

Item 1 – Part 2A of Form ADV: Firm brochure

WESTERN INVESTMENT, LLC

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This brochure provides information about the qualifications and business practices of Western Investment, LLC (“WILLC”). If you have any questions about the contents of this brochure, please contact Rex Merchant at 513-535-1607 or rex@wifunds.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 WILLC also is available on the SEC’s website at www.adviserinfo.sec.gov.

WILLC is registered as an investment adviser with the SEC under the U.S. Investment Advisers Act of 1940, as amended (the “Advisers Act”). SEC registration does not imply a certain level of skill or training.

Item 2 – Material changes

1. WILLC withdrew its registration as a commodity pool operator with the U.S. Commodity Futures Trading Commission and its membership in the U.S. National Futures Association (“NFA”) during 2013.
2. Western Investment Hedged Partners, LP, withdrew its registration as a commodity pool with the NFA during 2013.
3. As of December 31, 2013, WILLC managed \$123,000,000 of Advisory Clients’ gross assets, representing \$58,000,000 of Advisory Clients’ net assets.

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Item 4 – Advisory business

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

Founded in 1997, Western Investment, LLC (“WILLC” or the “Advisor”) is a Delaware limited liability company. Its principal office is at 8011 S Dazzling View Circle, Salt Lake City, Utah 84121, telephone: (801) 568-1400.

Arthur D. Lipson is 100% owner and managing member of WILLC.

WILLC provides discretionary investment advisory and management services to two private investment pool and non-discretionary advisory services to one U.S. domiciled managed account. WILLC seeks to achieve the investment objectives of each Advisory Client (as defined and identified below) principally through investments in retail securities such as closed-end funds, business development companies, equity real estate investment trusts, mortgage real estate investment trusts, structured notes, master limited partnerships, royalty trusts and preferred stocks.

WILLC serves as general partner of the following private investment funds (the “Funds”):

- Western Investment Hedged Partners, LP (“HP”), a Delaware limited partnership
- Western Investment Total Return Partners, LP (“TP”), a Delaware limited partnership

WILLC also serves as investment advisor to one separately managed account. WILLC manages the account in a non-discretionary manner in accordance with agreements between WILLC and the account’s owner.

The Funds and the separate account are collectively referred to herein as the “Advisory Clients.”

B. Describe the types of advisory services you offer. If you hold yourself out as specializing in a particular type of advisory service, such as financial planning, quantitative analysis, or market timing, explain the nature of that service in greater detail. If you provide investment advice only with respect to limited types of investments, explain the type of investment advice you offer, and disclose that your advice is limited to those types of investments.

WILLC provides investment advisory services to pooled investment vehicles commonly known as “hedge funds.” WILLC also applies its portfolio management methods to the separate account, and advises it in a similar manner to the Funds.

WILLC employs two broad strategies outlined below: the Arbitrage Strategy and the Activist Strategy. WILLC will allocate a varying percentage of the Advisory Clients’ assets to each strategy

depending on where WILLC decides capital can be employed most effectively on behalf of investors. Both strategies focus on WILLC's expertise in trading a subset of securities designed for non-institutional investors, which are often referred to as "retail" securities. This subset of securities may include, but is not limited to, U.S. and international, registered and unregistered closed-end mutual funds ("CEFs"), business development companies, equity real estate investment trusts ("REITs"), mortgage REITs, structured notes, master limited partnerships, royalty trusts and preferred stocks (collectively, "Retail Securities").

Arbitrage Strategy. WILLC invests in Retail Securities based on its computer model of arbitrage opportunities in such Retail Securities. This strategy is referred to herein as the "Arbitrage Strategy." Retail Securities generally trade in steady but not heavy volume. WILLC has developed a computer system that compares premiums and discounts in approximately 1,000 Retail Securities. WILLC then combines the computer's results with its analysis of the underlying value and existing management of such Retail Securities and makes an investment decision. The ultimate goal of the Arbitrage Strategy is to extract the difference between the net asset value of a given Retail Security and its current market price.

Activist Strategy. In pursuing its "Activist Strategy," WILLC acquires CEFs whose Retail Securities trade below WILLC's estimate of their net asset value but which WILLC believes, with more shareholder-friendly management, could increase in value, referred to herein as "Target Companies." WILLC works with the management of Target Companies that are trading at a discount with the goal of eliminating or narrowing that discount. In those instances when Target Companies reject WILLC's suggestions, WILLC may elect to take action on behalf of its Advisory Clients, including by commencing or participating in a hostile proxy contest to elect new directors and/or managers. WILLC does not anticipate that all investments will result in hostile proxy battles, although it expects that many will. Advisory Clients also may benefit from a passive investment scenario where (a) the management of a Target Company adopts suggestions made by WILLC, and (b) where other shareholders of a Target Company in which Advisory Clients invest seek to bring about change.

