

St. George Asset Management, LLC

370 Lexington Avenue
Suite 703
New York, NY 10017
Phone (646) 430-8632
Fax (646) 430
www.stgeorgeam.com

June 6, 2011

FORM ADV PART 2 BROCHURE

This brochure provides information about the qualifications and business practices of St. George Asset Management, LLC. If you have any questions about the contents of this brochure, please contact us at: (646) 430-8632 or by email at Info@stgeorgeam.com

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 St. George Asset Management, LLC is available on the SEC's website at www.adviserinfo.sec.gov

St. George Asset Management, LLC is a registered investment adviser. Registration with the United States Securities and Exchange Commission does not imply a certain level of skill or training.

Item 2 Material Changes

Material Change in Business Operations

This is St. George Asset Management, LLC's initial "Disclosure Brochure" with the SEC. Future Disclosure Brochure filings will address "material changes" since the date of this filing concerning St. George Management, LLC, which will either be delivered, or offered for delivery, to clients. A copy may also be downloaded from the Securities and Exchange Commission website, www.sec.gov.

Table of Contents

Item 1. Cover	1
Item 2. Material Changes	2
Item 3. Table of Contents	3
Item 4. Advisory Business	4
Item 5. Fees and Compensation	7
Item 6. Performance-Based Fees and Side-By-Side Management	8
Item 7. Types of Clients	9
Item 8. Methods of Analysis, Investment Strategies and Risk of Loss	10
Item 9. Disciplinary History	16
Item 10. Other Financial Industry Activities and Affiliations	17
Item 11. Code of Ethics	18
Item 12. Brokerage Practices	19
Item 13. Review of Accounts	20
Item 14. Client Referrals and Other Compensation	21
Item 15. Custody	22
Item 16. Investment Discretion	23
Item 17. Voting Client Securities	24
Item 18. Financial Information	25

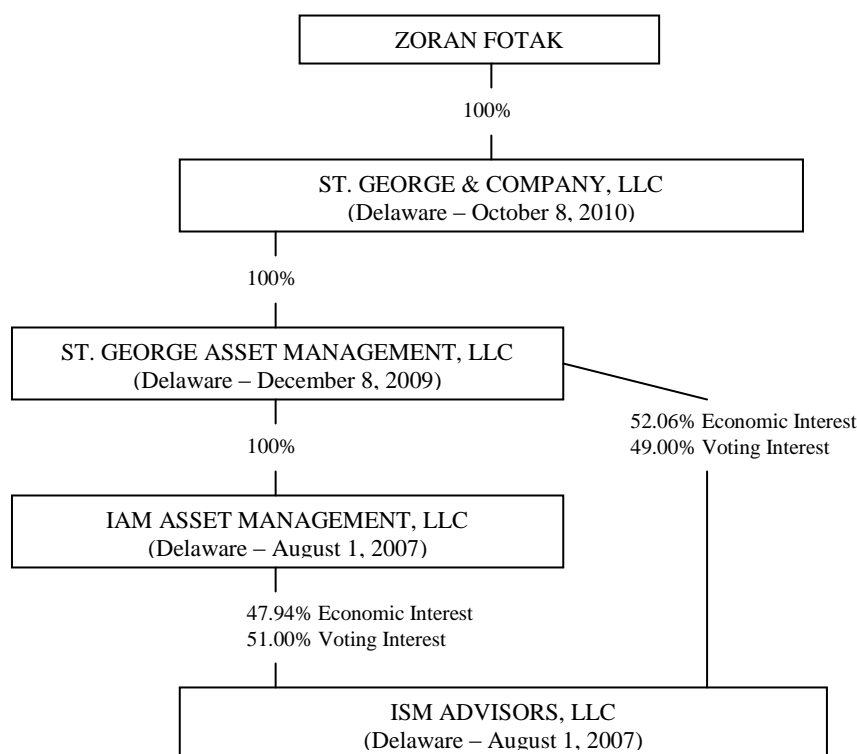
Item 4 Advisory Business

The Manager

St. George Asset Management, LLC (“St. George”) conducts its advisory business through ISM Advisors, LLC (“ISM”) (St. George and ISM collectively, when appropriate, the “Firm”), a special purpose limited liability company which has no employees acting on its behalf other than the officers, directors and employees of St. George’s wholly owned subsidiary IAM Asset Management, LLC (“IAM”) who have been seconded to ISM under a service level agreement. ISM and IAM are not registering with the SEC and will rely on St. George’s registration with the SEC as a federally covered investment adviser. ISM and IAM have adopted St. George’s compliance program and are “persons associated with” St. George, as such term is defined in Section 202(a)(17) of the Investment Advisers Act of 1940 (the “Advisers Act”) and treat St. George’s regulatory obligations as their own, as if they were registered with the SEC.

