

Willowbridge Associates Inc.

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Part 2A of Form ADV: Firm Brochure
March 31, 2017

This brochure provides information about the qualifications and business practices of Willowbridge Associates Inc. If you have any questions about the contents of this brochure, please contact us at investorrelations@willowbridge.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.

Additional information about Willowbridge Associates Inc. is also available on the SEC’s website at www.adviserinfo.sec.gov. An investment adviser’s registration with the SEC does not imply a certain level of skill or training.

ITEM 2. MATERIAL CHANGES

This brochure is filed as an annual update to the Form ADV Part 2A of Willowbridge Associates Inc. (“WAI”), filed on March 30, 2016 (as amended by the other-than-annual amendment filed on January 26, 2017). This annual update to the brochure contains certain updates, including those in connection with expanding the discussion of advisory services, fees and expenses, investment strategies, investment risks and brokerage policies. In addition, the other-than-annual amendment filed on January 26, 2017 disclosed that in January 2017, Jack Yuen joined WAI as President and joined Willowbridge Asset Management, Inc. (“WAMI”) as Executive Vice President, and that since that time Philip Yang (previously President of WAI) has been serving as Chief Investment Officer and Chairman of WAI and continues to serve as Chairman of WAMI.

ITEM 3. TABLE OF CONTENTS

ITEM 1. COVER PAGE.....	1
ITEM 2.MATERIAL CHANGES	2
ITEM 3.TABLE OF CONTENTS	3
ITEM 4. ADVISORY BUSINESS	4
ITEM 5. FEES AND COMPENSATION	5
ITEM 6. PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT	7
ITEM 7. TYPES OF CLIENTS	7
ITEM 8. METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS.....	8
ITEM 9. DISCIPLINARY INFORMATION	18
ITEM 10. OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS	18
ITEM 11. CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING.....	18
ITEM 12. BROKERAGE PRACTICES	19
ITEM 13. REVIEW OF ACCOUNTS.....	22
ITEM 14. CLIENT REFERRALS AND OTHER COMPENSATION.....	22
ITEM 15. CUSTODY	22
ITEM 16. INVESTMENT DISCRETION	22
ITEM 17. VOTING CLIENT SECURITIES.....	22
ITEM 18. FINANCIAL INFORMATION	23
ITEM 19. REQUIREMENTS FOR STATE-REGISTERED ADVISERS.....	23

ITEM 4. ADVISORY BUSINESS

The Adviser

Willowbridge Associates Inc. (“WAI”) is an investment adviser organized as a Delaware corporation on January 29, 1988. WAI is wholly-owned by its founder, Philip Yang. Mr. Yang serves as the Chief Investment Officer and Chairman of WAI. WAI is an asset management company that seeks to deliver long-term capital appreciation investment strategies primarily to institutional and high net worth individuals. WAI has been registered pursuant to the Commodity Exchange Act, as amended (the “Act”), as a commodity pool operator (“CPO”) and a commodity trading advisor (“CTA”) and has been a CPO and CTA member of the National Futures Association (“NFA”) since May 3, 1988. WAI has been registered with the Securities and Exchange Commission (the “SEC”) as an investment adviser since January 21, 2015. WAI provides discretionary investment advisory services to commodity pools, other privately offered funds, and managed futures accounts.

Willowbridge Asset Management, Inc. (“WAMI”), a Delaware corporation, was formed in January 1996 and is an affiliate of Willowbridge. WAMI is wholly-owned by its founder, Philip Yang. WAMI has been registered pursuant to the Act as a CPO and a CTA since March 29, 1996 and is a member of the NFA in such capacities. In providing its investment advisory services, WAMI relies on the registration of WAI with the SEC, in accordance with the Letter dated January 12, 2012 from the SEC’s Office of Investment Adviser Regulation, Division of Investment Management to the American Bar Association, Business Law Section.

Throughout this Brochure, (i) except as otherwise provided herein or as the context requires, references to “Willowbridge” shall be deemed to refer collectively to WAI, the filing adviser, and WAMI, the relying adviser and (ii) “Trading Approaches” refers collectively to the trading approaches and strategies of WAI and WAMI.

This Brochure generally does not address matters related to Willowbridge’s managed futures business where equities are not traded.

Advisory Services

WAI currently uses its wPraxis Trading Approach, a global macro strategy, to advise portfolios that trade in equities as well as managed futures. These portfolios are in separate accounts or in privately offered investment funds that are formed and managed by WAI. WAI serves as the general partner or investment manager to private investment funds to provide its advisory services to the funds. In those instances, WAI provides its services in accordance with the limited partnership agreement (or analogous organizational document) of the fund or an investment management agreement, and its investment advice is provided directly to the fund and not individually to the investors in the fund.

WAI also uses its wPraxis Trading Approach in its capacity as sub-adviser to certain private investment funds for which WAI affiliates serve as investment manager or as a sub-adviser to public or private funds managed by other investment advisers. For UCITS funds, WAI uses its Willowbridge-Praxis Trading Approach, which is a variation of the wPraxis Trading Approach that takes into account the UCITS requirements and may trade OTC derivatives on UCITS-eligible diversified commodity interests as well as gaining short exposures by using derivatives instruments. WAI uses its Multi-Strat Approach, an asset allocation approach, to provide Clients with dynamic allocations across a blend of WAI strategies. This Multi-Strat Approach is currently used by WAI as investment manager to separate accounts that are available to qualified clients in accordance with investment management agreements. WAI also uses its WBH Quantitative Strategies, a quantitative strategy that primarily invests in equities listed on U.S.

exchanges using quantitative trading models. WBH Quantitative Strategies is currently used for privately offered investment funds for which WAI serves as investment manager in accordance with investment management agreements.

WAMI uses a multi-strategy approach to advise portfolios that trade in equities as well as managed futures. These portfolios are in separate accounts or in privately offered investment funds that are formed and managed by WAMI. WAMI serves as the general partner or investment manager to private investment funds to provide its advisory services to the funds. In those instances, WAMI provides its services in accordance with the limited partnership agreement (or analogous organizational document) of the fund or an investment management agreement, and its investment advice is provided directly to the fund and not individually to the investors in the fund.

WAI and WAMI generally have broad investment discretion in managing funds and accounts. WAI and WAMI manage certain funds and accounts on a leveraged basis. WAI and WAMI may agree in the investment management agreement with a client to investment restrictions or guidelines as to the types or amounts of securities or other instruments that may be bought or sold for the client's account. Funds and managed accounts are referred to collectively in this Brochure as "Clients" or "Accounts." Neither WAI nor WAMI participate in wrap fee programs.

Assets Under Management

As of December 31, 2016, Willowbridge managed approximately \$928.8 million in Regulatory Assets Under Management (as defined in Part 1 of Form ADV) all of which was managed on a discretionary basis. Approximately \$715.6 million of that amount consisted of investments of Willowbridge's principals or personnel.

ITEM 5. FEES AND COMPENSATION

Willowbridge receives compensation for services to Clients in the form of asset-based fees ("Management Fees") and/or performance-based fees or allocations ("Performance Fees") which are payable by the Client. Management Fees and Performance Fees are referred to collectively in this Brochure as "Fees." For a managed account, Willowbridge generally will invoice the Client for its Fees which either will be deducted from the Account or paid outside the Account by the Client. For a fund, Fees generally will be deducted directly from the assets of the fund as directed by Willowbridge to the fund's administrator. Fees generally are payable in arrears after the close of the applicable period.

Willowbridge's standard Fees are summarized below. The specific Fees applicable to a particular Client are described in the governing investment management agreement, limited partnership agreement, and/or the confidential offering memorandum, as applicable. Fees generally are not negotiable; however, Willowbridge reserves the right to charge certain Clients or investors Fees that are higher, lower, or calculated differently than the standard Fees with the consent of the Client or investor. Fees are waived or reduced for investments by Willowbridge's principals and personnel.

Management Fee

Management Fees generally are equal to a percentage of the Net Asset Value of the Account as of the end of each month, prior to reduction for the Performance Fee, accrued and payable monthly in arrears. Management Fees typically are between 0% and 3% of Net Asset Value on an annual basis. In the event that assets are withdrawn or redeemed from the Account during the month, the Management Fee is pro-rated. Management Fees are payable regardless of whether trading for the Account is profitable.

