



Part 2B of Form ADV: Brochure Supplement

Item 1 - Cover Page

Strategic Fixed Income, L.L.C.
Potomac Tower
1001 19th Street, North
Suite 1400
Arlington, Virginia 22209
703-812-8300

March 13, 2012

Supervised Persons:

Strategic Fixed Income, L.L.C. (Strategic)

Kenneth Windheim, President, Chief Investment Officer
Patricia Arcoleo, Vice President, Chief Operating Officer, Chief Compliance Officer

Christopher Holland, Director, Senior Portfolio Manager
Frank Leyden, Director, Senior Portfolio Manager
Markus Zehnder, Associate Portfolio Manager

Sub-Adviser: Strategic Fixed Income UK, LLP (Strategic UK)
10 Fenchurch Avenue, Suite 306
London, England EC3M 5BN
01144 207-398-3500

Diane Gibb, Director, Senior Portfolio Manager

This brochure supplement provides information about Kenneth Windheim, Patricia Arcoleo, Christopher Holland, Frank Leyden, Markus Zehnder and the Sub-Adviser Diane Gibb that supplements the Strategic Fixed Income, L.L.C. (Strategic) brochure. You should have received a copy of that brochure. Please contact Patricia Arcoleo, Vice President/Chief Operating Officer/Chief Compliance Officer if you did not receive Strategic's brochure or if you have any questions about the content of this supplement.

Item 2 - Educational Background and Business Experience

Kenneth Windheim (born 1959) is the President and Chief Investment Officer of Strategic Fixed Income, L.L.C. He has more than 30 years of experience in global macro trading, including managing international and global bond funds. In 1981, Mr. Windheim joined Prudential Capital Management International (later to become Global Fixed Income Advisers), an affiliate of Prudential Insurance Company. He assumed overall responsibility for global fixed income management in 1984. From 1984 to 1991, Mr. Windheim had full trading and management oversight for all global fixed income portfolios at Prudential. In 1991, Mr. Windheim left Global Fixed Income Advisers and founded Strategic. Mr. Windheim received a B.A. in Public Affairs from George Washington University in 1981. He also studied in the M.B.A. program at New York University while working at Prudential. Mr. Windheim is President and CEO of Gobi Investment, Inc., the Managing Member of Strategic. Mr. Windheim also serves as a Director of The Capital Hedge Fund, Ltd. and its associated feeder fund.

Patricia Arcoleo (born 1965) is the Vice President, Chief Compliance Officer and Chief Operating Officer. Ms. Arcoleo has over 26 years of experience in global and international foreign exchange and fixed income markets. Prior to joining Strategic, Ms. Arcoleo was a Manager of Foreign Exchange and Fixed Income Trading at Prudential Capital Management International (later to become known as Global Fixed Income Advisers). Additionally, Ms. Arcoleo assisted the Managing Director and Chief Investment Officer in maintaining and running the fundamental and technical models that were used to manage client funds. Ms. Arcoleo left Prudential in June 1991 to assist in the formation of the Strategic Fixed Income, L.L.C. Ms. Arcoleo attended Montclair State College. Ms. Arcoleo also serves as an Alternate Director (who can act as a Director in the place of Mr. Windheim when he is unavailable) of The Capital Hedge Fund, Ltd. and its associated feeder fund.

Christopher Holland (born 1968) is a Director and Senior Portfolio Manager at Strategic Fixed Income, L.L.C. where he has worked since 1993. In addition to having primary responsibility for Strategic's interest rate trading and strategy, Mr. Holland has primary portfolio management responsibility for a number of global and international fixed income portfolios. He has worked closely with Mr. Windheim in the development of Strategic's fundamental interest rate and currency models. Mr. Holland has over 18 years of trading and portfolio management experience in global macro markets. Mr. Holland holds a B.A. in Economics from the University of Richmond and is a Chartered Financial Analyst.

Frank Leyden (born 1966) is a Director and Senior Portfolio Manager whose primary portfolio management responsibilities are equity and commodity strategies. In addition, Mr. Leyden is responsible for the firm's risk management of client portfolios. Prior to joining Strategic in 1996, he worked as an analyst at RogersCasey, a pension consulting firm. His responsibilities included asset allocation, investment manager selection, performance monitoring and client service. Mr. Leyden has over 18 years of experience in the investment field. He holds an M.B.A. in International Finance from the University of Notre Dame, a B.S. in Finance from Lehigh University, and is a Chartered Financial Analyst.