ISM is a Delaware limited liability company formed August 1, 2007. ISM is owned by two Delaware limited liability companies: IAM, which owns a 47.94% economic interest and a 51% voting interest in ISM and St. George which owns a 52.06% economic interest and a 49% voting interest in ISM. IAM was formed on August 1, 2007 and St. George was formed on December 8, 2009, as a Delaware Limited Liability Company. IAM is 100% owned by St. George. St. George is 100% owned by St. George & Company, LLC, a Delaware Company formed on October 8, 2010. Zoran Fotak owns 100% of St. George & Company, LLC.

Set forth below is a schematic of the organizational structure of ISM, IAM, St. George and St. George & Company, LLC.



ISM provides discretionary investment supervisory services to its sole client Life Insurance Fund Elite LLC (the “Fund”), as the sole managing member of and sole investment advisor to the Fund. The Fund is a single purpose Delaware limited liability company engaged in the business of investing in life insurance linked products which have longevity and mortality exposure, primarily life settlements which are life insurance policies which have been sold by their initial owners to unrelated third parties. The Fund is owned by qualified purchasers, as such term is defined in the Investment Company Act of 1940, as amended (including the regulations promulgated thereunder, the “**1940 Act**”).

In its capacities as the sole managing member of and sole investment advisor to the Fund, ISM has full discretionary authority to make all investment decisions on behalf of the Fund, subject to the investment guidelines set forth in the Fund’s limited liability agreement (the “Fund’s Governing Document”) and the Fund’s credit facility (“Credit Facility”) and the provisions set forth in the Fund’s Governing Document requiring approval of the Fund’s Advisory Committee. When it deems appropriate and without prior consultation with the Fund or its investors, ISM buys, sells, exchanges, converts and trades in life settlements and other life insurance linked products which provide the Fund with longevity and mortality exposure. ISM may also hedge insurance carrier credit risk and interest rate risk through credit default swaps or interest rate swaps with counterparties permitted under the Fund’s investment guidelines.

The Firm specializes in life insurance linked products with mortality and longevity risk, primarily life settlements and premium finance loans and has developed expertise in this asset class. The Firm also has expertise in interest rate risk management and in credit risk management.

All advisory services are provided in accordance with either a particular client's needs, identified through the execution of an investment management agreement between the client and the Firm and/or as described in an offering memorandum provided to investors, primarily large institutions, other private capital funds and large publicly traded institutions. Although the Firm may also manage the assets of high net worth individuals, it currently is not managing individual accounts.

As of April 30, 2011, the fair value of St. George's discretionary assets under management was \$230,643,923, which includes unfunded capital commitments of Fund investors.

In the future, St. George may provide discretionary investment services to other private funds, large institutions and/or high-net worth individuals. St. George will provide such services to each future client pursuant to a separate investment management agreement tailored to such client's needs, such client's Governing Document and/or an offering memorandum provided to investors, as applicable.

Item 5 Fees and Compensation

ISM relies on St. George's registration with the SEC and is not required to describe its fee schedule because this brochure has been delivered to the investors in the Fund managed by ISM. The Fund and its investors are each qualified purchasers, as defined under the 1940 Act.

Management Fee:

ISM assess a management fee from each investor in the private Fund(s) it manages which is paid quarterly, in advance, based on the investors' capital commitment. All fees are deducted directly from the Fund and paid directly to ISM.

If the private fund managed by ISM is terminated before its predetermined termination date, management fees will not be returned for any portion or period of time from when advisory services are discontinued.