For purposes of calculating the Management Fee, “Net Asset Value” generally means total assets, including all cash and cash equivalents, accrued interest, and the market value of all open positions maintained in the Account, less all liabilities of the Account, inclusive of brokerage commissions, other transaction charges, and custodial and interest expenses, and is determined in accordance with accounting principles generally accepted in the United States. For certain managed accounts, the Management Fee is charged based on the “nominal account size” of the Account (i.e., the exposure level at which Willowbridge may trade the Account, which will be greater than the Net Asset Value or cash equity in the Account).

Performance Fee

Performance Fees generally are equal to a percentage of the Net New Profits (or a similar term), if any, in the Account during each “Performance Period”, accrued and payable as of the end of each Performance Period. Performance Fees are typically between 0% and 25% of Net New Profits, and the “Performance Period” typically means each calendar quarter, or earlier to the extent that assets are withdrawn or redeemed from the Account on a date earlier than quarter-end. For any Performance Period, “Net New Profits” generally means the sum of all realized and unrealized profits and losses, minus the sum of Management Fees and other expenses. The Performance Fee is subject to a “high water mark”, in that all cumulative net trading losses must be recouped and new trading profits achieved before a Performance Fee is again payable in any Performance Period. The Performance Fee generally is calculated separately for each class of interests in a fund.

If a Client pays a Performance Fee to Willowbridge for a Performance Period and the Client incurs trading losses for a subsequent Performance Period, Willowbridge will retain the amount previously paid. Therefore, Willowbridge may be paid a Performance Fee during a year in which the Client overall incurred net trading losses. The Performance Fee will be based on unrealized, as well as realized, trading gains. There can be no assurance that such gains will, in fact, ever be recognized or that an Account will be profitable.

Additional Fees and Expenses

Clients will incur direct and indirect fees and expenses as described in the offering memorandum, limited partnership agreement, investment management agreement, or other governing document. Such fees and expenses may include brokerage commissions, spreads and other transaction fees, offering expenses, custodial fees, administrative fees, reporting, accounting, audit, tax, regulatory, legal, consulting, printing, postage and computer costs, and fees of independent directors, interest charges, wire transfer and electronic fund processing fees, and mutual fund fees, among others. These fees or expenses are charged by third parties, such as a broker or custodian, and typically are deducted from a managed account directly by the service provider charging the expense or in the case of a fund, by the fund’s administrator and paid to the service provider. Willowbridge does not receive, directly or indirectly, any of these other fees or expenses charged to Clients by third parties. However, Willowbridge may receive certain products and services from brokers in connection with the execution of Client portfolio transactions with such brokers. See Item 12 – Brokerage Practices.

Neither Willowbridge nor any of its personnel receive (directly or indirectly) any compensation from the sale of securities or investments that are purchased or sold for a managed account or a fund, or any compensation for selling interests in the funds to investors or for the referral of managed account Clients, except that Willowbridge may compensate GTR Capital Corporation, a firm controlled by Willowbridge’s Executive Director, for referring managed account Clients to Willowbridge. This arrangement presents a potential conflict of interest because it provides an incentive for Willowbridge’s Executive Director to refer prospective separately managed account Clients to Willowbridge based on compensation rather than the needs of a Client. However, as the Executive Director of Willowbridge, he

only refers prospective Clients to Willowbridge and prospective Clients receive full disclosures in accordance with Rule 206(4)-3 under the Investment Advisers Act of 1940, as amended (the “Advisers Act”). Clients will not pay higher Fees to Willowbridge because of this referral arrangement. Willowbridge engages third party solicitors or placement agents from time to time. See Item 14 – Client Referrals and Other Compensation.

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

The side-by-side management of Accounts with different Performance Fees or fees that are based solely on assets under management creates potential conflicts of interest, such that Willowbridge could have an incentive to favor Clients, or to take greater investment risks on behalf of Clients, that pay a higher Performance Fee over a Client that pays a lower Performance Fee or no Performance Fee. In addition, the fact that Willowbridge is compensated based on the trading profits of Clients creates an incentive for Willowbridge to make investments on behalf of Clients that are riskier or more speculative than would be the case in the absence of such compensation. Moreover, the Performance Fee will be based on unrealized gains, if any, that Clients may not ultimately realize.

However, investment decisions will not be made based on differences in Performance Fees, but primarily will be made pro-rata, based on the relative assets under management in the respective fund or account. Other factors that may affect investment decisions include, but are not necessarily limited to, investment policies, guidelines or restrictions applicable to each Account, differing investment strategies and objectives, trading restrictions, risk parameters, cash flows, Account size, available credit lines, counterparty arrangements, and tax considerations. Willowbridge follows procedures that it believes are reasonably designed to ensure that all Clients are treated fairly and equitably on an overall basis, and to prevent this potential conflict of interest from influencing its advice to Clients. Willowbridge recognizes its duties to act in good faith and fairness in managing all Client assets.

Please also see Item 12 below regarding aggregation of orders, as well as Item 11 below for additional information relating to how conflicts of interest are generally addressed.

ITEM 7. TYPES OF CLIENTS

Willowbridge provides investment advisory services to U.S. and non-U.S. funds that it sponsors. A fund that accepts U.S. investors ordinarily will require that any U.S. investor certify that it is an “accredited investor” as defined in Regulation D under the Securities Act of 1933, as amended, a “qualified eligible person” as defined in Rule 4.7 of the Commodity Futures Trading Commission (“CFTC”), and a “qualified purchaser” as defined in Section 2(a)(51) of the Investment Company Act of 1940, as amended or a “qualified client” as defined by Section 205 of the Advisers Act and Rule 205-3 thereunder. A fund also may impose qualification requirements with respect to non-U.S. investors. Investors generally are required to meet certain qualifications, such as net worth, investment sophistication, and country of residence. Investors include institutional investors and high net worth individuals. The minimum initial investment in each fund is typically \$1,000,000, although Willowbridge may modify such minimum, subject to requirements of applicable law, in its discretion.

Willowbridge also provides investment advisory services to Clients in separately managed accounts. Such Clients include institutional investors, high net worth individuals, private investment funds, UCITS and mutual funds. Managed account Clients must be “qualified eligible persons”, and if such Clients are charged Performance Fees, they also must be “qualified clients”. The minimum investment required to open a managed account is ordinarily \$10,000,000, but Willowbridge may modify such minimum amount in its discretion.

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

Methods of Analysis and Investment Strategies

WAI wPraxis and Willowbridge-Praxis Trading Approaches

WAI uses its wPraxis Trading Approach and its Willowbridge-Praxis Trading Approach to manage Accounts that trade in equities as well as managed futures. Both Trading Approaches are discretionary global macro strategies that attempt to capture attractive risk-adjusted returns through thematic, generally liquid, global macro investments, primarily using futures contracts on currencies, fixed income, equity indexes and commodities, and investing in equities. The strategies are driven by extensive economic research, technical and fundamental factors, market analytics and global market intelligence. The investment objective is to maximize risk-adjusted return and Sortino ratio by identifying fundamental and impactful changes in political, economic, structural, and monetary policy. Trades are structured to seek to capture opportunities where momentum and value factors are in alignment using a dynamic, state-of-the-art portfolio risk management framework. There is no material internal limitation on the markets or instruments that may be traded.

Trading decisions are made jointly by Willowbridge's founder and principal trader, Philip Yang, and by Willowbridge's Director of Global Macro Trading, Frank Marrapodi. Both Mr. Yang and Mr. Marrapodi must agree on each position that is established. All positions are monitored closely to evaluate risk parameter status. As markets move, positions are refined and expectations are updated. Positions are removed if either Mr. Yang or Mr. Marrapodi determines that market conditions have changed and existing positions may be adversely affected. Messrs. Yang and Marrapodi seek "value" trades looking for positions that are cheap relative to the market, with position sizing determined by their risk assessment.