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

WILLC does not tailor its advisory services to the individual needs of Fund investors, and Fund investors may not impose restrictions on investing in certain securities or types of securities. The Fund's offering memorandum sets forth the Fund's investment strategy, including guidelines regarding the types of securities the Fund will invest in and portfolio limits.

WILLC manages one separate account on a non-discretionary basis. In the case of this account, the account owner may elect to not participate in certain investment opportunities; however, WILLC does not alter its basic investment strategy for the account.

- D. If you participate in wrap fee programs by providing portfolio management services, (1) describe the differences, if any, between how you manage wrap fee accounts and how you manage other accounts, and (2) explain that you receive a portion of the wrap fee for your services.**

WILLC does not participate in wrap fee programs.

- E. If you manage client assets, disclose the amount of client assets you manage on a discretionary basis and the amount of client assets you manage on a non-discretionary basis. Disclose the date “as of” which you calculated the amounts.**

As of December 31, 2013, WILLC managed \$99,708,487 in Advisory Client gross assets on a discretionary basis; and \$22,792,500 in Advisory Client gross assets on a non-discretionary basis.

Item 5 – Fees and compensation

A. Describe how you are compensated for your advisory services. Provide your fee schedule. Disclose whether the fees are negotiable.

WILLC generally is compensated for its advisory services to each Fund through an asset-based management fee equal to 1.0% per annum of the Fund's net asset value, calculated and payable monthly in arrears.

WILLC also receives performance-based compensation annually from each Fund, paid as an allocation of profits, equal to 15% of the Fund's net profits in excess of a certain predefined benchmark. The incentive allocation for the fund also is subject to a high watermark provision.

The fees payable to WILLC by each Fund generally are not negotiable as to any particular investor. WILLC has, in certain instances, waived or reduced the fees or allocations for a particular Fund that otherwise would have been payable. Such fee waivers and reductions were applied equally to all Fund investors.

For its services to the separate account, WILLC currently receives no fixed management fee. WILLC receives an annual incentive fee equal to 10% of the account's net profit, subject to a high watermark provision, generally calculated and paid annually.

The separate account fees are negotiable.

Investors should refer to the Fund's offering documents for a complete understanding of how WILLC is compensated for its advisory services. The compensation information above is a summary only.

B. Describe whether you deduct fees from clients' assets or bill clients for fees incurred. If clients may select either method, disclose this fact. Explain how often you bill clients or deduct your fees.

WILLC deducts fees from investors' assets invested in each Fund. In general, as described above, WILLC receives a management fee paid monthly in arrears and an incentive allocation paid at the end of each fiscal year or at the time of an investor withdrawal. Investors in the Funds do not have the choice to be billed directly for fees incurred.

WILLC has negotiated the billing schedule with the separate account client. WILLC bills the client quarterly, in arrears, for the separate account management fees, if any; and annually, if applicable, for the separate account incentive fees.

C. Describe any other types of fees or expenses clients may pay in connection with your advisory services, such as custodian fees or mutual fund expenses. Disclose that clients will incur brokerage

and other transaction costs, and direct clients to the section(s) of your brochure that discuss brokerage.

Each Fund pays all of its operating and administrative expenses as incurred, including without limitation: (i) expenses associated with the continuous offering of interests in the Fund; (ii) the Fund's legal, tax, accounting, auditing and administrative expenses; (iii) direct trading and investment-related expenses, including brokerage and transaction fees and expenses; (iv) the costs of computer software, internet connectivity, price quote feeds, hardware and services purchased or leased from third parties to handle trading-related activities; (v) solicitation, legal and other expenses incurred with respect to activism and proxy contests; (vi) interest expense and dividend expense; and (vii) any extraordinary expenses, the amount of which cannot be estimated.

In addition to the foregoing, WILLC maintains a staff of accountants, bookkeepers, and employees who prepare each Fund's daily accounting and trade reconciliation, locate stock for short sales and manage the Fund's brokerage relationships. WILLC will pass through to each Fund its share (as reasonably determined by WILLC) of their salaries, software, systems and overhead.

In addition to Clerical Services Costs, Computerized Trading Costs and Activism Costs, each Fund pays its pro rata share of costs related to compensation of WILLC's CFO and costs related to maintaining WILLC's compliance program as mandated by the SEC.

In recent years, WILLC has sought reimbursement of its proxy-related expenses from Target companies, with some success. Any such reimbursement is passed through to each Advisory Client in the same proportion in which it paid the expenses.