Other Types of Fees and Expense

In addition, the Fund or its affiliates, from time to time, enter into agreements to directly acquire life insurance policies. When the Fund acquires life insurance policies through these types of arrangements ISM charges a "Settlement Structuring Fee" that represents a certain percentage of the face amount of the insurance policies. However, ISM returns to the Fund 50% of all Settlement Structuring Fees.

The Fund managed by ISM may also pay fees to third party custodians or any other service providers as described in the Fund's offering memorandum.

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

The Firm does not manage client accounts where there is a potential conflict that could result in the favoring one client over another as the result of performance based fees being assessed on some accounts and not on others. The Firm receives performance-based fees for its services on behalf of the Fund. Neither the Firm nor any of its supervised persons manage both accounts that are charged a performance-based fee and accounts that are charged another type of fee. The Firm currently manages one private capital fund from which it will be compensated for excess performance that is to be determined at the termination of the Fund, or upon certain terminating events, e.g., sale of outstanding life settlement policies or other investments at the maturity of the Fund.

Item 7 Types of Clients

The Firm currently renders discretionary advisory services to one private fund (defined herein as the Fund) that is exempt from registration under the 1940 Act because all of the investors in the Fund are qualified purchasers as defined in the 1940 Act. The Fund does not have periodic re-openings; however the Fund's Governing Document provide that until December 31, 2011, additional persons may invest in the Fund upon receiving the approval of investors holding a majority of the outstanding common interests. The Fund's offering documents require that each investor in the Fund must be a qualified purchaser. The Fund is not required to redeem interests from investors except in connection with the termination and liquidation of the Fund.

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

Methods of Analysis

To address concerns about the level of diversification within the life settlement investment pool, the Fund's investment guidelines limit the exposure, at any time, to any one eligible insurance carrier to 33% measured on the basis of total death benefit. Its current pool is diversified by purchasing life settlements from over 15 insurance carriers, all of which meet the criteria specified in the Investment Guidelines (see discussion of required ratings for insurance company counterparties below). Also, its current investment pool is diversified by investing in life settlements from approximately 15 states. The distribution of pooled investments is further diversified by ratings category and gender.

Specific sources of information analyzed by the Firm include individual life insurance contracts, the most recent insurance policy illustrations and verifications of coverage ("VOC"), credit rating reports regarding life insurance carriers, individual insured life expectancy data and medical records, and general fixed income and equities market data.

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

INVESTMENT STRATEGY

The Firm's investment objective is to provide sophisticated investors in a private fund investment vehicle with an opportunity to achieve low correlation (relative to traditional fixed income and equity investments) risk-adjusted returns through exposure to longevity and mortality as an asset class. We seek to generate investment returns by identifying, valuing and capturing inefficiencies in the valuation of life insurance policies. Statistical modeling and stochastic scenario analysis is widely employed to capitalize on price dislocations.

ISM's objective is to invest up to 100% of the Fund's assets, directly or through transactions that provide exposure to, longevity and mortality risk.

As prescribed in the Fund's Investment Guidelines, ISM only acquires direct, through purchase of life settlements, as well as indirect exposure to longevity and mortality risk via contingent claims with reference to policies that have been in force for at least three years which is generally one year longer than the typical contestability period specified in most state regulations. Generally speaking ISM finds that pricing arbitrage rarely exists for life settlements that are just marginally more seasoned than the two year contestability period. Furthermore ISM principally focuses on the purchase of life settlements that have been previously settled and purchased by other investors, a segment known as the tertiary life settlement markets. This allows the company to avoid the risks, social, ethical and state regulatory restrictions, incurred by purchasing life insurance policies directly from individuals.

INVESTMENT RISKS

The Firm's investment approach constantly keeps the risk of loss in mind. The Fund's investment strategies expose the investors in the fund to, among other risks, mortality, longevity,

interest rate, credit, operational and legal/regulatory risks. In particular, the investment strategies expose the fund to very significant mortality and longevity risk.

Risk of Loss: All investment programs carry the risk of loss and there is no guarantee that any investment strategy will meet its objective. An investment in the Fund involves significant risk, including a total loss of capital, and should be considered only by investors able to meet drawdown obligations and bear the risks associated with an investment for an indefinite period of time. There is currently no liquid market for life settlements or portfolios of life settlements and there is also no current liquid market for interests in the Fund.