Trading decisions are based primarily on an analysis of technical factors, fundamental factors and market action. Fundamental analysis is used to determine long-term trends in the various markets and to determine the instruments in which to invest. This analysis examines, among other things, relative economic trends, such as growth, production and inflation; levels of currency volatility; investment preferences; and financial trends, such as monetary and fiscal policies, interest rates and external debt levels; and political conditions. Technical analysis involves a review of historical market data, cyclical analysis, mathematical relationships, momentum models and certain technical models. The various decisions include which instruments to trade, whether to take a long or short position, the maturity of the option being purchased or written, the size of the positions to be taken, liquidity and the timing of the execution of trades. No assurance can be given that all the factors discussed above will be relevant or all of the pertinent information will be available in formulating any particular trading decision. Failure to consider any of those factors may cause an Account to miss significant profit opportunities or to incur substantial losses. There is no guarantee that any particular type of investment technique will be used or will continue to be used. There are no formal diversification requirements and an Account may be concentrated in a limited number of positions. Willowbridge may use different levels of leverage, as agreed with the Client. The wPraxis Enhanced Trading Approach is traded with three times the leverage of the wPraxis Trading Approach.

The Willowbridge-Praxis Trading Approach is managed in accordance with the UCITS requirements. The Willowbridge-Praxis Trading Approach was developed at the request of a UCITS fund sponsor and is

only available to UCITS funds. The investment process under the Willowbridge-Praxis Trading Approach is identical to the investment process of the wPraxis Trading Approach, except that the investment process takes into account the UCITS requirements and may trade OTC derivatives on UCITS eligible diversified commodity indices. In addition, the Willowbridge-Praxis Trading Approach may gain short exposure by using derivative instruments.

WAI Multi-Strat Approach

Under the WAI Multi-Strat Approach, WAI has the discretion to allocate on a dynamic basis all or a portion of a Client's account to the wPraxis Enhanced Trading Approach, with any remainder allocated to other WAI trading approaches. These allocations may be made through investments in other funds or separate accounts managed by WAI. No additional Fees will be payable directly or indirectly by the Client in connection with allocations to other funds or accounts, although Clients will pay their proportionate share of such funds' operating expenses, such as brokerage, administrative, legal and audit costs.

WAI WBH Quantitative Strategies

The WBH Quantitative Strategies use mathematical models designed to predict price movements in individual securities and/or indices in both up and down markets, primarily based on the statistical correlation of historical price movement with economic factors, the performance of related or comparable instruments, and other extrinsic factors, in each instance attempting to identify a statistical correlation sufficient to suggest a causal relationship. The WBH Quantitative Strategies trade primarily equity securities listed on U.S. exchanges, but may also invest in exchange-traded funds and futures. The WBH Quantitative Strategies utilize leverage. The WBH Quantitative Strategies models predict price movements using third-party data acquired from a variety of sources. The models output portfolio holdings projected to generate absolute returns, which may have varied horizons. The WBH Quantitative Strategies portfolio optimizer, another data-driven algorithmic system, then synthesizes signals generated by the predictive models with risk guidelines, transaction costs, regulatory limitations, and other factors to output a hypothetical model portfolio. Next, the optimizer produces a list of trades by comparing the model portfolio to a Client's actual portfolio. Finally, these trades will be executed by automated execution systems. GuangHua Gao, the portfolio manager for the WBH Quantitative Strategies, owns and controls the WBH Quantitative Strategies.

WAMI Strategies

WAMI uses a multi-strategy approach overseen by Philip Yang in which it seeks to exploit global trading opportunities in a wide variety of markets. The WAMI strategies may trade debt and equity securities, options, swaps, currencies, futures contracts and other derivatives. Trading under the WAMI strategies is directed either by WAMI or sub-advisers, including WAI. The WAMI strategies permit relational trading between the securities and futures markets as well as between the securities markets, rather than being limited to relationships between futures and forward contracts. WAMI may also trade new or developmental strategies. There is no material internal limitation on the instruments that the WAMI strategies may trade.

The WAMI strategies may invest in other funds or managed accounts operated by WAI or its affiliates. No additional fees will be payable directly or indirectly by the WAMI-advised funds to WAI or its affiliates in connection with these investments, although the WAMI-advised funds will pay their proportionate share of such funds' operating expenses, such as brokerage, administrative, legal and audit costs.

Risk Management

To manage volatility for the Willowbridge Trading Approaches described above (other than the WBH Quantitative Strategies and certain WAMI sub-strategies in its multi-strategy approach), initial positions generally are established with only a portion of available capital; incremental positions are then added if particular levels of realized and unrealized gains accrue to the portfolio, with consideration given to liquidity of overall markets and the contracts being traded. Positions generally are liquidated if the portfolio experiences particular levels of realized and unrealized losses. Willowbridge also manages exposure in the strategies by seeking to limit drawdowns through stress testing. Position sizing and contract selection are determined within the context of “Risk Capital” and a percentage of Risk Capital that is set as the “Risk Budget.” Risk Capital is defined as the maximum allowable loss plus/minus drawdown. The traders work within the Risk Budget, a pre-determined sub-limit of Risk Capital. The goal is to keep losses limited to a pre-determined percentage of Risk Capital, so that the entire amount of allowable Risk Capital is not at risk at any given time. Risk Capital and Risk Budgets are recalculated daily, updated to include prior day profit/loss and current portfolio. Contract volatility is updated daily to include prior 20 day history. In addition, the Willowbridge Trading Approaches described above have stop loss policies pursuant to which, upon the occurrence of specified performance decline events in a portfolio, all positions in the portfolio will be closed out and the portfolio will be liquidated as promptly as practicable under the then current market conditions. More specifically, if the net asset value of an Account utilizing 1X leverage were to decline by 15% from the value of the net assets of the Account at the start of the then current calendar year (as of the close of business in New York on any business day), after adjusting for additions and withdrawals, trading will be suspended, all open positions will be liquidated, and the Client will be given an opportunity to withdraw or to invest additional capital. In such a case, the stop loss policy will not apply for the remainder of the calendar year. Stop loss thresholds generally increase proportionately to increases in the use of leverage. Willowbridge seeks to limit the maximum loss using a stress test-based approach; however, it is impossible to explicitly specify a maximum loss for any Account. The stop loss policy for the Trading Approaches described above provides no assurance that the net asset value of an Account will not drop significantly below targeted levels, because there is no assurance that positions in the Account will be able to be liquidated without suffering additional losses.

The descriptions provided above are an overview of the Trading Approaches, and are not intended to be complete.

Investment Risks

The Trading Approaches described herein involve a high degree of risk. There can be no assurance that a Trading Approach will achieve its investment objective or that it will experience profits or avoid losses. A Client may experience a total loss of its investment, or in certain circumstances, a loss in excess of its investment. The Trading Approaches are designed for sophisticated investors with speculative capital, and not as a complete investment program. Past performance is not necessarily indicative of future results. The following summary of certain risks does not purport to be complete, but includes a description of the most significant risks involved in the Trading Approaches.

Commodity Interest Trading is Speculative and Volatile. The Trading Approaches use futures, options on futures and on commodities, and swaps (collectively, “Commodity Interests”). A principal risk in the trading contemplated by Willowbridge is the rapid fluctuation in the market prices of contracts. Commodity prices can be extremely volatile and may be directly or indirectly affected by many factors, including changes in overall market movements, real or perceived inflationary trends, commodity index volatility, changes in interest rates or currency exchange rates, population growth and changing demographics, and factors affecting a particular industry or commodity, such as drought, floods, or other weather conditions, livestock disease, trade embargoes, competition from substitute products, transportation bottlenecks or shortages, fluctuations in supply and demand, tariffs, and international

regulatory, political, and economic developments (e.g., regime changes and changes in economic activity levels). In addition, some commodities are subject to limited pricing flexibility because of supply and demand factors, and others are subject to broad price fluctuations as a result of the volatility of prices for certain raw materials and the instability of supplies of other materials. Actions of and changes in governments, and political and economic instability, in commodity-producing and commodity-exporting countries may affect the production and marketing of commodities. In addition, commodity-related industries throughout the world are subject to greater political, environmental, and other governmental regulation than many other industries. Changes in government policies and the need for regulatory approvals may adversely affect the products and services of companies in the commodities industries.