The expenses described in this section are expected to constitute approximately 5% to 6% per year of each Fund's net assets.

WILLC's brokerage practices are described further in Item 12 below.

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

WILLC does not collect fees in advance.

- E. If you or any of your supervised persons accepts compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds, disclose this fact and respond to Items 5.E.1, 5.E.2, 5.E.3 and 5.E.4.**

Not applicable to WILLC.

- 1. Explain that this practice presents a conflict of interest and gives you or your supervised persons an incentive to recommend investment products based on the compensation received, rather than on a client's needs. Describe generally how you address conflicts that arise, including your procedures for disclosing the conflicts to clients. If you primarily recommend mutual funds, disclose whether you will recommend "no-load" funds.**

Not applicable to WILLC.

- 2. Explain that clients have the option to purchase investment products that you recommend through other brokers or agents that are not affiliated with you.**

Not applicable to WILLC.

- 3. If more than 50% of your revenue from advisory clients results from commissions and other compensation for the sale of investment products you recommend to your clients, including asset-based distribution fees from the sale of mutual funds, disclose that commissions provide your primary or, if applicable, your exclusive compensation.**

Not applicable to WILLC.

- 4. If you charge advisory fees in addition to commissions or markups, disclose whether you reduce your advisory fees to offset the commissions or markups.**

Not applicable to WILLC.

Item 6 – Performance-based fees and side-by-side management

If you or any of your supervised persons accepts performance-based fees – that is, fees based on a share of capital gains on or capital appreciation of the assets of a client (such as a client that is a hedge fund or other pooled investment vehicle) – disclose this fact. If you or any of your supervised persons manage both accounts that are charged a performance-based fee and accounts that are charged another type of fee, such as an hourly or flat fee or an asset-based fee, disclose this fact. Explain the conflicts of interest that you or your supervised persons face by managing these accounts at the same time, including that you or your supervised persons have an incentive to favor accounts for which you or your supervised persons receive a performance-based fee, and describe generally how you address these conflicts.

As described in Item 5.A above, WILLC receives performance-based compensation in the form of an incentive allocation. While each Advisory Client managed by WILLC pays performance-based compensation, WILLC reserves the right to reduce or waive such fees with respect to the Funds or the separate account.

WILLC does not manage any non-performance-fee accounts.

The possibility that WILLC may receive performance-based compensation presents a potential conflict of interest in that it may create an incentive to make investments that are riskier or more speculative than in the absence of such a performance-based fee. Each investor is provided with clear disclosure as to how performance-based compensation is charged with respect to each Fund and the risks associated with such performance-based compensation, prior to making an investment.

WILLC recognizes that as a fiduciary it must act in the best interests of the Advisory Clients and investors. Further, WILLC recognizes that it must treat all clients fairly and must refrain from favoring the interests of one client over the interests of another.

Item 7 – Types of clients

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

WILLC provides investment advisory services to (a) two pooled investment vehicles operating as private investment funds (“hedge funds”) and (b) one separate account owned by a private investment fund.

Each investor in each Fund must meet the Fund’s eligibility provisions as outlined in the Fund’s offering documents. An investor in a Fund is not required to maintain a minimum account balance.

Each Fund’s minimum initial investment requirement is \$1,000,000. The minimum may be waived at WILLC’s discretion.

WILLC’s minimum to manage a separate account is \$5,000,000.

Item 8 – Methods of analysis, investment strategies and risk of loss

- A. Describe the methods of analysis and investment strategies you use in formulating investment advice or managing assets. Explain that investing in securities involves risk of loss that clients should be prepared to bear.**

WILLC primarily invests in securities owned by retail investors. Closed-end funds (“CEFs”) provide the largest area of investment, but WILLC also invests in REITs, mortgage REITs, business development companies (BDCs), master limited partnerships (MLPs) and \$25 par preferred stocks when WILLC observes that these securities are selling at discounts or premiums to fair value. WILLC has spent over ten years developing software to productively analyze and transact in these securities.

WILLC has adapted basic fixed-income yield spread analysis to the CEF universe. Just as bonds live in a world of yield spreads, CEFs live in a world of premium and discount spreads. WILLC has used this technique to develop models that identify and highlight pricing aberrations on a real-time basis. These aberrations are created by random supply and demand imbalances, seasonal factors (e.g., tax-loss selling) and corporate actions (e.g., dividends, buybacks, rights offerings, mergers, tenders, open-endings and DRIPs). WILLC has invested in thousands of these situations and specializes in identifying and trading them. WILLC uses its proprietary software to actively trade the portfolios under its management with the goal of generating a series of small gains that compound into reasonable returns.