Adverse Selection Risk: ISM on behalf of the Fund seeks to purchase large insurance policies due to the high touch nature of settling a purchase, as the due diligence on each settlement can take several weeks or months depending on the availability of information. By purchasing only settlements of a certain size one reduces the settlement cost. However, since wealthier individuals tend to purchase large life insurance policies, they also tend to have lower mortality rates due to their higher standard of living and better access to health care. This means that the standard actuarial tables that ISM uses in some of its pricing and valuation may not be reflective of the actual risk associated with this cohort of risk that is being acquired. This is referred to as adverse selection risk. ISM does however make adjustments for this effect based on statistical and other studies that aim to capture this effect, however, the sample data used by ISM is not as complete or extensive as actuarial data for the entire population and therefore ISM's estimates may be subject to a higher standard deviation.

Business Risk/Lack of Business Diversification: Business risk is associated with a particular industry or a particular company within an industry. Investments that are concentrated in one or few industries or sectors may involve more risk than more diversified investments, including the potential for greater volatility. The life settlement industry generally operates in an environment that is illiquid, inefficient, nontransparent, and susceptible to litigation. Moreover, there is significant counterparty risk to insurance carriers and due to the underlying mortality and longevity risk that these carriers run, as well as the similar investment portfolios they manage, these risks tend to be highly correlated among carriers.

The life settlement industry is based upon assumptions that are materially different than the assumptions underlying traditional life insurance companies. The life insurance industry calculates its actuarial assumptions based on, among other things, the expected expiration experience of outstanding life policies (referred to as lapse rate). These actuarial assumptions are disrupted by the life settlement process, which can materially reduce the number of policies expiring for cash surrender value, thus increasing payout costs to life insurance companies. In addition, the original life expectancy of the insured at the inception of a policy can change dramatically during the remainder of an insured's life. As an individual's health deteriorates the present value of his or her future life insurance benefit increases. Life insurance companies have, to date, been reluctant to incorporate this factor into the offered surrender value, as it would tend to require an increase in premiums, thus, making it more difficult for insurance companies to sell life insurance. However, the rapid growth in the life settlement market could alter lapse rates on life insurance policies relative to current pricing assumptions, disrupting the expected economics of the life insurance market if insurance carriers begin to incorporate this factor into their underwriting and cost of insurance for newly issued life insurance policies.

Mortality and Longevity Risk: Investments in life settlements involve significant mortality and longevity risk. An investor in life settlements is at risk of loss if the insured lives beyond his/her actuarially determined life expectancy as adjusted to take into account the cost of obtaining and maintaining the policy. ISM endeavors to provide the Fund's investors with relevant information about the Fund's life settlements portfolio, including statistical estimates quantifying various dimensions of the Fund's investment portfolio. However, there can be no assurance as to the accuracy of these metrics and projections due to the underlying nature and uncertainty of risks associated with life insurance market exposures. In addition, the estimates of exposure, expected returns and loss potential are subject to systemic changes within the insurance and mortality and longevity risk modeling community, changes that potentially could have significant impact on the Fund's activities and projected and realized returns. ISM monitors these risks and may seek to manage exposure to mortality and longevity risks in the execution of its investment strategies. Managing this exposure could mean that ISM will initiate the sale of life settlements owned by the Fund, or will surrender or allow the lapse of insurance policies with significant mortality and longevity risks.

Model Risk: ISM may underestimate how long the insured individuals will live or the timing of mortality within a life settlement portfolio. This would cause the Fund to pay higher premiums than anticipated and under certain circumstances could cause liquidity problems. In addition, estimating the minimum cost of insurance ("COI") for each insurance policy is inexact because insurance carriers do not explicitly publish this data. As a result it must be approximated using financial/actuarial models developed by ISM. Furthermore, insurance carriers can in certain circumstances revise the COI imbedded in their insurance contracts. Any such revisions or errors in estimating the imbedded COI could have a material impact on premium payments required in the future. This, in turn, could have a material negative impact on the expected and realized economic returns as well as the fair market value of assets held in the Fund.

