

FORM ADV PART 2A: FIRM BROCHURE

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ADDITIONAL INFORMATION ABOUT CENTERSTONE INVESTORS, LLC ALSO IS AVAILABLE ON THE SEC'S WEBSITE AT WWW.ADVISERINFO.SEC.GOV.

REGISTRATION AS AN INVESTMENT ADVISER DOES NOT IMPLY A CERTAIN LEVEL OF SKILL OR TRAINING.

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ADVISORY BUSINESS

Centerstone Investors, LLC (“Centerstone” or the “Adviser”) is a Delaware limited liability company that was formed in August 2015. Centerstone is wholly owned by Abhay Deshpande.

Centerstone offers discretionary investment advisory services to institutional investors in separately managed accounts (“Separate Accounts”) and to companies registered under the Investment Company Act of 1940, as amended (the “1940 Act”) (“Mutual Funds”). Centerstone generally utilizes two strategies, the Centerstone Global Multi-Asset Strategy and the Centerstone International Strategy for managing each of its Mutual Funds, and similarly offers these two strategies, as well as four sub-strategies of the Centerstone Multi-Asset Strategy in managing the Separate Accounts. The four sub-strategies include the Centerstone Global Equity Strategy, the Centerstone Non-U.S. Equity Strategy, the Centerstone Concentrated Global Equity Strategy, and the Centerstone Concentrated Non-U.S. Equity Strategy in managing the Separate Accounts. These strategies and sub-strategies are discussed below.

Centerstone Global Multi-Asset Strategy

The Global Multi-Asset Strategy will normally invest at least 60% of a portfolio’s assets in equity and equity related securities and up to 40% of the portfolio’s assets in fixed-income instruments (without regard to credit rating or time to maturity), cash and cash equivalents. The Global Multi-Asset Strategy primarily invests a portfolio’s assets in common stocks (and securities convertible into common stocks) of U.S. and foreign companies. The Global Multi-Asset Strategy may also invest in foreign and domestic preferred equity securities and American Depositary Receipts (“ADRs”). The Global Multi-Asset Strategy may invest up to 20% of a portfolio’s assets in lower-rated or defaulted debt securities (including so-called “junk bonds”), corporate debt, comparable unrated debt securities, or other indebtedness (or participations in the indebtedness) of such companies.

Centerstone Global Equity Strategy

The Centerstone Global Equity Strategy is similar to the Centerstone Global Multi-Asset Strategy described above except that it only invests in equities and not debt securities.

Centerstone Non-U.S. Equity Strategy

The Centerstone Non-U.S. Equity Strategy limits the Centerstone Global Multi-Asset Strategy to non-U.S. equity securities.

Centerstone Concentrated Global Equity Strategy

The Centerstone Concentrated Global Equity Strategy is limited to the top 20 holdings of the Centerstone Global Equity Strategy.

Centerstone Concentrated Non-U.S. Equity Strategy

The Centerstone Concentrated Non-U.S. Equity Strategy is limited to the top 20 holdings of the Centerstone Non-U.S. Equity Strategy.

Centerstone International Strategy

The International Strategy will invest primarily in equity securities of companies traded in mature markets (for example, Japan, Germany and France) and may invest in countries whose economies are still developing (sometimes called “emerging markets”). The International Strategy particularly seeks companies that have financial strength and stability, strong management and fundamental value. Normally, the International Strategy invests at least 60% of a portfolio’s total assets in foreign equity securities. Equity securities are selected based on their price versus value, business quality, balance sheet strength among other factors. The International Strategy also may invest up to 40% of a portfolio’s total assets in debt instruments (including those of foreign issuers), cash and cash equivalents. The International Strategy may invest in debt securities generally without regard to their credit rating or time to maturity. Investment decisions for the International Strategy are made without regard to the capitalization (size) of the companies in which a portfolio invests.

* * *

Centerstone will tailor its advisory services to each client’s investment objectives, restrictions and guidelines as communicated to Centerstone by each such client; however, clients generally are not permitted to impose restrictions on investing in specific financial instruments or types of financial instruments for their Separate Accounts or Mutual Funds, respectively, except as Centerstone may otherwise agree in a particular case.