One of the strategies utilized by WILLC in the CEF markets is shareholder activism, where WILLC takes significant positions in securities that it believes would merit a higher market valuation if more shareholder-friendly policies were implemented. If management is unwilling to adopt better policies, WILLC may take proactive measures to enhance value, such as nominating and running an alternative slate of directors at the annual meeting. The activism strategy complements its shorter-term, higher-volume spread-based investing, and both approaches benefit from WILLC’s efficient trading software and ability to identify price aberrations — in the case of activism, enhancing WILLC’s margin potential by helping it to cheaply and efficiently enter and exit positions.

WILLC strives to maintain significant hedges on its securities investments; however, investors remain exposed to risk of loss that may be substantial. Major risk factors are discussed below, and are discussed in greater detail in the Funds’ offering documents.

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

WILLC's investment goal focuses on avoiding losses. There are six risk factors of principal concern:

Discount risk: CEFs, as an investment sector, could fall out of favor. This occurred in late 1999 as investors flocked to technology stocks resulting in larger discounts on CEFs, and in 1995, as rising interest rates caused investors to sell fixed-income CEFs. While WILLC sells some CEFs short, there is a limited supply of stock available for this purpose.

Net asset value risk: The net asset value of the Advisory Clients' closed-end funds may underperform WILLC's hedges or the market in general. WILLC typically buys closed-ends funds at deep discounts; such discounts sometimes result from poor manager performance or exposure to volatile asset classes, either of which could result in future net asset value volatility and underperformance.

Credit risk: At times, WILLC may have large positions in CEFs that invest in high yield bonds and emerging market debt. WILLC may also hold significant positions in mortgage REITs, business development companies ("BDCs"), preferred stocks and other retail securities that are sensitive to economic downturns. Although WILLC believes, on occasion, that these credit-sensitive assets provide excess return relative to risk, there is no perfect hedge against that risk. Hedges, such as shorting a combination of equities and intermediate Treasury futures for credit-sensitive debt, reduce only a limited portion of the variation and are most effective when equity valuations are rich.

Cross-hedging risk: While WILLC attempts to keep its market-neutral portfolios substantially hedged (90%+), it may employ cross-hedges that retain some risk exposure. For example, WILLC might choose to hedge a long position of municipal bond CEFs with a short position in Treasury bond futures of equivalent volatility. Similarly, WILLC may hedge a small-cap equity CEF with a short in S&P futures. Thus, a portfolio could be exposed to the risk of an adverse change in the relationship between the securities held and their associated hedges.

Concentration risk: If WILLC believes that a particular security offers an extremely attractive opportunity, it may place a substantial portion of an account's capital into that position. Although this results in a concentrated position in a CEF, the CEFs in which WILLC invests are themselves highly diversified, often with a hundred or more holdings. WILLC does this only when it is extremely confident in its analysis and attracted to the high potential return in relation to risk.

Activism risk: For those securities where WILLC applies its shareholder activism strategies, management may resist efforts to put shareholder-friendly mechanisms in place. This may, for example, require WILLC to run a slate of directors, which could result in substantial litigation, legal and proxy expenses to the Funds with no guaranteed outcome of success. In the event of a failed activism attempt, the market price of the security held could drop substantially, especially if it has risen based on market expectation of a successful activism attempt. WILLC's activism positions could also be exposed to concentration risk, since a substantial investment is typically necessary in order to influence company management.

WILLC sometimes engages in relatively frequent trading, in executing its arbitrage strategy. Frequent trading results in higher brokerage transaction costs.

- C. If you recommend primarily a particular type of security, explain the material risks involved. If the type of security involves significant or unusual risks, discuss these risks in detail.**

WILLC invests primarily in closed-end funds, which inherently are exposed to three principal risk areas: discount risk, net asset value risk and credit risk. These risk areas are described above in Item 8(B).

Item 9 – Disciplinary information

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

Items 9.A, 9.B, and 9.C list specific legal and disciplinary events presumed to be material for this Item. If your advisory firm or a management person has been involved in one of these events, you must disclose it under this Item for ten years following the date of the event, unless (1) the event was resolved in your or the management person's favor, or was reversed, suspended or vacated, or (2) you have rebutted the presumption of materiality to determine that the event is not material (see Note below). For purposes of calculating this ten-year period, the "date" of an event is the date that the final order, judgment, or decree was entered, or the date that any rights of appeal from preliminary orders, judgments or decrees lapsed.