Securitized Life Settlements are Currently Difficult to Rate: Few life settlement portfolios have been reviewed or rated by any national recognized statistical ratings organization ("NRSR"), nor are future portfolios expected to be. No NRSRO has reviewed or rated the Fund's life settlement portfolio.

Idiosyncratic Risk: Idiosyncratic risks are those risks of exogenous factors that cannot be mitigated through diversification. With life settlements, these risks include new developments in medical sciences that significantly reduce the mortality associated with certain health impairments, pandemics and changes in methodology used by life expectancy providers in calculating longevity. In addition, life settlements, like numerous other investments, are subject to the risk of a severe dislocation in the financial markets like the world-wide recession in 2007-2008. Any one of these outside events could have a significant negative or positive effect on investments in life settlements, as well as realized and unrealized returns on such investments.

Securitized Life Settlements are Largely a New Asset Class with a Limited Secondary Market: The market for packaging and issuing life settlements and for packaging non-securitized pools of life settlements and issued life settlement securities is fairly new and undeveloped. There is a limited secondary market for securitizations of life settlement policies. The "negative carry" of life settlements (i.e. the obligation after the purchase of a life settlement to pay premiums to maintain the underlying life insurance policy) poses significant challenges to

securitizing this asset class. A portfolio of life settlements requires significant up-front capital, not only for the initial purchase price of the life settlements, but to pay the premiums to maintain the policies (generally from 3% to 10% of face per year, depending upon the age of the individual insured), and it may take three years or more before any “maturities” occur (i.e. before any death benefits are paid). In a capital-constrained environment, there has not been sufficient capital for buyers of insurance policies in the secondary market to grow this asset class.

Securitized insurance policies are an emerging asset class in the capital markets. There can be no assurance that ISM will be successful in implementing its strategies.

Credit Risk of Counterparties: Life settlements are subject to the risk that the insurance carrier will default in paying a death benefit or contest the policy or the amount due under the policy or delay in paying the amount due under the policy. Investment guidelines approved by ISM limit purchases of life settlements to eligible insurers, which are defined with reference to their NRSRO ratings. The Fund’s investment guidelines (established with significant input from ISM) permit the purchase of life settlements only of insurance policies issued by carriers (a) domiciled in the United States, (b) that have either (i) a minimum of 2 “Claims Paying Ratings” from Standard & Poor’s, Moody’s and Fitch, or (ii) a “Claims Paying Ratings” from one of the aforementioned and an A.M. Best “Financial Strength Rating” and (c) have a minimum rating as regards (i) a Claims Paying Rating no lower than (I) “A-“ from Fitch, (II) “A-“ from S& P’s; or (III) “A3” from Moody’s; provided, however, that in the event of a split rating, the lower rating is to be used; or (ii) a “Financial Strength Rating” of “A+” from A.M Best.

Funding Risk and the Use of Leverage: To the extent that an investor uses borrowed funds to purchase life settlements or other life insurance-linked products, this increases the financial risk associated with this asset class by introducing more volatility in expected returns/losses. An overall capital drought in United States financial markets could also limit an investor’s ability to borrow funds. Excessive borrowing to finance an investment increases the risks to profitability, because the investor must perform its obligations under its credit agreements in both good times and bad. During periods of financial stress, the inability to meet credit obligations may result in bankruptcy and/or a declining market value. The Fund has entered into a \$150 million credit facility with an unrelated third party bank. As of December 31, 2010, the outstanding borrowings were \$55,000,000.

Portfolio Liquidity Risk: When consistent with the Fund’s investment objectives, guidelines, restrictions and risk tolerances, ISM invests in illiquid investments, subject to applicable investment standards. Investing in an illiquid (difficult to trade) asset will restrict ISM’s ability to dispose of investments in a timely fashion or at an advantageous price, which may limit the ability to take full advantage of market opportunities.

Diversification Risk: The Firm attempts to manage the overall risk of life settlement portfolios through diversification and selectivity. The Firm generally follows self-imposed risk control and diversification policies, in addition to adhering to its client’s investment guidelines. However, ISM’s self-imposed standards are intentionally left flexible so as not to preclude ISM’s client from participating in attractive opportunities. Furthermore, there are significant shortcomings with standard diversification theory as applied to this asset class due to the potentially strong positive correlations associated with longevity and mortality and the passage of time, and the

counterparty risk associated with insurance carriers. The Fund, as the sole client of ISM, is subject to the investment guidelines set forth in its Governing Document Credit Facility and the provisions set forth in the Fund's Governing Document requiring approval of the Fund's Advisory Committee of certain investments.

