and its duty to seek best execution, Porter Orlin may seek to place brokerage transactions with the brokers and dealers who have been so identified.

When seeking best execution, Porter Orlin need not solicit competitive bids and is not required to select the broker or dealer that charges the lowest transaction cost, even if that broker or dealer provides execution quality comparable to other brokers or dealers. Porter Orlin will consider the full range and quality of a broker's or dealer's services in placing trades for clients, including, among other things, execution capability, the value of brokerage and research provided, commission rates, financial stability and reputation, and responsiveness to Porter Orlin. It is not Porter Orlin's practice to negotiate "execution only" commission rates, thus a client may be deemed to be paying for research, brokerage or other services provided by the broker or dealer which are included in the commission rate.

Transactions on an Agency Basis - From time to time, a client may execute over-the-counter trades on an agency basis rather than on a principal basis. In these situations, the broker used by the client may acquire or dispose of a security through a market-maker (a practice known as "interpositioning"). The transaction may thus be subject to both a commission and a markup or markdown. Porter Orlin believes that the use of a broker in such instances is consistent with its duty of obtaining best execution for clients. The use of a broker can provide anonymity in connection with a transaction. In addition, a broker

may, in certain cases, have greater expertise or greater capability in connection with both accessing the market involved and executing the transaction.

Cross-Trades - There may be circumstances under which Porter Orlin deems it appropriate to cause a client to sell a security and another client to purchase the same security at or about the same time. Consistent with its fiduciary obligations to each client and its obligation to seek best execution, Porter Orlin may, under such circumstances, arrange to have the purchase and sale transaction effected directly between the clients ("**cross-trades**"). In certain circumstances, cross-trades may reduce execution related costs for participating accounts. A cross-trade would be effected on the basis of the current market price of the security or at a price reasonably determined to reflect the fair value of the security, which may be based on independent dealer quotes or information obtained from recognized pricing services. Cross-trades may also be executed through third-party brokers. Porter Orlin will not receive compensation (other than its advisory fees), directly or indirectly, for effecting cross-trades between accounts. A client that is plan assets subject to the requirements of the Employee Retirement Income Security Act of 1974, as amended, ("**ERISA**") may be limited in its ability to engage in cross-trades.

1. Research and Other Soft Dollar Benefits.

i. **Soft Dollar Usage**

When it is appropriate under its discretionary authority and consistent with its duty to seek best execution, Porter Orlin may pay a broker or dealer commissions (or markups or markdowns with respect to certain types of riskless principal transaction) for effecting transactions in excess of that which another broker or dealer might have charged for effecting the transaction in recognition of the value of the brokerage and research products and services provided by the broker or dealer that fall within the safe harbor provided by Section 28(e) (the "**Section 28(e) Safe Harbor**") of the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"). The receipt of brokerage and research products and services may create a conflict of interest because such products and services may benefit not only the clients that generate the soft dollars, but also Porter Orlin, its affiliates, and other clients, and in certain instances the clients that generate the soft dollars may not be the direct or indirect beneficiary of the research or brokerage services provided. Porter Orlin may have an incentive to select a broker-dealer based on its interest in receiving research or other products or services, rather than its clients' interests in receiving most favorable execution or lower transaction costs.

Research and Brokerage - Generally, research products and services provided by brokers and dealers that fall within the Section 28(e) Safe Harbor include, but are not limited to, research reports (including market research); certain financial newsletters and trade journals; software providing analysis of securities portfolios; corporate governance research and rating services; attendance at certain seminars and conferences; discussions with research analysts; meetings with corporate executives; consultants' advice on portfolio strategy; data services (including services providing market data, company financial data, and economic data); advice from brokers on order execution; and certain proxy services.

In some cases, research products and services are generated by third parties but are provided to Porter Orlin by or through brokers or dealers. In such cases, the third-party generated research will be provided to Porter Orlin in compliance with the Section 28(e) Safe Harbor.

Generally, brokerage products and services within the Section 28(e) Safe Harbor include, but are not limited to, services related to the execution, clearing and settlement of securities transactions and functions incidental thereto (i.e., connectivity services between a general partner and a broker-dealer and other relevant parties such as custodians); trading software operated by a broker-dealer to route orders; software that provides trade analytics and trading strategies; software used to transmit orders; clearance and settlement in connection with a trade; electronic communication of allocation instructions; routing settlement instructions; post trade matching of trade information; and services required by the SEC or a self regulatory organization such as comparison services, electronic confirms or trade affirmations.