Items 9.A, 9.B, and 9.C do not contain an exclusive list of material disciplinary events. If your advisory firm or a management person has been involved in a legal or disciplinary event that is not listed in Items 9.A, 9.B, or 9.C, but nonetheless is material to a client's or prospective client's evaluation of your advisory business or the integrity of its management, you must disclose the event. Similarly, even if more than ten years have passed since the date of the event, you must disclose the event if it is so serious that it remains material to a client's or prospective client's evaluation.

- A. A criminal or civil action in a domestic, foreign or military court of competent jurisdiction in which your firm or a management person
1. was convicted of, or pled guilty or nolo contendere ("no contest") to (a) any felony; (b) a misdemeanor that involved investments or an investment-related business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, or extortion; or (c) a conspiracy to commit any of these offenses;
 2. is the named subject of a pending criminal proceeding that involves an investment-related business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, extortion, or a conspiracy to commit any of these offenses;
 3. was found to have been involved in a violation of an investment-related statute or regulation;
or
 4. was the subject of any order, judgment, or decree permanently or temporarily enjoining, or otherwise limiting, your firm or a management person from engaging in any investment-related activity, or from violating any investment-related statute, rule, or order.

Not applicable to WILLC.

B. An administrative proceeding before the SEC, any other federal regulatory agency, any state regulatory agency, or any foreign financial regulatory authority in which your firm or a management person

- 1. was found to have caused an investment-related business to lose its authorization to do business; or**
- 2. was found to have been involved in a violation of an investment-related statute or regulation and was the subject of an order by the agency or authority**
 - (a) denying, suspending, or revoking the authorization of your firm or a management person to act in an investment-related business;**
 - (b) barring or suspending your firm's or a management person's association with an investment-related business;**
 - (c) otherwise significantly limiting your firm's or a management person's investment-related activities; or**
 - (d) imposing a civil money penalty of more than \$2,500 on your firm or a management person.**

Since 2005, the Funds have owned shares of Wells Financial Corporation ("WEFP"); the most recent purchase of WEFP shares was on December 28, 2006. During the first quarter of 2009, WEFP bought back some of its own shares in open-market purchases; after the buy-back, WILLC's Advisory Clients owned more than 10% of outstanding WEFP shares, triggering a filing requirement with the US Treasury Office of Thrift Supervision ("OTS"). WEFP, and later OTS, notified WILLC of the regulatory requirements. After discussion with counsel, WILLC sold over 9,000 shares on October 1, 2009 to bring the Advisory Clients' ownership below the 10% level.

The Funds currently own 75,152 WEFP shares, which is 9.9% of outstanding WEFP stock.

C. A self-regulatory organization (SRO) proceeding in which your firm or a management person

- 1. was found to have caused an investment-related business to lose its authorization to do business; or**
- 2. was found to have been involved in a violation of the SRO's rules and was: (i) barred or suspended from membership or from association with other members, or was expelled from**

membership; (ii) otherwise significantly limited from investment-related activities; or (iii) fined more than \$2,500.

Not applicable to WILLC.

Item 10 – Other financial industry activities and affiliations

- A. If you or any of your management persons are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer, disclose this fact.**

Not applicable to WILLC.

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

Not applicable to WILLC.

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

- 1. broker-dealer, municipal securities dealer, or government securities dealer or broker**
- 2. investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or “hedge fund,” and offshore fund)**
- 3. other investment adviser or financial planner**
- 4. futures commission merchant, commodity pool operator, or commodity trading advisor**
- 5. banking or thrift institution**
- 6. accountant or accounting firm**
- 7. lawyer or law firm**
- 8. insurance company or agency**
- 9. pension consultant**
- 10. real estate broker or dealer**
- 11. sponsor or syndicator of limited partnerships.**

WILLC serves as the general partner of the Funds. WILLC, its employees or their related persons may also invest directly in the Funds.

- D. If you recommend or select other investment advisers for your clients and you receive compensation directly or indirectly from those advisers that creates a material conflict of interest, or if you have other business relationships with those advisers that create a material conflict of interest, describe these practices and discuss the material conflicts of interest these practices create and how you address them.**

Not applicable to WILLC.

Item 11 – Code of ethics, participation or interest in client transactions, and personal trading

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

WILLC's Code of Ethics is designed to require and encourage all employees to act in an ethical manner. The Code of Ethics applies to every WILLC employee, and sets forth a standard of business conduct that takes into account WILLC's status as a fiduciary and requires employees to place the interests of Advisory Clients and investors above their own interests. The Code of Ethics requires employees to comply with applicable securities laws. Further, employees are required to promptly bring violations of the Code of Ethics to the attention of WILLC's Chief Compliance Officer. Each employee is provided with a copy of the Code of Ethics and is required to acknowledge receipt and understanding of the Code of Ethics.