There can be no assurance that a substantial portion of the Fund's positions may not, from time to time, exhibit a high degree of positive correlation with each other, abrogating to a potentially high degree the risk control benefits of diversification.

Derivatives (Options) Risk: The Firm may choose, at its discretion, to hedge interest rate and credit counterparty risks with appropriate financial instruments. Derivatives also might be used in various forms of future financing, including, but not limited to, total return swaps, repurchase agreements and loans. **These arrangements may or may not have certain embedded obligations to the lender in the event of underlying losses affecting the Fund.** Options involve risks that can carry substantial risk of loss, including the loss of principal.

Interest Rate Risk: Fluctuations in interest rates may cause the price of life settlements to fluctuate or impact the model used by the Firm to assess the fair value of life settlements.

Regulatory Risk: The regulatory landscape with respect to life settlements lacks uniformity and is in a state of change. Industry practice and regulation may become more restrictive. There is also the risk that some regulatory bodies may urge policy makers to ban the securitization of life settlements.

Federal Regulatory Risk: At the national level, the SEC may consider highlighting to Congress that the life settlement market could benefit from more significant and consistent regulation of life expectancy underwriters. The estimated life expectancy of the insured constitutes a critical component of the life settlement transaction, which affects the amount paid to the policy owner, the expected timing of the payment to the investor, and the value of any securitization.

State Regulatory Risk: At the state level, a number of states, for example, appear to be focusing on the regulatory status of life settlements and certain types of financing arrangements for life insurance. Some life insurance carriers appear to be increasingly vocal and have increased lobbying efforts concerning the effect of life settlements on the life insurance industry. Other market participants are equally vocal, with divergent viewpoints, about various types of financing arrangements for life insurance policies. The cumulative effect of these efforts resulted in the adoption of certain amendments to the Viatical Settlements Model Act by the National Association of Insurance Commissioners on June 4, 2007 (the "Model Act"). These amendments include the elimination of certain exemptions and the expansion of the ban on settling newly issued policies from two to five years after issuance. The Firm does not invest in viatical settlements.

Heath Care: In addition, under the Health Insurance Portability and Accountability Act (HIPAA) of 1996, there are various disclosure, privacy and record keeping requirements for the handling of medical claims that may complicate the ability to securitize life settlement policies. There are also similar requirements for individual states that must be addressed.

Disclosure Risk: State law generally requires that an insurable interest exist when life insurance is purchased. Determining whether an insurable interest existed when the policy was purchased requires ISM to review each policy, which can be costly and uncertain.

Little data exists regarding the historical accuracy of medical reviews of individuals who purchase life insurance. The limited number of policies underlying a life settlement securitization increases the importance that the medical reviews for those policies be correct. In some cases, the medical review is based only on a review of the insured's medical file and the life expectancy underwriters receive a flat fee, both of which may increase the possibility of errors. ISM requires the named insured of each policy to obtain an annual medical examination and provide a copy of the results of the medical examination to ISM for purposes of updating its records and to support actuarial estimates of the insured's life expectancy.

Life Expectancy Providers may use unrealistic life expectancy data that produce inaccurate short life expectancy reports, which are, in turn, used to sell life settlement policies to investors. The Firm uses its own data base to support all estimates of life expectancy and does not rely entirely on information provided by insurance carriers and in so doing the Firm attempts to manage the risk related to using carrier information to establish the value of a life settlement.

Legal Risk: The initial owner of an insurance policy must have an "insurable interest" at the inception of the policy. The Firm's risk control procedures require ISM to verify insurable interest in any life settlement purchased by its clients. *In the future, NRSROs may require opinions of counsel to life settlement securitizers to the effect that the state law applicable to each of the policies in a life settlement securitization permits payment of death benefits under such policies.*

Item 9 Disciplinary Information

There are no legal or disciplinary events that are material to a client's or perspective client's evaluation of the Firm's advisory business or the integrity of its management.