Commodity Interest Trading is Highly Leveraged. The low margin deposits normally required in Commodity Interest trading permit an extremely high degree of leverage. Accordingly, a relatively small price movement in a contract may result in immediate and substantial losses to the Client. Like other leveraged instruments, any trade may result in losses in excess of the amount invested. When the market value of a particular open position changes to a point where the margin on deposit in an Account does not satisfy the applicable maintenance margin requirement imposed by a Client's futures commission merchant ("FCM"), the Client, and not Willowbridge, will receive a margin call from the FCM. If a Client does not satisfy the margin call within a reasonable time (which may be as brief as a few hours), the FCM will close out the Client's position.

Commodity Interest Trading May be Illiquid. Most United States commodity exchanges limit fluctuation in certain futures and options contracts prices during a single day by regulations referred to as "daily price limit fluctuation limits" or "daily limits." During a single trading day, no trades may be executed at prices beyond the daily limits. Once the price of a particular contract has increased or decreased by an amount equal to the daily limit, positions in the contract can neither be taken nor liquidated unless traders are willing to effect trades at or within the limit. Contract prices have occasionally moved the daily limit for several consecutive days with little or no trading. Similar occurrences could prevent Willowbridge from promptly liquidating unfavorable positions and subject a Client to substantial losses which could exceed the margin initially committed to such trades. In addition, even if contract prices have not moved the daily limit, trades may not be able to be executed at favorable prices if little trading in the contracts involved is taking place. Under some circumstances, a Client might be required to make or take delivery of the commodity underlying a particular contract if the position cannot be liquidated prior to its expiration date. In addition, if Willowbridge deems it to be in the best interests of an Account, it may make or take delivery of an underlying commodity on behalf of a Client. It is also possible that an exchange or the CFTC could suspend or limit trading in a particular contract, order immediate liquidation and settlement of a particular contract, or order that trading in a particular contract be conducted for liquidation only.

Failure of Brokerage Firm or Futures Exchange; Counterparty Creditworthiness. Clients will be exposed to the credit risk of the counterparties with which or the brokers, dealers and exchanges through which it deals, whether it engages in exchange-traded or off-exchange transactions. If the clearing brokers become bankrupt or insolvent, or otherwise default on their obligations, a Client may not receive all amounts owing to it in respect of its trading, despite the clearinghouse fully discharging all of its obligations. The Act requires an FCM to segregate all funds received from its customers with respect to regulated futures transactions from such FCM's proprietary funds. If the FCM were not to do so to the full extent required by law, the assets of an Account might not be fully protected in the event of the bankruptcy of the FCM. Furthermore, in the event of an FCM's bankruptcy, an Account would be limited to recovering only a pro rata share of all available funds segregated on behalf of an FCM's combined customer accounts, even though certain property specifically traceable to a Client (for example, U.S. Treasury bills deposited by a Client) was held by the FCM. FCM bankruptcies have occurred in which customers were unable to recover from the FCM's estate the full amount of their funds on deposit with

such FCM and owing to them. Such situations could arise due to various factors, or a combination of factors, including inadequate FCM capitalization, inadequate controls on customer trading and inadequate customer capital. In addition, in the event of the bankruptcy or insolvency of an exchange or an affiliated clearinghouse, a Client might experience a loss of funds deposited through its FCM as margin with the exchange or affiliated clearinghouse, a loss of unrealized profits on its open positions, and the loss of funds owed to it as realized profits on closed positions. Such a bankruptcy or insolvency might also cause a substantial delay before a Client could obtain the return of funds owed to it by an FCM who was a member of such an exchange or affiliated clearinghouse. In addition, many of the instruments which Willowbridge may trade are traded in markets in which performance is the responsibility only of the individual counterparty with whom the trader has entered into a contract and not of an exchange or clearing corporation. A Client will be subject to the risk of the inability or refusal to perform on the part of the principals with whom such contracts are traded. For example, forward contracts are traded exclusively in the off-exchange market of dealers and banks. There are no clearinghouses in this market, and a Client will be subject to the risk of its counterparties' creditworthiness. The financial failure of, or refusal to perform by, any of the banks or dealers with which a Client trades in the forward markets could result in substantial losses, as a Client will be dealing with such parties as principals. Furthermore, there is no requirement that such parties segregate Client assets held by them with respect to such trading.

Trading of Options on Futures. An option on a futures contract is the right, purchased for a certain price, to either buy or sell the underlying futures contract during a certain period of time for a fixed price. Options trading requires many of the same skills as does successful futures contract trading. However, since specific market movements of the underlying futures contract must be predicted accurately, the risks involved are somewhat different. For example, if Willowbridge, on behalf of a Client, buys an option (either to sell or buy a futures contract), a Client will pay a "premium" representing the market value of the option. Unless the price of the futures contract underlying the option changes and it becomes profitable to exercise or offset the option before it expires, the Client may lose the entire amount of the premium. Conversely, if Willowbridge, on behalf of a Client, sells an option (either to sell or buy a futures contract), a Client will be credited with the premium but will have to deposit margin due to a Client's contingent liability to take or make delivery of the underlying futures contract in the event the option is exercised. The writing of an option involves the risk of losing the entire investment or substantially more than the entire investment, thereby causing significant losses to a Client in a relatively short period of time. The ability to trade in or exercise options may be restricted in the event that trading in the underlying futures contract becomes restricted.

Trading of Forward Contracts. Willowbridge engages in trading forward contracts on behalf of its Clients. Such forward contracts are not traded on exchanges; rather, banks and dealers act as principals in these markets. Principals in the forward markets have no obligation to continue to make markets in the forward contracts traded. There have been periods during which certain banks or dealers have refused to quote prices for forward contracts or have quoted prices with an unusually wide spread between the price at which they are prepared to buy and that at which they are prepared to sell. The imposition of credit controls by governmental authorities might limit such forward trading to less than that which Willowbridge would otherwise recommend, to the possible detriment of a Client account.

In its forward trading, a Client's account will be subject to the risk of the bankruptcy of, or the inability or refusal to perform with respect to its forward contracts by, the principals with which the account trades. Funds on deposit with such principals will also generally not be protected by the same segregation requirements imposed on CFTC-regulated futures brokers in respect of customer funds on deposit with them. However, Willowbridge intends to engage in forward trading only with large, well-capitalized banks and dealers. Willowbridge may place forward trades for a Client account through agents, so that the insolvency or bankruptcy of such parties could also subject the account to the risk of loss.

Trading of Foreign Currencies. Willowbridge may trade off-exchange retail foreign currencies. Although the retail off-exchange market is regulated by the CFTC, such trading may involve certain risks not applicable to trading on U.S. exchanges. For instance, there is no limitation on daily price moves of contracts traded. FCMs must require a minimum security deposit with respect to such trading in accordance with CFTC regulations. FCMs are not required to continue to make markets in off-exchange foreign currencies. There have been periods during which certain FCMs have refused to quote prices for off-exchange currency contracts or have quoted prices with an unusually wide spread between the price at which the FCM is prepared to buy and that at which it is prepared to sell. Arrangements to trade foreign currency contracts may be made with only one or a few FCMs, and liquidity problems therefore might be greater than if such arrangements were made with numerous FCMs. The imposition of credit controls by government authorities might limit such trading to less than that which Willowbridge would otherwise recommend, to the possible detriment of an Account. In respect of such trading, the Account will be subject to market illiquidity and disruption, the risk of FCM failure or the inability of or refusal by an FCM to perform with respect to such contracts. Most, if not all, of these contracts are directly affected by changes in interest rates. The effects of governmental intervention also may be particularly significant at certain times in the off exchange foreign currency market. Trading in off-exchange retail foreign currencies is leveraged, so that a transaction may result in losses in excess of the amount invested.

Trading of Swaps. Swap contracts are two-party contracts entered into primarily by institutional investors for periods ranging from a few weeks to a number of years. Under a typical swap, one party may agree to pay a fixed rate or a floating rate determined by reference to a specified instrument, rate, or index, multiplied in each case by a specified amount (“notional amount”), while the other party agrees to pay an amount equal to a different floating rate multiplied by the same notional amount. On each payment date, the parties’ obligations are netted, with only the net amount paid by one party to the other.