As of February 25, 2016, Centerstone managed approximately \$0 of client assets on a discretionary basis.

FEES AND COMPENSATION

Centerstone charges only asset-based “management fees” to its clients.

Separate Account Management Fees

With respect to its management of a Separate Account, Centerstone generally receives a quarterly asset-based management fee equal to 0.90% of the average daily net asset value of each such Separate Account. The Separate Accounts’ management fees are payable quarterly in advance generally within five (5) business days after the beginning of each calendar quarter. Management Fees for the Mutual Funds are paid by the deduction of such fees from the Mutual Fund’s assets. Management fees for Separate Accounts are billed to the applicable clients at the beginning of each quarter. Centerstone may, in its sole discretion, waive or reduce the management fee with respect to any Separate Account. Notwithstanding the foregoing, these management fees may be negotiated by Centerstone with respect to certain Separate Accounts based on a variety of factors, including, but not limited to, the size, composition and complexity of the Separate Account,

length and nature of Centerstone's relationship with the client, special services agreed upon with the client or other factors deemed relevant by Centerstone.

Mutual Fund Management Fees

At present, the Mutual Funds pay a management fee of 0.90% of each respective Mutual Fund's average daily net assets.

Other Fees and Expenses

Centerstone's clients will incur other expenses in connection with Centerstone's advisory services. Such expenses may include transaction fees, brokerage commissions, custody fees; government charges, taxes and duties; transfer fees and registration fees; withholding taxes payable and required to be withheld by issuers or their agents; and other related costs and expenses that will be incurred by a client with respect to the transactions for either the client's Separate Account, or the client will bear the investment management or other fees charged by any Mutual Funds in which Centerstone may invest on behalf of a client.

Performance Based Fees

Centerstone does not receive performance-based compensation.

TYPES OF CLIENTS

Description

Centerstone offers discretionary investment advisory services to both Separate Accounts and Mutual Funds (as defined above). Centerstone does not offer advisory services to natural person clients.

Account Minimums

Generally, the minimum asset level for an account is \$25 million, however, asset minimums may be lowered or waived in the sole discretion of Centerstone.

METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

Centerstone utilizes two primary strategies for both its Separate Account and Mutual Fund clients: the Global Multi-Asset Strategy and the International Strategy, as well as an additional four sub-strategies of the Global Multi-Asset Strategy for its Separate Account Clients. Those four sub-categories include the Centerstone Global Equity Strategy, the Centerstone Non-U.S. Equity Strategy, the Centerstone Concentrated Global Equity Strategy, and the Centerstone Concentrated Non-U.S. Equity Strategy. These six strategies are discussed further below:

Global Multi-Asset Strategy

Under the Global Multi-Asset Strategy Centerstone will normally invest at least 60% of a portfolio's assets in equity and equity related securities and up to 40% of a portfolio's assets in fixed-income

instruments (without regard to credit rating or time to maturity), cash and cash equivalents. Under the Global Multi-Asset Strategy Centerstone primarily invests a portfolio's assets in common stocks (and securities convertible into common stocks) of U.S. and foreign companies. Centerstone may also invest in foreign and domestic preferred equity securities and American Depositary Receipts ("ADRs"). Centerstone may invest up to 20% of a portfolio's assets in lower-rated or defaulted debt securities (including so-called "junk bonds"), corporate debt, comparable unrated debt securities, or other indebtedness (or participations in the indebtedness) of such companies.

Equity securities are selected based on their price versus value, business quality, and balance sheet strength, among other factors. Investment decisions for the Global Multi-Asset Strategy are made without regard to the capitalization (size) of the companies in which a portfolio invests. Centerstone may invest in any size company, including large, medium and smaller companies. Under normal circumstances, Centerstone anticipates it will allocate a significant amount of a portfolio's total assets to foreign investments. That generally means that at least 15% of a portfolio's total assets will be allocated to foreign investments (Centerstone expects at least 30% of a portfolio's equity investments will be in foreign equities).