Other Matters of Potential Prospective Investor Interest

Orix LF, LP v. ISM Advisors LLC: Orix LF, LP, on behalf of the Advisory Committee of the Fund, commenced arbitration to remove the Special Common Member as the Manager of the Fund. Orix alleged various bases for the arbitration, including that the Special Common Member willfully breached the Fund Agreement, acted with gross negligence or in bad faith, or violated the investment guidelines. By award dated August 30, 2010 and amended September 3, 2010, the arbitrator found in favor of the Special Common Member and denied Orix's removal request.

The above matter had previously been disclosed to the Fund's existing investors.

Item 10 Other Financial Industry Activities and Affiliations

In addition to the ownership structure described in Item 4 above, ISM Advisors, LLC directly owns 100% of ISM Services, LLC, a Delaware limited liability company formed October 2, 2007, was formerly used to provide Premium Financing for collateral support, a line of business the Fund no longer engages in at this time. Life Insurance Fund Elite, LLC, the fund managed by ISM, is 100% beneficial owner in ISM Agency, LLC (“ISM Agency”) and Life Insurance Fund Elite Trust (“Trust”). ISM Agency was formed on September 21, 2007, is currently inactive. The Trust was formed on October 3, 2007 to hold the Fund's assets.

The Firm does not have any other financial industry activities or affiliations.

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

St. George, ISM and IAM (collectively the “Company”) have adopted a Code of Ethics (“Code”) and personal trading procedures for all supervised persons of such entities. The Code evidences the standards of business conduct required of Company employees and the fiduciary duties Company employees have to the Company’s advisory client(s). The Code is designed to comply with the requirements of the Advisers Act.

The Code sets forth the general principles of Company employee’s fiduciary responsibilities to Company client(s). These principles prohibit a Company employee from:

- (i) placing his or her personal interests ahead of the interests of a Company client;
- (ii) taking inappropriate advantage of his or her position with the Company; and
- (iii) taking any actions that actually or potentially conflict with the interests of the Company or Company client(s) or that abuse of his or her position of trust and responsibility.

Specifically, the Code’s goal is to preclude activities that may lead to or give the appearance of conflicts of interest, insider trading and other forms of prohibited or unethical business conduct. The Code also includes provisions relating to the confidentiality of client information, a prohibition on insider trading, limitations on outside affiliations, limits on giving or accepting gifts, the reporting of certain gifts and business entertainment items, and limitations and supervision of personal securities trading procedures. The personal trading procedures apply to all employees. ISM invests, on behalf of the Fund, in life settlements purchased and sold through unaffiliated entities. ISM is not investing in a class of securities that an employee of the Company would customarily invest in, except insofar as a Company employee or family member may purchase life insurance insuring the life of such employee or family member. Accordingly, there is limited potential for a conflict of interest between the investment activities of a Company client and the investment activities of the Company’s employees. Notwithstanding the foregoing, to avoid the appearance of a conflict, the Code requires all “access” employees to annually complete compliance questionnaires, which confirms all such persons’ investment holdings and affiliations and otherwise addresses any possible conflicts of interest between the Company’s employees and its client(s). All access persons must report all holdings in personal and beneficial interest accounts.

The Code also calls for all access persons/employees to complete a personal quarterly trading report and annually report all holdings.

All supervised persons acknowledge the terms of the Code of Ethics annually, or as amended.

A copy of this Code is available upon request.

Item 12 Brokerage Practices

Selection Brokers

As described in Item 4, ISM invests in life settlements on behalf of its sole client, the Fund. ISM selects only those licensed life settlement providers who have the knowledge, skill, expertise and ability to settle transactions in life settlements. In selecting a life settlement provider, ISM considers the reputation of the life settlement provider and will not engage or transact business with life settlement providers who have a history of regulatory actions. When purchasing life settlements, ISM negotiates the best price, based on the facts and circumstances at the time of the transaction, including ISM's ability to further negotiate the best execution fee. Because life settlements constituted an illiquid asset class and because each life settlement is unique, it is not possible for ISM to competitively bid for each or any life settlements or life settlement portfolios. Accordingly, best execution is the best overall negotiated price, including all fees required to settle the transaction, based on the factors above.