Mixed Use Items - In some instances, Porter Orlin may receive a product or service that may be used only partially for functions within the Section 28(e) Safe Harbor. In such instances, Porter Orlin will make a good faith effort to determine the relative proportion of the product or service used to assist Porter Orlin in carrying out its investment decision-making responsibilities and the relative proportion used for administrative or other purposes outside the Section 28(e) Safe Harbor. The proportion of the product or service attributable to assisting Porter Orlin in carrying out its investment decision-making responsibilities will be paid through brokerage commissions generated by client transactions and the proportion attributable to administrative or other purposes outside the Section 28(e) Safe Harbor will be paid for by Porter Orlin from its own resources. In making good faith allocations of costs between administrative benefits and research benefits, a conflict of interest may exist by reason of Porter Orlin's allocation of the costs of such products and services between those that primarily benefit Porter Orlin and those that primarily benefit clients.

ii. Prime Brokerage

Prime Brokerage Services and Compensation - The Funds obtain clearing, custodial and related prime brokerage services through one or more prime brokerage arrangements. The prime broker(s) clears the Funds' securities transactions that are executed through other securities firms. The prime broker(s) also maintains custody of the Funds' assets (either directly or through its clearing brokerage firm), provides margin credit and locates securities to borrow to facilitate short sales. The prime broker(s) is compensated through interest on credit balances, margin borrowings, stock loans, and brokerage commissions.

Under the prime brokerage arrangement(s), the prime broker(s), among other things: (i) arranges for the receipt and delivery of securities bought, sold, borrowed, and lent; (ii) makes and receives payments for securities; (iii) maintains custody of cash and securities; (iv) delivers cash to the Funds' bank accounts; (v) tenders securities in connection with tender offers, exchange offers, mergers, or other

corporate reorganizations; (vi) provides detailed portfolio and related reports; and (vii) provides software and connection to the prime brokerage platform to facilitate trade entry and reporting, and to access analytical tools to analyze the Funds' portfolio and related reports.

Office Space, Technology and Other Property-Related Services - Porter Orlin leases office space from one of the prime brokers. Porter Orlin pays a license fee for the space and for related supporting services such as the provision of telecommunications and data network infrastructure, computer support services, office furniture and equipment, and shared use of common areas. The provision of the office space and related services upon terms which may or may not be considered to be favorable to those otherwise available on the open market, is one among a number of factors that might bear upon Porter Orlin decision in selecting such prime broker as one of the Fund's prime brokers and as one of many brokers which execute securities transactions on behalf of clients.

Capital Introduction - The prime broker(s) may refer prospective investors to the Funds or other products managed by Porter Orlin, or permit Porter Orlin to participate in its capital introduction programs whereby Porter Orlin may attend or speak at events sponsored by the prime broker for investors interested in investing in hedge funds. Through such events, prospective investors have the opportunity to meet with Porter Orlin. Neither Porter Orlin nor its clients compensate the prime broker(s) for organizing such events or for any investments ultimately made by prospective investors attending such events. Porter Orlin may place transactions with such prime broker(s) if otherwise consistent with seeking best execution, provided Porter Orlin is not selecting the prime broker(s) in recognition of its referral of investors.

Consulting Services and Other Services - The prime broker(s) provides consulting services to Porter Orlin, and may also provide Porter Orlin and its affiliates with other services in addition to those listed above.

2. Brokerage for Client Referrals

Porter Orlin may place transactions with a broker or dealer that refers investors to the Funds or other products managed by Porter Orlin if otherwise consistent with seeking best execution, provided Porter Orlin is not selecting the broker-dealer in recognition of its referral of investors.

3. Directed Brokerage

Not applicable.

B. Order Aggregation.

When appropriate, Porter Orlin may, but is not required to, aggregate client orders. When aggregating and allocating orders, Porter Orlin will treat clients in a fair and equitable manner. However, situations may arise in which the activities of Porter Orlin may be disadvantageous to one or more client, such as the inability of the market to fully absorb orders for the purchase or

sale of particular securities placed by Porter Orlin for all of the clients at prices and in quantities which would be obtainable if the same were being placed only for a single client.