Centerstone may invest a portfolio's assets in any region of the world. It may invest in companies based in emerging markets, typically in the Far East, Latin America and Eastern Europe, as well as in companies operating in developed countries, such as those of the U.S., Canada, Japan and Western Europe.

Centerstone may seek to hedge a portfolio's exposure to foreign currencies, typically through the use of foreign currency derivatives, including currency forward contracts and may engage in currency transactions with counterparties to gain or reduce exposure to certain currencies or to generate income or gains. Centerstone may invest a portion of a portfolio's assets in derivative instruments. These include forward contracts and futures contracts. Centerstone may invest in derivatives primarily to seek to hedge exposure to certain markets and securities and/or for speculative (i.e., non-hedging) purposes.

Centerstone will follow a global, bottom-up oriented long term investment philosophy. The investment philosophy and strategy of the Global Multi-Asset Strategy seeks a "margin of safety" in each investment purchase with the goal being to avoid permanent impairment of capital (as opposed to temporary losses in share value relating to shifting investor sentiment or other normal share price volatility). In particular, a discount to "intrinsic value" is sought even for the best of businesses, with a deeper discount demanded for companies that Centerstone views as under business model, balance sheet, management or other stresses. "Intrinsic value" is based on Centerstone's judgment of what a prudent and rational business buyer would pay in cash for all of the company in normal markets.

Centerstone may take an activist role, where it will seek to influence or control management, or invest in other companies that do so when Centerstone believes a portfolio may benefit. Centerstone may invest in securities of companies that are, or are about to be, involved in reorganizations, financial restructurings or bankruptcy, which may involve the purchase of bank debt. Under the Global Multi-Asset Strategy a portfolio may also participate in arbitrage opportunities.

Centerstone will focus a portfolio's investments in areas where Centerstone finds the most compelling opportunities at any given moment and on situations that, in Centerstone's view, have the potential for capital appreciation. Centerstone will examine each security separately and will not apply a predetermined formula. In order to maintain investment flexibility, Centerstone has not established guidelines as to the size of an issuer, its earnings, or the industry in which it operates in order for a security to be included or excluded for purchase under the strategy.

Centerstone Global Equity Strategy

The Centerstone Global Equity Strategy is similar to the Centerstone Global Multi-Asset Strategy described above except that it only invests in equities and not debt.

Centerstone Non-U.S. Equity Strategy

The Centerstone Non-U.S. Equity Strategy limits the Centerstone Global Multi-Asset Strategy to non-U.S. equity.

Centerstone Concentrated Global Equity Strategy

The Centerstone Concentrated Global Equity Strategy is concentrated on the top 20 holdings of the Centerstone Global Equity Strategy.

Centerstone Concentrated Non-U.S. Equity Strategy

The Centerstone Concentrated Non-U.S. Equity Strategy is concentrated on the top 20 holdings of the Centerstone Non-U.S. Equity Strategy.

International Strategy

Under the International Strategy, Centerstone will invest primarily in equity securities of companies traded in mature markets (for example, Japan, Germany and France) and may invest in countries whose economies are still developing (sometimes called "emerging markets"). Centerstone particularly seeks companies that have financial strength and stability, strong management and fundamental value. Normally, Centerstone invests at least 60% of a portfolio's total assets in foreign equity securities. Equity securities are selected based on their price versus value, business quality, balance sheet strength among other factors. Centerstone also may invest up to 40% of a portfolio's total assets in debt instruments (including those of foreign issuers), cash and cash equivalents. Centerstone may invest in debt securities generally without regard to their credit rating or time to maturity. Investment decisions for the International Strategy are made without regard to the capitalization (size) of the companies in which a portfolio invests.

In selecting debt securities to achieve the International Strategy's investment objective, Centerstone will consider the likelihood of default and the potential for capital appreciation. Centerstone will consider selling a security when it determines that such security no longer offers fundamental value or financial strength and stability.

Centerstone may seek to hedge a portfolio's exposure to foreign currencies, typically through the use of foreign currency derivatives, including currency forward contracts and may engage in

currency transactions with counterparties to gain or reduce exposure to certain currencies or to generate income or gains. Centerstone may invest a portion of a portfolio's assets in derivative instruments. These include forward contracts and futures contracts. Centerstone may invest in derivatives primarily to seek to hedge exposure to certain markets and securities and/or for speculative (i.e., non-hedging) purposes.