The Firm does not receive any soft dollar research (third-party or proprietary) or other brokerage services. Research or other brokerage services that are built into either the price of the transaction (including negotiated fees) are referred to as proprietary research.

The Company does not direct its clients to use a broker or life settlements provider in exchange for client referrals. The Firm does not have and does not expect to have any client directed brokerage accounts.

Aggregation of Client Order

ISM does not aggregate client orders since the Firm renders investment advisory services to only one client account.

Item 13 Review of Accounts

Periodic Reviews

ISM is involved in a continuous and on-going monitoring of its client(s) life settlement portfolio to ensure that the life settlements continue to meet applicable investment guidelines. ISM's **Chief Executive Officer**, or his designee, is responsible for approval of all ISM recommended investments. More frequent reviews will be triggered by material changes in variables including but not limited to a client's circumstances, product underperformance, style change, and market/economic conditions. Although the Fund is a long-term investment, ISM investment managers will meet with Fund investors and the Fund Advisory Committee at least annually.

In connection with future clients, if any, ISM expects to monitor such client's investments on an ongoing basis and review with each such client, at least annually, such client's financial condition, investment objectives, risk tolerance and other relevant information.

Review Triggers

Other conditions that may trigger a review are changes in the securities laws, new investment information, and changes in a client's financial condition or prospects.

Regular Reports

Our client receives periodic reports directly from vendors selected to provide certain services to the Fund. For example, Deutsche Bank, which serves as the Fund Administrator, sends out monthly NAV statements and other investor reports based on financial information maintained by Deutsche Bank for the Fund. These reports include valuations provided by ISM.

Item 14 Client Referrals and Other Compensation

Referral Arrangements

The Firm does not currently have any client referral relationships.

Third-Party Compensation

No person who is not a client of the Firm provides an economic benefit to the Firm for ISM to provide investment advice or other advisory services to the Fund.

Item 15 Custody

The Firm does not take physical custody of client funds or securities. All Fund assets, including all life insurance policies, cash, securities, membership interests or any other Fund assets are held by a “qualified custodian”, currently Wells Fargo N.A., which serves as the sole trustee of Life Insurance Fund Elite Trust, the Delaware statutory trust that holds all of the Fund’s assets.

Notwithstanding the foregoing, ISM, in its capacity as the sole managing member of the Fund, is deemed by SEC rules and regulation to have constructive custody of the Fund’s assets. In accordance with regulatory requirements under the Advisers Act and the Fund’s Governing Document, ISM has engaged an independent public accountant, Rothstein, Kass & Company, to conduct an annual audit of the assets of the Fund. The auditing firm is registered with, and is regularly inspected as of the beginning of the engagement period, and as of each calendar year-end, by the Public Company Accounting Oversight Board in accordance with its rules. The audited financial statements are prepared in accordance with generally accepted accounting principles and distributed to all members or beneficial owners of the Fund within 120 days of the end of its fiscal year.

Item 16 Investment Discretion

St. George through ISM provides discretionary investment supervisory services to its sole client, Life Insurance Fund Elite LLC, which has been referred to herein as the Fund, through its services as the sole managing member of and sole investment advisor to the Fund. In its capacities as the sole managing member of the Fund, ISM has full discretionary authority to make all investment decisions on behalf of the Fund, subject to the investment guidelines set forth in the Fund's Governing Document and the Fund's Credit Facility and the provisions set forth in the Fund's Governing Document requiring approval of the Fund's Advisory Committee if certain investments. ISM exercises its authority to act on the Fund's behalf by virtue of its position as the sole managing member of the Fund. In exercising its investment discretion, ISM acts at all times in what it believes to be the best interests of its client.

In the future, the Firm may provide discretionary investment services to other private funds, large institutions and/or high-net worth individuals. The Firm will provide such services to each future client pursuant to a separate investment management agreement tailored to such client's needs, such client's Governing Document and/or an offering memorandum provided to investors, as applicable.

Item 17 Voting Client Securities

ISM does not invest in securities that require proxies to be voted.

Item 18 Financial Information

Financial Condition

ISM does not require or solicit prepayment of fees six months or more in advance. Neither St. George nor ISM has experienced any financial condition that is reasonably likely to impair their ability to meet contractual commitments to the Fund.