The Code of Ethics also sets forth certain reporting and pre-clearance requirements with respect to personal trading by employees. WILLC employees generally are prohibited from engaging in securities trades that coincide with WILLC's Advisory Clients' trades. In addition, the Code of Ethics provides for the proper use of nonpublic information about the activities of the Funds. Investors or prospective Investors may obtain a copy of WILLC's Code of Ethics by contacting the Chief Compliance Officer, Rex Merchant at 513-535-1607.

- B. If you or a related person recommends to clients, or buys or sells for client accounts, securities in which you or a related person has a material financial interest, describe your practice and discuss the conflicts of interest it presents. Describe generally how you address conflicts that arise. Examples: (1) You or a related person, as principal, buys securities from (or sells securities to) your clients; (2) you or a related person acts as general partner in a partnership in which you solicit client investments; or (3) you or a related person acts as an investment adviser to an investment company that you recommend to clients.**

As explained above, WILLC serves as the general partner of each Fund. WILLC may solicit prospective investors for each Fund. The fact that WILLC and its employees may have financial ownership interests in the Fund creates a potential conflict: WILLC might make different investment decisions if these parties had no financial ownership interests.

WILLC addresses these potential conflicts by monitoring: personal securities transactions by employees; each Fund portfolio's consistency with its objectives, strategies and target capacity; and risks involved in any investments. WILLC also provides extensive disclosure to investors regarding the potential risks that accompany an investment in the Fund. The Code of Ethics requires

employees to place the interests of Fund and investors above their own or those of WILLC. Each employee is required to acknowledge his or her receipt and understanding of the Code of Ethics.

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

As explained above, WILLC and its employees may have investments in each Fund and potential access to inside information; and WILLC employees are permitted to trade securities in their personal accounts. This presents a potential conflict: an employee could make improper or illegal use of information regarding a Fund's holdings or future trades. For example, an employee could personally buy securities that a Fund is accumulating, and profit by the Fund's position in the market.

WILLC manages the potential conflicts inherent in employees' personal trading by rigorous enforcement of its Code of Ethics, which contains pre-clearance and reporting guidelines for all employees. WILLC employees generally are prohibited from engaging in securities transactions that coincide with WILLC's Advisory Clients' transactions.

The Chief Compliance Officer periodically reviews employees' personal trading activity to ensure each employee is conducting his or her personal securities transactions in a manner consistent with the Code of Ethics.

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

Please refer to Items 11(A), 11(B), and 11(C).

WILLC and its employees may have conflicts of interest in allocating their time and activity among the Advisory Clients, in allocating investments among the Advisory Clients and in effecting crossing transactions among the Advisory Clients.

All WILLC employees are aware and acknowledge that WILLC is a fiduciary, and that they are required to place the interests of the Fund and investors above their own or those of WILLC.

Item 12 – Brokerage practices

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

- 1. Research and Other Soft Dollar Benefits.** If you receive research or other products or services other than execution from a broker-dealer or a third party in connection with client securities transactions (“soft dollar benefits”), disclose your practices and discuss the conflicts of interest they create.

WILLC does not use soft dollars to obtain research, data or services.

- a. Explain that when you use client brokerage commissions (or markups or markdowns) to obtain research or other products or services, you receive a benefit because you do not have to produce or pay for the research, products or services.**

Not applicable to WILLC.

- b. Disclose that you may have an incentive to select or recommend a broker-dealer based on your interest in receiving the research or other products or services, rather than on your clients’ interest in receiving most favorable execution.**

Not applicable to WILLC.

- c. If you may cause clients to pay commissions (or markups or markdowns) higher than those charged by other broker-dealers in return for soft dollar benefits (known as paying-up), disclose this fact.**

Not applicable to WILLC.

- d. Disclose whether you use soft dollar benefits to service all of your clients’ accounts or only those that paid for the benefits. Disclose whether you seek to allocate soft dollar benefits to client accounts proportionately to the soft dollar credits the accounts generate.**

Not applicable to WILLC.

- e. Describe the types of products and services you or any of your related persons acquired with client brokerage commissions (or markups or markdowns) within your last fiscal year.**

Not applicable to WILLC.

- f. Explain the procedures you used during your last fiscal year to direct client transactions to a particular broker-dealer in return for soft dollar benefits you received.**

Not applicable to WILLC.