Centerstone will follow a global, bottom-up oriented long term investment philosophy. Centerstone identifies investment opportunities through intensive research of individual companies and generally does not focus or rely on current stock market conditions and other macro factors when assessing potential investment opportunities. For these reasons, Centerstone may seek investments in the equity securities of companies in industries that are believed to be temporarily depressed. Centerstone determines an issuer's economic ties to a particular country based on the location where such issuer is headquartered or incorporated, and the location from where the issuer derives at least 50% of its revenues or profits, if such location is other than the location where such issuer is headquartered or incorporated.

Centerstone seeks a "margin of safety" in each investment purchase with the goal being to avoid permanent impairment of capital (as opposed to temporary losses in share value relating to shifting investor sentiment or other normal share price volatility). In particular, a discount to "intrinsic value" is sought even for the best of businesses, with a deeper discount demanded for companies that Centerstone views as under business model, balance sheet, management or other stresses. "Intrinsic value" is based on Centerstone's judgment of what a prudent and rational business buyer would pay in cash for all of the company in normal markets.

Centerstone may take an activist role, where it will seek to influence or control management, or invest in other companies that do so when Centerstone believes a portfolio may benefit. Centerstone may invest in securities of companies that are, or are about to be, involved in reorganizations, financial restructurings or bankruptcy, which may involve the purchase of bank debt. Under the International Strategy, a portfolio may also participate in arbitrage opportunities.

Centerstone will focus a portfolio's investments in areas where Centerstone finds the most compelling opportunities at any given moment and on situations that, in Centerstone's opinion, have the potential for capital appreciation. Centerstone will examine each security separately and will not apply a predetermined formula. In order to maintain investment flexibility, Centerstone has not established guidelines as to the size of an issuer, its earnings, or the industry in which it operates in order for a security to be included or excluded for purchase under the strategy.

Customized Programs

In addition to the programs described above, Centerstone may provide customized advisory services in respect of selected clients, to the extent agreed upon between Centerstone and such client. This advice may involve other customized advisory services based on a particular client's investment and financial situation, risks and goals, which may include consulting on portfolio construction, investment opportunities, hedging of existing assets and/or such other advisory services as Centerstone and the client may agree.

Methods of Analysis

For the Global Multi-Asset Strategy, Centerstone will follow a global, bottom-up oriented long term investment philosophy. The investment philosophy and strategy of the Global Multi-Asset Strategy seeks a “margin of safety” in each investment purchase with the goal being to avoid permanent impairment of capital (as opposed to temporary losses in share value relating to shifting investor sentiment or other normal share price volatility). In particular, a discount to “intrinsic value” is sought even for the best of businesses, with a deeper discount demanded for companies that Centerstone views as under business model, balance sheet, management or other stresses. “Intrinsic value” is based on Centerstone’s judgment of what a prudent and rational business buyer would pay in cash for all of the company in normal markets.

For the International Strategy, Centerstone will follow a global, bottom-up oriented long term investment philosophy. The International Strategy identifies investment opportunities through intensive research of individual companies and generally does not focus or rely on current stock market conditions and other macro factors when assessing potential investment opportunities. For these reasons, Centerstone may seek investments in the equity securities of companies in industries that are believed to be temporarily depressed. Centerstone determines an issuer’s economic ties to a particular country based on the location where such issuer is headquartered or incorporated, and the location from where the issuer derives at least 50% of its revenues or profits, if such location is other than the location where such issuer is headquartered or incorporated.

For the International Strategy, Centerstone seeks a “margin of safety” in each investment purchase with the goal being to avoid permanent impairment of capital (as opposed to temporary losses in share value relating to shifting investor sentiment or other normal share price volatility). In particular, a discount to “intrinsic value” is sought even for the best of businesses, with a deeper discount demanded for companies that Centerstone views as under business model, balance sheet, management or other stresses. “Intrinsic value” is based on Centerstone’s judgment of what a prudent and rational business buyer would pay in cash for all of the company in normal markets.