Swap contracts are typically individually negotiated and structured to provide exposure to a variety of different types of investments or market factors. Swaps transactions involve risks including but not limited to market risk, management risk, counterparty risk, documentation risk, illiquidity risk, valuation risk, currency risk and leverage risk. The U.S. government has enacted legislation that provides for additional regulation of the swaps market, including clearing, margin, reporting, and registration requirements. The European Union (and some other countries) is implementing similar requirements. Because these requirements are new and evolving (and some of the rules are not yet final), their ultimate impact remains unclear. Transactions in some types of swaps are required to be centrally cleared. In some ways, cleared derivative arrangements are less favorable to funds than bilateral arrangements, for example, by requiring that funds provide more margin for their cleared derivatives positions. Also, a Client account is subject to the risk that no clearing member will be willing or able to clear a transaction. Some types of cleared swaps are required to be executed on an exchange or on a swap execution facility. A swap execution facility is a trading platform where multiple market participants can execute derivatives by accepting bids and offers made by multiple other participants in the platform. While this execution requirement is designed to increase transparency and liquidity in the cleared derivatives market, trading on a swap execution facility can create additional costs and risks for the account. The U.S. government and the European Union have proposed mandatory minimum margin requirements for bilateral swaps. Such requirements could increase the amount of margin required to be provided by the Client account in connection with its swaps transactions and, therefore, make swaps transactions more expensive. These and other new regulations could, among other things, further restrict Willowbridge’s ability to engage in, or increase the cost to the Client’s account of, swaps transactions, for example, by making some types of swaps no longer available to the account or otherwise limiting liquidity.

Exchanges of Futures for Physicals. Willowbridge may engage to a limited extent in exchanges of futures for physicals for Accounts. An exchange of futures for physicals is a transaction permitted under the rules of many futures exchanges in which two parties holding futures positions may close out their

positions without making an open, competitive trade on the exchange. Generally, the buyer of the physical commodity simultaneously sells futures, while the seller of the physical commodity simultaneously obtains a long futures position. The prices at which such transactions are executed are negotiated between the parties. These futures transactions are arranged off of the exchange and submitted to the exchange for clearing. If Willowbridge were prevented from such trading as a result of regulatory changes, the performance of Accounts could be adversely affected.

Equities. Investments in equity securities may decline in value due to factors affecting the issuing companies, their industries, or the economy and equity markets, generally. The values of equity securities may decline for a number of reasons which directly relate to the issuing company, such as management performance, financial leverage and reduced demand for the issuer's goods or services. They may also decline due to factors which affect a particular industry or industries, such as labor shortages or increased production costs and competitive conditions within an industry. In addition, they may decline due to general market conditions which are not specifically related to a company or industry, such as real or perceived adverse economic conditions, changes in the general outlook for corporate earnings, changes in interest or currency rates or adverse investor sentiment, generally. Other risks of investing globally in equity securities may include changes in currency exchange rates, exchange control regulations, expropriation of assets or nationalization, imposition of taxes including withholding taxes on dividend or interest payments, and difficulty in obtaining and enforcing judgments against entities. Equities investments may involve substantial risks and may be subject to wide and sudden fluctuations in market value, with a resulting fluctuation in the amount of profits and losses. There are no internal restrictions in regard to the size or operating experience of the companies in which Willowbridge may invest directly or indirectly. In addition, relatively small companies in which an Account may invest may lack management depth or the ability to generate internally, or obtain externally, the funds necessary for growth and companies with new products or services could sustain significant losses if projected markets do not materialize. Trading options on securities is speculative and involves a high degree of risk. If a Client purchases a call option, it may lose the entire premium paid. If a Client writes or sells a put or call option, its loss is potentially unlimited.

Short Sales. Willowbridge may enter into short sales on behalf of its Clients, in which it sells a security the Client does not own in anticipation of a decline in the market value of the security. Losses from short sales are potentially unlimited. In particular, a tender offer or similar transaction in respect of a company whose securities a Client has sold short could cause the value of such securities to rise dramatically, resulting in substantial losses to a Client. Brokers may also require a Client to "cover" a short position at an inopportune time.

Trading on Commodity Exchanges Outside the United States. Willowbridge engages in trading on commodity exchanges outside the United States. Trading on such exchanges is not regulated by any United States governmental agency and may involve certain risks not applicable to trading on United States exchanges. For example, as noted above, some foreign exchanges, in contrast to United States exchanges, are "principals' markets" in which performance is the responsibility only of the individual member with whom the trader has entered into a futures contract. Moreover, such trading may be subject to whatever regulatory provisions are applicable to transactions effected outside the United States, whether on foreign exchanges or otherwise. Trading on foreign exchanges involves the additional risks of expropriation, burdensome or confiscatory taxation, moratoriums, and investment controls or political or diplomatic events which might adversely affect Willowbridge's trading activities. Trading on foreign exchanges is also subject to the risk of changes in the exchange rate between the United States dollar and the currencies in which contracts traded on such exchanges are settled. Some foreign futures exchanges require margin for open positions to be converted to the home currency of the contract. Additionally, some brokerage firms have imposed this requirement for all foreign futures markets traded, whether or not it is required by a particular exchange. Whenever margin is held in a foreign currency, the Client is

exposed to potential gains and losses if exchange rates fluctuate. Although the CFTC cannot promulgate rules which govern in any respect, any rule, contract term or action of any foreign commodity exchange, the CFTC has full authority to regulate the sale of foreign futures contracts within the United States and has adopted regulations which may restrict the Clients for whom Willowbridge may trade and the contracts and markets on which Willowbridge trades, which may have an impact on performance results.

Possible Effects of Speculative Position Limits. The CFTC and futures exchanges have established speculative position limits (“position limits”) on the maximum position which any person, or group of persons acting in concert, may hold or control in particular futures contracts or options on futures contracts. Willowbridge is and will continue to be the manager for other accounts. Under current regulations, such accounts under Willowbridge’s management are combined for position limit purposes. In addition, Willowbridge may trade for its own account and the accounts of its personnel. This trading could preclude additional trading in such contracts by Willowbridge for a Client account. Willowbridge may be required to liquidate positions at an inopportune time to avoid breaching certain limits, resulting in a price that may be less favorable than desired.

Concentration Risk. The Trading Approaches may be highly concentrated in particular Commodity Interests or specific sectors of the relevant market. Diversification may in some circumstances reduce risk of net loss in an Account. Willowbridge may or may not employ diversification techniques as a risk reduction tool in its discretionary trading. To the extent that an Account has little or no diversification, it may experience higher losses than if it had a more diversified portfolio.

Substantial Fees and Expenses. A Client is subject to substantial brokerage commissions (including “give-up” fees), Management Fees and, possibly, Performance Fees. Accordingly, a Client will have to earn substantial trading profits to avoid depletion of assets due to such commissions and fees. Any Performance Fee arrangement may create an incentive for Willowbridge to cause a Client to make more speculative investments than they would make in the absence of performance-based compensation.

Reliance on Willowbridge. Willowbridge depends on the services of its trading principals. If such services were not available to Willowbridge, the continued ability of Willowbridge to render services to Clients would be subject to substantial uncertainty, and the services of Willowbridge could be terminated completely.

Legal or Regulatory Change. Legal, tax and regulatory changes could occur and may adversely affect an Account. New (or revised) laws or regulations may be imposed by governmental regulatory authorities or self-regulatory organizations that supervise the financial markets that could adversely affect an Account. In particular, these agencies are empowered to promulgate a variety of new rules pursuant to recently enacted financial reform legislation in the United States. An Account may also be adversely affected by changes in the enforcement or interpretation of existing statutes and rules by these governmental regulatory authorities or self-regulatory organizations. The regulation of derivatives transactions is an evolving area of law and is subject to modification by government and judicial action.