When an aggregated order is filled in its entirety, each participating client will participate at the average share price for the aggregated order, and transaction costs will be shared pro rata based on each client's participation in the aggregated order. If an order is only partially filled, the partial fill will generally be allocated pro rata to all clients that participated in the aggregated order, subject to rounding to achieve round lots, based upon the initial amount requested for each client participating in the aggregated order. Porter Orlin may allocate on a basis other than pro rata if, under the circumstances, such other method of allocation is reasonable, does not result in improper or undisclosed advantage or disadvantage to other accounts, and results in fair access over time to trading opportunities for all eligible clients.

ITEM 13 REVIEW OF ACCOUNTS

A. Frequency and Nature of Review of Client Accounts or Financial Plans.

Porter Orlin performs various daily, weekly, monthly, quarterly and periodic reviews of client portfolios. Such reviews are conducted by the members of Porter Orlin's portfolio management team and operations team.

In particular, the Portfolio Managers are primarily responsible for ensuring that the securities and other financial instruments held by the clients are consistent with their respective investment objectives and guidelines. The Portfolio Managers are also primarily responsible, on a daily basis, for making all investment decisions, monitoring the portfolio for excessive concentrations, unusual increases in risk and similar conditions, and taking corrective actions if necessary.

With respect to the Funds, holdings and valuations are compiled daily by the Funds' administrator. The daily holdings are reconciled with daily priced holdings reports received from the Fund's prime brokers and/or custodians and are also reviewed by Porter Orlin. Other independent parties reviewing the portfolio include the Funds' independent auditors as part of their year-end audit work.

B. Factors Prompting Review of Client Accounts Other than a Periodic Review.

Not applicable.

C. Content and Frequency of Account Reports to Clients.

Investors in the Funds receive monthly estimated and unaudited account statements from the Funds' administrator. Investors in the Funds also receive annual audited financial statements that comply with generally accepted accounting principles prepared by the Funds' independent auditors. In addition, investors in certain Funds receive from Porter Orlin a quarterly letter and a monthly fund summary commenting on the Funds' portfolio.

Porter Orlin may provide certain investors in the Funds with additional information and more frequent information if agreed to by Porter Orlin, including information about the Funds' portfolio holdings. As a result, certain investors may be able to act (i.e., request redemptions) on such additional information that other investors do not receive.

ITEM 14 CLIENT REFERRALS AND OTHER COMPENSATION

A. Economic Benefits for Providing Services to Clients.

Porter Orlin does not receive economic benefits from non-clients for providing investment advice and other advisory services.

B. Compensation to Non-Supervised Persons for Client Referrals.

Porter Orlin has entered into an agreement with a registered broker-dealer pursuant to which Porter Orlin and/or its affiliates compensates such broker-dealer through payment of that portion of the management fee, incentive allocation and incentive fee attributable to assets of clients referred by them to Porter Orlin.

ITEM 15 CUSTODY

Porter Orlin receives account statements from qualified custodians related to the Funds. Investors in the Funds receive annual audited financial statements that comply with generally accepted accounting principles within 120 days of the applicable Fund's fiscal year end.

ITEM 16 INVESTMENT DISCRETION

Porter Orlin has discretionary authority to manage the securities accounts of the Funds and the Managed Account pursuant to an investment management agreement entered into between each Fund and Porter Orlin and the investment advisory agreement entered into between the Managed Account and Porter Orlin, respectively.

ITEM 17 VOTING CLIENT SECURITIES

A. Policies and Procedures Relating to Voting Client Securities.

Porter Orlin will make every reasonable effort to vote proxy proposals, amendments, consents or resolutions relating to client securities. Porter Orlin will review each proxy statement on an individual basis and vote with the goal to best serve the financial interest of clients and to promote the long-term economic value of client securities.

Proxy Voting Guidelines - Each proxy proposal will be considered on its own merits and an independent determination will be made whether to support or oppose management's position. Porter Orlin believes that the recommendation of management should be given substantial weight and will generally vote with management unless the proposals may be detrimental to the underlying value of client securities. In reviewing proposals, Porter Orlin will consider the opinion of management and the effect on management, shareholder value and the issuer's business practices. Porter Orlin will generally vote against proposals that cause board members of portfolio companies to become entrenched or cause unequal voting rights.