- 2. Brokerage for Client Referrals. If you consider, in selecting or recommending broker-dealers, whether you or a related person receives client referrals from a broker-dealer or third party, disclose this practice and discuss the conflicts of interest it creates.**

- a. Disclose that you may have an incentive to select or recommend a broker-dealer based on your interest in receiving client referrals, rather than on your clients' interest in receiving most favorable execution.**

A prime broker typically offers capital introduction services ("Cap Intro") to WILLC and the Funds. Cap Intro is the practice of keeping WILLC Fund information current in the broker's database, and introducing a potential investor to the Fund if it may match the investor's requirements. WILLC's two prime brokers offer Cap Intro services; however, WILLC to date has derived no benefit from the service. The presence or quality of a broker's Cap Intro offering has no bearing on WILLC's initial broker selection or subsequent trade allocation.

- b. Explain the procedures you used during your last fiscal year to direct client transactions to a particular broker-dealer in return for client referrals.**

Not applicable to WILLC.

- 3. Directed brokerage.**

- a. If you routinely recommend, request or require that a client direct you to execute transactions through a specified broker-dealer, describe your practice or policy. Explain that not all advisers require their clients to direct brokerage. If you and the broker-dealer are affiliates or have another economic relationship that creates a material conflict of interest, describe the relationship and discuss the conflicts of interest it presents. Explain that by directing brokerage you may be unable to achieve most favorable execution of client transactions, and that this practice may cost clients more money.**

WILLC is authorized to determine the broker or dealer to be used for each direct investment made by the Fund. WILLC recognizes its duty to obtain "best execution" and uses brokerage firms based on the perceived overall execution quality provided by the

broker. WILLC does not receive products or services from brokerage firms, other than trade execution, margin loans and account maintenance. WILLC has no affiliation with any of its chosen prime brokers or executing brokers.

- b. If you permit a client to direct brokerage, describe your practice. If applicable, explain that you may be unable to achieve most favorable execution of client transactions. Explain that directing brokerage may cost clients more money. For example, in a directed brokerage account, the client may pay higher brokerage commissions because you may not be able to aggregate orders to reduce transaction costs, or the client may receive less favorable prices.**

For the separate account, and any separate accounts that may engage WILLC in the future, WILLC recommends that the account owner house the account at one of WILLC's prime brokers. WILLC has selected brokerage firms based on the perceived overall execution quality provided by the broker. WILLC generally will trade a separate account through a client-specified broker; however, the client may pay higher costs and receive poorer service by making such a decision.

- B. Discuss whether and under what conditions you aggregate the purchase or sale of securities for various client accounts. If you do not aggregate orders when you have the opportunity to do so, explain your practice and describe the costs to clients of not aggregating.**

WILLC routinely aggregates securities trades across Advisory Client accounts with the goal of achieving the greatest execution efficiency. Advisory Clients participating in aggregated trades are allocated securities based on the average price achieved for such trades.

WILLC does not attempt to allocate investment opportunities across all Advisory Client accounts on a pro rata basis. Rather, a particular Advisory Client's participation in a particular investment opportunity is based on the Advisory Client's liquidity, purchasing power, risk exposure and investment focus.

Item 13 – Review of accounts

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

The Advisory Client portfolios are supervised and reviewed, and their performance is measured, every trading day. WILLC's investment personnel monitor the portfolios; accounting personnel generate daily trade and position reports; and administrative personnel examine the reports. Further, accounting personnel perform daily trade reconciliation between WILLC records and broker records.

- B. If you review client accounts on other than a periodic basis, describe the factors that trigger a review.**

Please see discussion in Item 13(A) above.

- C. Describe the content and indicate the frequency of regular reports you provide to clients regarding their accounts. State whether these reports are written.**

A Fund investor typically receives these written reports: (1) monthly account statements from the Fund's independent administrator showing the net asset value of the investor's interest in the Fund, as well as the Fund's overall net asset value; (2) monthly letters from WILLC showing estimated Fund performance and discussing current portfolio activity; (3) annual audited Fund financial statements; and (4) annual tax reporting (Form K-1) necessary for tax filing.

Separate account owners receive broker statements directly from the broker; and monthly written letters showing estimated Fund performance and discussing current portfolio activity.

Item 14 – Client referrals and other compensation

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

Not applicable to WILLC.

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

Not applicable to WILLC.

Item 15 – Custody

If you have custody of client funds or securities and a qualified custodian sends quarterly, or more frequent, account statements directly to your clients, explain that clients will receive account statements from the broker-dealer, bank or other qualified custodian and that clients should carefully review those statements. If your clients also receive account statements from you, your explanation must include a statement urging clients to compare the account statements they receive from the qualified custodian with those they receive from you.

With respect to the Funds, WILLC is deemed to have custody by virtue of its status as general partner. WILLC maintains Fund assets in accounts with “qualified custodians.”