Temporary Defensive Investments. In times of unusual or adverse conditions, for temporary defensive purposes, Willowbridge may invest outside the scope of a trading strategy’s principal investment focus. Under such conditions, Willowbridge may invest without limit in money market and other instruments and may not invest in accordance with a trading strategy’s investment objectives or investment strategies, and as a result, may not achieve a trading strategy’s investment objectives.

Electronic Trading. Willowbridge places trades through electronic trading systems. Trades placed by electronic means are governed by the terms and use of the relevant electronic brokerage trading agreements and by exchange rules. Electronic trading systems vary in terms of order matching

procedures, opening and closing procedures and prices, error trade policies, trading limitations or requirements, qualifications for access, grounds for terminating access, and limitations on the types of orders that may be entered. Additional risks arise from limitation of system access, varying response times and security requirements. There are additional risks related to service providers and the receipt and monitoring of electronic communications. In the event of electronic system or component failure, it might not be possible to enter new orders, execute existing orders or modify or cancel orders that were previously entered, and orders may be lost or lose priority. Willowbridge places a large majority of its orders by telephone, and will retain the capability to use that method if electronic trading is not possible for a period of time. Exchanges have adopted rules to limit their liability, the liability of futures brokers and software and communication system vendors and the amount that may be collected for system failures and delays.

Cybersecurity Risks. With the increased use of technologies such as the Internet and the dependence on computer systems to perform necessary business functions, Willowbridge and its service providers are subject to operational and information security risks resulting from cyber-attacks and/or other technological malfunctions. In general, cyber-attacks are deliberate, but unintentional events may have similar effects. Cyber-attacks include, among other things, stealing or corrupting data maintained online or digitally, preventing legitimate users from accessing information or services on a website, releasing confidential information without authorization and causing operational disruption. Successful cyber-attacks against, or security breakdowns or, Willowbridge or a third-party service provider may adversely affect Willowbridge or Clients. For instance, cyber-attacks may affect Willowbridge's ability to calculate net asset value, cause the release of private information or confidential Account information, impede trading, expose Willowbridge or Client assets to theft or embezzlement, cause reputational damage, and subject Willowbridge to regulatory fines, penalties or financial losses, reimbursement or other compensation costs, and additional compliance costs. While Willowbridge has established business continuity plans and information security procedures and systems designed to prevent cyber-attacks, there are inherent limitations in such plans and systems including the possibility that certain risks have not been identified.

Risk Management. Willowbridge has implemented a risk management system to help it manage risk exposure. No risk management system is fail-safe, and no assurance can be given that the risk management system will achieve its objectives. Any target exposures developed for a Trading Strategy will be based upon historical trading patterns for the instruments in which Willowbridge trades and may rely upon pricing models for the behavior of the instruments in response to various changes in market conditions. No assurance can be given that the historical trading patterns will accurately predict future trading patterns or that the pricing models will necessarily accurately predict the manner in which the instruments are priced in financial markets in the future.

Possible Adverse Effects of Increasing Assets Managed. Willowbridge may be limited in the amount of assets which it can successfully manage by both the difficulty of executing substantially larger trades in order to reflect larger equity under management, and the restrictive effects of speculative position limits and possible market illiquidity. The rates of return recognized on the trading of a limited amount of assets may have little relationship to those a manager can reasonably expect to achieve trading larger amounts of funds. Willowbridge has not agreed to limit the amount of additional equity which it may manage. There can be no assurance that Willowbridge's Trading Approaches will not be adversely affected by additional assets it accepts for management.

Misconduct of Employees and of Third Party Service Providers. Misconduct by employees of Willowbridge or by third party service providers could cause significant losses to a Client. Employee misconduct may include binding the Account to transactions that present unacceptable risks and unauthorized activities or concealing unsuccessful activities (which, in either case, may result in unknown

and unmanaged risks or losses). Losses could also result from actions by third party service providers. Employees and third party service providers may improperly use or disclose confidential information, which could result in litigation or serious financial harm. Although Willowbridge has adopted measures reasonably designed to prevent and detect employee misconduct and to select reliable third party providers, such measures may not be effective in all cases.

Certain Investment Risks relating to the WBH Quantitative Strategies

Design Flaws; Coding and Other Errors. The WBH Quantitative Strategies must be continually adapted and updated by Dr. Gao to interoperate correctly with third party software and infrastructure systems. Because of the complexity of the WBH Quantitative Strategies (and the volume of the data used), as well as the interactions between the complex models and systems making up the WBH Quantitative Strategies, it is impossible for Dr. Gao to detect and eliminate all weaknesses, flaws, bugs, technical errors and other errors from the data, models, and systems before they are deployed to trade a Client's portfolio and to avoid the injection or development of errors after deployment arising from operations, changes to third party software and systems, or the failure of Dr. Gao to deploy bug fixes, updates and upgrades.

The amount of data available to the WBH Quantitative Strategies is vast. As a result, Dr. Gao must balance competing priorities when determining the nature, quality and quantity of data in both quantity and format to be used by the WBH Quantitative Strategies. Predictive models that require large data sets may carry large operating expenses (both in terms of purchasing the raw data and paying for the hardware or computing cycles necessary to process that data) that reduce or exceed the trading profits generated by the model. In addition, models that use large volumes of data may take longer to process data than a similar model that analyzes a smaller data set, resulting in trades being executed after market movements predicted by the model have begun and resulting in smaller gains or in losses. Last, the more data ingested by a model, the more complicated that model may be, increasing the likelihood of coding errors or design flaws and reducing the frequency with which the model may be updated for changing market conditions. In contrast, models that utilize limited data sets may be easier for another investment adviser or investor to copy or may generate trading recommendations that are similar or identical to the recommendations generated by other investment advisers' or investors' models. In either case, the Client may pay a higher than expected price for a security (or sell at a lower than expected price) or the Client may miss out on an opportunity altogether where capacity is restrained.

Errors may be introduced into the WBH Quantitative Strategies' code for a number of reasons. In addition to coding errors being common in complex proprietary software such as the WBH Quantitative Strategies, defects, flaws, and other bugs can be extremely difficult to detect and/or identify in complex software and information technology systems. The WBH Quantitative Strategies predictive models must be updated regularly to take into account new historical data, as well as required updates to maintain the operability of the software and the interoperability with third party information technology infrastructure. The Client may suffer losses if the out-of-date or flawed model fails to accurately predict movements in the values of the Client's assets; the Client may also fail to realize profits or gains that the Client would have realized had it been using an updated model.

Dependence on Third-Party Data. The WBH Quantitative Strategies generate and execute trade orders based on historical and near-real-time financial and other data made available by a number of third-party providers. If this data is not delivered or made available to the WBH Quantitative Strategies on the expected schedule, or if the data is not complete or properly formatted for use by the WBH Quantitative Strategies, the WBH Quantitative Strategies' efficacy will be affected, which may negatively affect the Client's performance. The timeliness and quality of a third party's data may be compromised for a variety of reasons, some of which are outside of the control of WAI, Dr. Gao, and the third party data

provider. The WBH Quantitative Strategies' ability to process data may be adversely affected if WAI or Dr. Gao experiences any disruptions to computing resources.

Trading Costs. WAI expects Clients whose accounts are traded under the WBH Quantitative Strategies to trade with a greater frequency than other funds that do not rely on an algorithmic system and/or an automated execution platform. The brokerage, clearing, execution, and other trading costs incurred by such Client are expected to be significant. As a result, the Client's performance will be particularly sensitive to changes in the fees and other costs charged or incurred (directly or indirectly) by the Client in connection with its trading activity (e.g., fees charged by brokers and exchanges, clearinghouses, and other trading venues). If the Client's trading costs increase (even by a small amount), some, or potentially all, of the models may become unprofitable.

Intellectual Property Disputes. The ownership or the right to use the WBH Quantitative Strategies may be disputed by a third party. Any such dispute may require the Client, WAI, and/or Dr. Gao to incur significant expenses and may divert resources. The operation of the WBH Quantitative Strategies may also infringe, misappropriate or otherwise violate the intellectual property rights of third parties. Patent infringement may arise even if WAI and Dr. Gao had no prior awareness of a patent alleged to be infringed. If infringement or misappropriation is found, the resulting remedies may include an order preventing the use or operation of the WBH Quantitative Strategies and/or the disgorgement of prior profits. These remedies could cause losses and have a material adverse effect on the Client.