Proxy Voting Service - To facilitate the proxy voting process, Porter Orlin has engaged an independent proxy voting service (the "**Proxy Voting Service**") to vote proxies for clients on Porter Orlin's behalf. The Proxy Voting Service provides Porter Orlin with proxy analysis, voting recommendations based on the Proxy Voting Service's voting guidelines and proxy voting management services (including receipt of proxies, reconciliation, vote execution, vote disclosure and reporting). While the Proxy Voting Service will assist Porter Orlin throughout the proxy voting process, Porter Orlin retains full authority and responsibility for proxy voting. Accordingly, all voting recommendations made by the Proxy Voting Service will at all times be subject to Porter Orlin's proxy voting guidelines.

Abstaining from Voting or Affirmatively Deciding Not to Vote - Porter Orlin may abstain from voting or affirmatively decide not to vote if Porter Orlin determines that abstaining or not voting is in the best interests of clients. Porter Orlin will not abstain from voting or affirmatively decide not to vote a proxy if a client is plan assets subject to the requirements of ERISA. Furthermore, Porter Orlin will not abstain from voting or affirmatively decide not to vote merely to avoid a conflict of interest.

Conflicts of Interest - At times, Porter Orlin may have, or may be perceived to have, a conflict of interest in voting a particular proxy. A conflict of interest could arise, for example, as a result of a business relationship with a company, or a direct or indirect business interest in the matter being voted upon, or as a result of a personal relationship with corporate directors or candidates for directorships. Whether a relationship creates a material conflict of interest will depend upon the facts and circumstances. If Porter Orlin determines that it has a material conflict of interest when voting a proxy, Porter Orlin will address matters involving such conflicts of interest as follows:

1. If a proposal is addressed by the Proxy Voting Service's specific policies, Porter Orlin will vote in accordance with such policies;
2. If Porter Orlin believes it is in the best interest of its clients to depart from the Proxy Voting Service's specific policies, Porter Orlin will be subject to the requirements of 3 or 4 below, as applicable;
3. If the proxy proposal is (i) not addressed by the specific policies or (ii) requires a case-by-case determination, Porter Orlin may vote such proxy as it determines to be in the best interest of its clients, without taking any action described in 4 below, provided that such vote would be against Porter Orlin's own interest in the matter (i.e., against the conflict); and

4. If the proxy proposal is (i) not addressed by the specific policies or (ii) requires a case-by-case determination, and Porter Orlin believes it should vote in a way that may also benefit, or be perceived to benefit, its own interest, then Porter Orlin must take one of the following actions in voting such proxy: (a) delegate the voting decision for such proxy proposal to an independent third party; (b) delegate the voting decision to an independent committee of partners, members, directors or other representatives of the Funds or the Managed Account, as applicable; (c) inform the investors in the Funds and the Managed Account of the conflict of interest and obtain consent to (majority consent in the case of a Fund) vote the proxy as recommended by the Firm; or (d) obtain approval of the decision from the Chief Compliance Officer and, if required, external legal counsel.

Securities Lending - As part of their investment program, the Funds may participate in securities lending transactions. Generally, the voting rights pass with the securities on loan; however, lending agreements give the lender the right to terminate the loan and call back the loaned securities provided sufficient notice is given to the borrower in advance of the voting deadline. Porter Orlin's policy is generally not to vote securities on loan unless Porter Orlin has knowledge of a material voting event that could significantly affect the value of the loaned securities. In this event, Porter Orlin may call back the loaned securities in order to cast a vote at an upcoming shareholder meeting.

Information regarding proxy voting, including copy of Porter Orlin's proxy voting policy and procedures, is available to clients upon written request directed to compliance@porterorlin.com.

B. No Authority to Vote Client Securities and Client Receipt of Proxies.

Not applicable.

ITEM 18 FINANCIAL INFORMATION

Porter Orlin is not required to include a balance sheet for its most recent fiscal year, is not aware of any financial condition reasonably likely to impair its ability to meet contractual commitments to clients, and has not been the subject of a bankruptcy petition at any time during the past ten years.