Markus Zehnder (born 1977) is an Associate Portfolio Manager whose principle responsibilities include trade execution, developing and maintaining exposure reports as well as daily reconciliation of the portfolio's positions with the settlements group. Mr. Zehnder joined Strategic Fixed Income in September 2000 as the Foreign Exchange Operations Assistant working with in the settlements group; in December 2003, Mr. Zehnder was promoted to his current position. Mr. Zehnder received a B.S. in Management and Economics from Plymouth State College of the University System of New Hampshire.

Strategic UK:

Diane Gibb (Born 1960) is Director and Senior Portfolio Manager of Strategic's London office and is involved in all long-only and hedge fund strategies. Diane's 30 years' experience in the fixed income industry began in 1981 at Save & Prosper Insurance Group in London. She later joined Hambros Bank as the Assistant Director of Treasury & Capital Markets. In 1991, Mrs. Gibb joined Strategic Fixed Income as its' first Director and Senior Portfolio Manager. In 1996, she moved to Auckland, New Zealand and continued to work with Strategic specifically to provide research on Asian Pacific emerging markets. After taking maternity leave in 1998, she rejoined the investment world in 1999 as a Fixed Income Manager at New Zealand Fund Management, and later joined the Bank of New Zealand as a proprietary trader. Mrs. Gibb moved back to England in 2009 and worked with the National Australia Bank as a Proprietary Trader until she rejoined the Strategic team. Mrs. Gibb has a B.Sc. (Hons.) in Applied Economics from The University of East London.

Item 3 - Disciplinary Information

Strategic

Kenneth Windheim – None

Patricia Arcoleo – None

Christopher Holland – None

Frank Leyden – None

Markus Zehnder – None

Strategic UK

Diane Gibb – None

Section A., B., and C. are not applicable.

Item 4 - Other Business Activities

Strategic is a CPO and CTA and a member of the NFA and Strategic UK is a CTA and a member of the NFA.

Kenneth Windheim, Patricia Arcoleo, Christopher Holland, Frank Leyden and Markus Zehnder are associated persons of Strategic.

Diane Gibb is an associated person of Strategic UK.

Item 5 - Additional Compensation

Not Applicable.

Item 6 - Supervision

Kenneth Windheim is the President and Chief Investment Officer, 703-812-8300; he is responsible for the supervision of the supervised persons. Patricia Arcoleo is the Vice President, Chief Operating Officer and Chief Compliance Officer, 703-812-8300; she is responsible for all legal and compliance matter concerning the supervised persons.

Kenneth Windheim has veto power over any decision made by the portfolio manager team or any member of it in accordance with set investment guidelines for separate accounts and pooled funds. All portfolios are managed on a team basis with Mr. Windheim having overall responsibility as the chief investment officer. Strategic combines the function of trader and portfolio management with research. All investment decisions are made on a team basis utilizing the fundamental and technical models developed in-house by Kenneth Windheim. All new portfolio managers are taught our methodology which includes the combination of technical and fundamental analysis. The time it takes to fully



understand our investment methodology and trading practices is usually about six months. Mr. Windheim is chiefly responsible for the training of new managers and their functions.

As part of the overall compliance review continuously conducted by the Chief Compliance Officer (CCO), the CCO, periodically throughout each month samples and analyzes transactions in all investment instruments bought or sold for all funds and separate accounts managed by Strategic. The CCO reviews trade prices on the day of the sample to ensure that the investment staff is seeking best execution from the broker/dealers and banks with whom trades are effected. This is done by comparing the ticket execution prices with contemporaneous bid/ask and last sale prices and volumes (to the extent available) from Bloomberg LP, taking price trends during the period examined (a block of time on either side of the stamped execution time on the ticket) into account. For each trade sampled, the CCO forms a judgment as to whether the execution price, in light of the available market information for the instrument traded, was reasonable and notes the CCO's conclusions in this regard on a copy of the Bloomberg price information page reviewed. A copy of this page and annotations is retained with Strategic's records. If the price obtained was not within a range deemed appropriate by the CCO in light of the surrounding market information examined, the CCO seeks an explanation from the investment staff. In questionable cases, the judgment of the President or Senior Portfolio Manager is brought to bear on the trade at issue. Notes concerning such questioned trades and resolution of the issues presented are made and retained by the CCO.

Item 7 - Requirements for State-Registered Advisers

Not Applicable.