See Item 11 and Item 12 for a discussion of actual and potential conflicts of interest of Willowbridge and its personnel.

ITEM 9. DISCIPLINARY INFORMATION

Item 9 is not applicable as neither Willowbridge nor any management person has been subject to a material legal or disciplinary event.

ITEM 10. OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

WAI has been registered as a CPO and a CTA since May 3, 1988 and WAMI has been registered as a CPO and CTA since March 29, 1996. Certain of their respective management persons are registered as associated persons or listed as principals of WAI and/or WAMI, as well as Willowbridge Doublewood, Inc., a CPO wholly-owned by Philip Yang. Certain officers and directors of WAI and/or WAMI are also officers and directors of Willowbridge Europe Limited, a marketing affiliate wholly-owned by Philip Yang, whose registration with the U.K. Financial Conduct Authority was authorized as of March 1, 2016.

Willowbridge and its principals may form other advisory firms from time to time and Willowbridge and its personnel may perform various services for these other entities, including providing investment advice, back office operations, trade execution, accounting, and compliance support services. Although these activities create a potential conflict of interest, Willowbridge and its personnel will devote such time and resources as necessary to operate its business in accordance with its fiduciary duties to Clients.

ITEM 11. CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

Willowbridge has adopted a written Code of Ethics that is applicable to its personnel. The Code of Ethics, which is designed to comply with Rule 204A-1 under the Advisers Act, establishes guidelines for professional conduct and personal trading procedures, including certain pre-clearance and reporting obligations. Personnel must place the interests of Clients ahead of their own, and may not use their

knowledge of Client portfolio transactions to benefit themselves. Personnel may make investments for their own accounts, subject to the terms of the Code of Ethics. Personnel are required to annually certify compliance with the Code of Ethics.

Willowbridge's Code of Ethics includes prohibitions on insider trading and front-running, usurpation of Client opportunities, and market manipulation. The Code of Ethics requires reporting of gifts and business entertainment and political contributions above certain *de minimis* limits, and imposes related restrictions. The Code of Ethics contains provisions reasonably designed to protect Willowbridge and Client confidential and proprietary information. It further requires personnel to provide notice of outside business activities and other arrangements potentially creating conflicts of interest. Willowbridge also maintains a "restricted list" and Willowbridge personnel are prohibited from trading in a security on the list because of Willowbridge's or its personnel's possession of material non-public information regarding such security. Personnel report initially and annually on personal securities holdings, and further report, on a quarterly basis, personal securities and other investment transactions. Personnel must pre-clear investments in initial public offerings and private offerings.

The Code of Ethics requires the Chief Compliance Officer to regularly monitor trading activity in personal accounts to determine whether personal trading activity in such accounts is consistent with the requirements set forth in the Code of Ethics and does not otherwise indicate any improper trading activities.

This summary of the Code of Ethics is qualified in its entirety by the Code of Ethics of Willowbridge, which is available to Clients and prospective Clients upon request to investorrelations@willowbridge.com.

Subject to the Code of Ethics, Willowbridge's personnel generally may engage in investment activities for their own accounts. Trading may or may not be in the same, similar, or different instruments, strategies, or programs as are offered to Clients. Records of such personal trading activities generally will not be available for inspection by Clients or investors. See Item 12 – Brokerage Practices – Aggregation of Orders.

Willowbridge serves as the general partner and as the investment manager of private investment funds that it sponsors, and it solicits investors for these funds. In addition, to the extent that Willowbridge and its personnel invest in Accounts advised by Willowbridge, Willowbridge and its personnel have a further financial interest in the Accounts. These investments are generally made on the same terms as for other Clients and investors, although Fees are waived and investment minimums may be reduced for Willowbridge and its personnel. Willowbridge does not believe that these financial interests present a material conflict of interest since the interests of Willowbridge and its personnel generally are aligned with the interests of Clients and investors.

ITEM 12. BROKERAGE PRACTICES

Brokerage Policy and Procedures

Willowbridge does not select or recommend clearing brokers or prime brokers for any Client that is not a Willowbridge-sponsored fund or affiliate. Willowbridge does select executing brokers. In selecting clearing brokers, prime brokers and executing brokers, Willowbridge considers various factors. Factors that Willowbridge considers in selecting a broker include the broker's financial strength, reputation, execution, pricing, research and service. The commissions and/or transaction fees charged by a broker may be higher or lower than those charged by other brokers. Willowbridge will not receive any portion of the brokerage commissions and/or transaction fees charged to Clients.

Willowbridge is not required to negotiate “execution only” commission rates; thus, a Client may be deemed to be paying for research and other brokerage services provided by brokers that are included in the commission rate. Although the commissions paid by Clients will comply with Willowbridge’s duty of best execution on an aggregate basis, a Client may pay a commission that is higher than another broker might charge to effect the same transaction where Willowbridge determines, in good faith, that the commission is reasonable in relation to the value of the brokerage and services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker’s services, including, among others, the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although Willowbridge will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for Client transactions. Willowbridge’s Risk and Compliance Committees meet periodically to evaluate the execution performance of brokers and to discuss and/or compare services, commissions and execution quality by brokers.

In return for effecting securities transactions through a broker, Willowbridge may receive certain investment research products and related services that assist Willowbridge in its investment decision-making process. Willowbridge intends to accept these research products and services only to the extent that doing so falls within the safe harbor under Section 28(e) of the Securities Exchange Act of 1934. Research products and related services received may include written and oral information and analyses concerning specific securities, companies or sectors; market, financial and economic studies, opinions and forecasts; statistics and pricing services; as well as discussions with research personnel. In addition, Willowbridge may benefit from the introducing broker arrangements of its funds, and of the funds managed by its affiliates to the extent those introducing brokers provide market research to principals of Willowbridge. Although the investment research products and services that may be obtained by Willowbridge generally will be used for all of Willowbridge’s Clients, it is possible that a Client’s broker may provide research to Willowbridge that is not used in managing that specific Client’s account. To the extent Willowbridge uses the products or services provided by brokers, it receives a direct benefit by not having to produce or pay for such products or services. Although Willowbridge believes that its Clients receive an indirect benefit through the impact on the investment performance of their accounts, a potential conflict of interest exists because Willowbridge may have an incentive to select a broker based on its interest in receiving such research and services. Willowbridge mitigates these potential conflicts by seeking best execution in accordance with its fiduciary obligations. As noted above, Willowbridge’s brokerage arrangements are subject to review, approval and ongoing monitoring by its Risk and Compliance Committees.

Willowbridge does not select brokers based upon Client referrals from a broker or third-party. Willowbridge does not recommend, request, or require that its separately managed account Clients direct Willowbridge to execute securities transactions through a specified broker-dealer. However, where specifically requested by a Client, Willowbridge may consider accepting a “directed brokerage” arrangement (in which the Client directs Willowbridge to execute securities transactions through a broker of Client’s choice). Under such a directed brokerage agreement, Willowbridge may be unable to achieve the most favorable execution of Client securities transactions. Directing brokerage may result in the Client paying higher transaction costs or receiving less favorable execution than it would were it not to require a directed brokerage arrangement, because Willowbridge may not be able to aggregate orders in order to reduce transaction costs and achieve more equitable fills among participating accounts. A difference may occur between the execution prices, timing and fill rates received by any one Account and other Accounts which utilize different brokers. Further, a directed Account may not be able to participate in certain trades, resulting in a portfolio composition for such Account that is different from the composition of other Accounts. As a result, performance results for a directed brokerage Account may be different from the results of other Accounts.

Aggregation of Orders

Willowbridge may, in its discretion, bunch or aggregate orders. Willowbridge may choose not to bunch orders if, for example, doing so would be inconsistent with its obligations to act in the best interests of the Client. In certain circumstances, not bunching orders may result in additional costs, including one Client having a less favorable execution than another Client. Willowbridge has established procedures for the allocation of orders among the Accounts. These procedures are designed so that each Account is treated fairly and equitably over time, taking into account all relevant facts and circumstances.