WILLC currently uses the following qualified custodians for Fund assets:

JP Morgan Chase
277 Park Avenue, 4th Floor
New York, NY 10172

Fidelity Prime Services
200 Seaport Blvd, Z2H
Boston, MA 02210

To ensure compliance with advisor custody rules, WILLC reasonably believes that each Fund investor will be provided with audited financial statements for the Fund, prepared by an independent accounting firm that is registered with and subject to review by the Public Company Accounting Oversight Board, in accordance with U.S. Generally Accepted Accounting Principles, within 120 days of the Fund’s fiscal year. The audited financial statements are sent by WILLC or WILLC’s independent administrator.

Item 16 – Investment discretion

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

WILLC has discretionary authority to manage the Funds, but not the separate accounts. WILLC is authorized to make purchase and sale decisions for each Fund. As explained in Item 4(C) above, individual investors in a Fund do not have the ability to impose limitations on WILLC's discretionary authority. Each prospective Fund investor is provided with an offering memorandum prior to investment and is encouraged to carefully review the offering memorandum, along with all supplements and other relevant offering documents, and to be sure that the proposed investment is consistent with the investor's investment goals and tolerance for risk.

Each Fund investor must execute a subscription agreement, which constitutes a legal agreement between the investor and the Fund. Each Fund subscription agreement grants WILLC power of attorney to execute the Fund's governing agreement on behalf of such investor, which in turn authorizes WILLC to trade on behalf of the Fund.

Item 17 – Voting client securities

- A. If you have, or will accept, authority to vote client securities, briefly describe your voting policies and procedures, including those adopted pursuant to SEC rule 206(4)-6. Describe whether (and, if so, how) your clients can direct your vote in a particular solicitation. Describe how you address conflicts of interest between you and your clients with respect to voting their securities. Describe how clients may obtain information from you about how you voted their securities. Explain to clients that they may obtain a copy of your proxy voting policies and procedures upon request.**

WILLC has discretion to vote proxies on behalf of the Funds. WILLC votes such proxies in what it judges to be the best interests of each Fund and investors.

WILLC regularly participates in proxy contests, as part of its Activist Strategy. See Item 4(B) above. When WILLC is a proxy contest participant, WILLC typically urges a target company's other investors to vote in a certain manner; and WILLC votes all proxies belonging to the Funds in the same manner. For example, WILLC may nominate a dissident slate of directors and then recommend that the other investors in the target company vote for WILLC's nominees.

In every case, whether or not WILLC is a proxy participant, WILLC personnel carefully analyze the proxy options to determine what is in the best interest of Fund investors. Because WILLC and its employees are Fund investors, conflicts of interest between WILLC and investors are rare. Furthermore, WILLC's activism policy is to pursue solutions at target companies that offer a similar benefit to all the company's investors; WILLC does not accept greenmail, and rejects offers that would favor WILLC over other company investors. Therefore, conflicts of interest between WILLC and most target company investors also are rare.

Prior to voting a proxy, WILLC's investment personnel determine whether or not any conflicts are present related to the security or the vote. If a conflict is identified, the investment personnel then make a determination – which may be in consultation with outside counsel – as to whether the conflict is material. If no material conflict is identified pursuant to these procedures, the investment personnel decide and vote the proxy. If a material conflict is identified, investment personnel in consultation with counsel and the Chief Compliance Officer decide what vote lies in the Fund investors' best interests.

WILLC follows written proxy voting policies and procedures. WILLC retains records of proxy statements received, votes cast, communications received and internal documents created that were relevant to voting decisions. WILLC makes available to investors, on request, its proxy voting policies and procedures and its historical voting record for the preceding five years.

- B. If you do not have authority to vote client securities, disclose this fact. Explain whether clients will receive their proxies or other solicitations directly from their custodian or a transfer agent or from**

you, and discuss whether (and, if so, how) clients can contact you with questions about a particular solicitation.

WILLC does not have authority to vote proxies on behalf of the separate account. Generally, the respective account owner receives proxy material directly from the broker.

The account owner may contact WILLC investment personnel anytime by telephone or e-mail to discuss WILLC's probable vote and WILLC's recommended vote for the account.

Item 18 – Financial information

- A. If you require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance, include a balance sheet for your most recent fiscal year.**
- 1. The balance sheet must be prepared in accordance with generally accepted accounting principles, audited by an independent public accountant, and accompanied by a note stating the principles used to prepare it, the basis of securities included, and any other explanations required for clarity.**
 - 2. Show parenthetically the market or fair value of securities included at cost.**
 - 3. Qualifications of the independent public accountant and any accompanying independent public accountant's report must conform to Article 2 of SEC Regulation S-X.**

Not applicable to WILLC.

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

WILLC is currently not aware of any financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients.

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

Not applicable to WILLC.