Willowbridge may place bunched orders with brokers on behalf of multiple Accounts, including Accounts in which its personnel have an interest. Willowbridge typically allocates investments in equities pro rata, based on assets, across Accounts at the same price, or on another equitable basis. Allocation decisions are also based on regulatory restrictions and on a Client's investment restrictions, as well as on rebalancing due to material investor cash flows when the relative asset size of accounts changes. For investments in managed futures, unless an average price of split fills is allocated to an order, fills are allocated according to a non-discretionary computer-based allocation methodology. Willowbridge reviews order allocations daily to confirm that they are correct and at least quarterly to confirm that all Accounts are treated fairly and equitably over time.

Willowbridge's trade aggregation and allocation practices also will comply with the following: (i) Willowbridge will not aggregate transactions unless it believes that aggregation is consistent with its duty to seek best execution; however, not aggregating orders (whether it is an intentional decision or not) will not violate the duty of best execution; (ii) Willowbridge will not aggregate transactions for a Client if such action is inconsistent with the terms of Willowbridge's investment advisory agreement with such Client; (iii) transactions are to be allocated among Client accounts in an equitable manner that does not unfairly advantage one Client to the detriment of another, measured over time; transactions, including block trades, are to be treated in a non-preferential manner; and (iv) allocations are not to be based upon account performance, fee structure or the identity of the owner(s) of the account.

Principal and Cross Transactions

Although not presently contemplated, Willowbridge reserves the right to engage from time to time in principal and cross transactions when Willowbridge considers such transactions to be in the best interests of Clients. A "cross transaction" occurs when an adviser causes one client to buy a security from or sell a security to another client. A "principal transaction" is a transaction where an adviser, acting for its own account (which is deemed to include a fund owned in significant part by the adviser or its principals), buys a security from or sells a security to a client. Any such cross or principal transactions will be made in compliance with applicable law including, without limitation, requirements for Client notice and consent under the Advisers Act.

With respect to principal transactions, Willowbridge will have a conflict between acting in the best interests of the Clients involved and assisting itself or its affiliates by selling or purchasing a security in which Willowbridge or its affiliates have interest. Willowbridge will endeavor to resolve such conflicts in a manner that it deems equitable to the extent possible under the prevailing facts and circumstances and applicable law.

Willowbridge will not receive any fees or compensation in connection with the completion of any cross or principal transaction.

ITEM 13. REVIEW OF ACCOUNTS

Oversight and Monitoring

Willowbridge provides continuous advisory services to its Clients. The portfolio investments of each Client generally are reviewed daily by the portfolio manager. The review includes reviewing order allocations, evaluating instruments for purchase or sale, and reviewing portfolio holdings in accordance with a Client's investment restrictions and Willowbridge's investment strategy. The Chief Compliance Officer and the Chief Financial Officer conduct additional reviews at least quarterly, including oversight of investment restriction compliance and monitoring of trade allocation integrity.

Reporting

Willowbridge provides reports in accordance with the governing documents of a fund or the investment management agreement of a separately managed account. Fund investors typically receive written monthly or quarterly reports and audited financial statements within 90 days of the end of each fiscal year, or as soon as reasonably practicable thereafter.

ITEM 14. CLIENT REFERRALS AND OTHER COMPENSATION

Willowbridge may enter into agreements with persons who may solicit prospective Clients for managed accounts in accordance with Rule 204(6)-3 under the Advisers Act. Pursuant to these agreements, Willowbridge may pay a solicitor a portion of its Management Fees and/or Performance Fees received from Clients that are introduced by the solicitor. Clients generally will not pay higher Fees to Willowbridge because of Willowbridge's engagement of a solicitor. In addition, Willowbridge or a fund may engage placement agents to assist in the offer and sale of interests in a fund to qualified investors. Willowbridge may pay a placement agent a portion of its Management Fees and/or Performance Fees received from fund investors that are introduced by the placement agent. Fund investors generally will not pay higher Fees to Willowbridge because of Willowbridge's or the fund's engagement of a placement agent. See also, Item 5 – Additional Fees and Expenses.

ITEM 15. CUSTODY

All Client assets are held in accounts in the Client's name with registered broker-dealers, FCMs or banks ("Qualified Custodians"). Qualified Custodians generally will deliver to the Client quarterly or other periodic account statements. Clients are urged to review these account statements to confirm their accuracy and to compare them with any statements sent by Willowbridge. With respect to the funds sponsored by Willowbridge, an independent accounting firm will perform an annual audit and distribute audited financial statements prepared in accordance with generally accepted accounting principles to investors within 90 days of each fund's fiscal year end, or as soon as reasonably practicable thereafter.

ITEM 16. INVESTMENT DISCRETION

Willowbridge provides investment advice pursuant to a written agreement with each Client, which includes a power of attorney or trading authorization, as well as any restrictions on Willowbridge's investment authority.

ITEM 17. VOTING CLIENT SECURITIES

Willowbridge has adopted voting policies and procedures intended to satisfy the requirements of Rule 206(4)-6 under the Advisers Act that are designed so that in cases where Willowbridge votes proxies with respect to Client securities, such proxies are voted in the best interest of its Clients. If authorized by the

Client to vote proxies, it is the general policy of Willowbridge to vote on all matters presented to security holders. However, Willowbridge reserves the right to abstain on any particular vote if, in the judgment of the relevant Willowbridge investment professional, the costs associated with voting such vote outweigh the benefits to the relevant Clients or if the circumstances make such an abstention otherwise advisable and in the best interests of the relevant Clients.

Before engaging any independent third-party proxy voting service, the Chief Compliance Officer will review the proxy advisory firm's qualifications to determine whether the firm has the capacity and competency to adequately analyze proxy issues. Willowbridge has engaged an independent third-party proxy voting service, International Shareholder Services Inc. ("ISS"), to advise it on voting proxies. Generally, Willowbridge votes in accordance with the recommendations of ISS. In making any voting decisions contrary to ISS's recommendations, the relevant Willowbridge investment professional must consult with Willowbridge's Chief Compliance Officer who will determine whether Willowbridge has a material conflict of interest relating to the vote. The Chief Compliance Officer will use his or her best judgment to address any such conflict of interest and will seek to ensure that it is resolved in accordance with his or her independent assessment of the best interests of the relevant Clients. A copy of Willowbridge's voting policies and procedures, as well as information regarding how proxies were voted, is available to any Client upon request to investorrelations@willowbridge.com.

The Chief Compliance Officer will monitor the performance of ISS in an effort to ensure, among other things, that Client securities are actually being voted in accordance with ISS's stated policies, that any changes to such policies, including any such policies addressing conflicts of interest, are in the Clients' best interest, and that ISS has not undergone any business changes that would materially diminish its ability to vote proxies in the best interest of Willowbridge's Clients.

From time to time, Willowbridge will select and review a limited sample of votes against ISS's and Willowbridge's proxy voting policies and guidelines (or the proxy voting policies and guidelines of any other independent third-party proxy voting service engaged by Willowbridge) to determine if votes cast on behalf of Willowbridge's Clients are consistent with ISS's and Willowbridge's stated policies and guidelines (or the stated policies and guidelines of ISS).

If Willowbridge determines that a recommendation of ISS was based on a material factual error that causes Willowbridge to question the process by which ISS develops its recommendations, Willowbridge will take reasonable steps to investigate the error, taking into account, among other things, the nature of the error and the related recommendation, and seek to determine whether ISS is taking reasonable steps to seek to reduce similar errors in the future.

ITEM 18. FINANCIAL INFORMATION

Item 18.A is not applicable to Willowbridge, as it does not require or solicit prepayment of fees six months or more in advance.

Item 18.B is not applicable to Willowbridge, as it is not subject to any financial condition that is reasonably likely to impair its ability to meet its contractual commitments to its Clients.

Item 18.C is not applicable to Willowbridge, as it has not been subject to a bankruptcy petition during the past ten years.

ITEM 19. REQUIREMENTS FOR STATE-REGISTERED ADVISERS

Item 19 is not applicable to Willowbridge, as it is not registered with any State securities authority.