For both the Global Multi-Asset Strategy and the International Strategy, research is primarily done in-house with the support of broker research reports and analysts. Investments are made with the goal of avoiding impairment of capital, thus focusing on price, balance sheet, business quality, and management capital allocation history. Decisions to sell a position can be made due to changes in any of these criteria.

Certain Risk Factors

All investment programs and strategies, including those offered by Centerstone, involve a risk of loss that clients should be prepared to accept. The risk factors for each of the Centerstone strategies, as applicable, are discussed further below.

Risks in General (*all strategies*). Domestic economic growth and market conditions, interest rate levels, and political events are among the factors affecting the securities markets of the strategy’s investments. There is risk that these and other factors may adversely affect the strategy’s

performance. The strategy may not be appropriate for all investors and is not intended to be a complete investment program. The strategy may lose money.

Management Risk (*all strategies*). Management risk is the risk that the investment process used by Centerstone could fail to achieve the strategy's investment goal and cause an investment to lose value. Centerstone's judgments about the potential appreciation of a particular security may prove to be incorrect.

Market Risk (*all strategies*). The value of the strategy's investments may fluctuate in response to events specific to the companies or markets in which the strategy invests, as well as economic, political, or social events in the United States or abroad.

Value Investing Risk (*all strategies*). Value investing attempts to identify companies selling at a discount to their intrinsic value. Value investing is subject to the risk that a company's intrinsic value may never be fully realized by the market or that a company judged by Centerstone to be undervalued may actually be appropriately priced.

Equity Securities Risk (*all strategies*). The strategy primarily invests in common stock (and securities convertible into common stocks) and may also invest in preferred stocks and ADRs, which subjects the strategy to the risks associated with common stock investing. These risks include the financial risk of selecting securities that do not perform as anticipated, the risk that the stock markets in which the strategy invests may experience periods of turbulence and instability, and the general risk that domestic and global economies may go through periods of decline and cyclical change. The strategy may also invest in preferred stock which is subject to many of the risks associated with debt securities, including interest rate risk. In addition, preferred stock may not pay a dividend, an issuer may suspend payment of dividends on preferred stock at any time, and in certain situations an issuer may call or redeem its preferred stock or convert it to common stock. Many factors affect the performance of each company, including the strength of the company's management or the demand for its product or services. The value of a company's share price may decline as a result of poor decisions made by management or lower demand for the company's products or services. In addition, a company's share price may also decline if its earnings or revenues fall short of expectations. There are overall stock market risks that may also affect the value of the strategy's investments. Over time, the stock markets tend to move in cycles, with periods when stock prices rise generally and periods when stock prices decline generally. The value of the strategy's investments may increase or decrease more than the stock markets in general. Of course, a portfolio is subject to these same risks to the extent that it invests directly in common stocks.

Large-Capitalization Securities Risk (*all strategies*). While large cap companies may be less volatile than those of mid- and small-cap companies, they still involve risk. Large-capitalization companies usually cannot respond as quickly as smaller companies to competitive challenges, and their growth rates tend to lag the growth rates of well-managed smaller companies during strong economic periods. Further, the strategy may underperform funds that invest primarily in stocks of smaller capitalization companies during periods when the stocks of such companies are in favor.

Mid-Cap Company Risk (*all strategies*). Generally, mid-cap companies may have more potential for growth than large-cap companies. Investing in mid-cap companies, however, may involve

greater risk than investing in large-cap companies. Mid-cap companies may not have the management experience, financial resources, product diversification and competitive strengths of large-cap companies and, therefore, their securities may be more volatile than the securities of larger, more established companies, making them less liquid than other securities. Mid-cap company stocks may also be bought and sold less often and in smaller amounts than larger company stocks. Because of this, Centerstone wants to sell a large quantity of a mid-cap company's stock, it may have to sell at a lower price than Centerstone might prefer, or it may have to sell in smaller than desired quantities over a period of time.

Small-Cap Company Risk (all strategies). Generally, small-cap, and less seasoned companies, have more potential for rapid growth. They also often involve greater risk than large- or mid-cap companies. These smaller-cap companies may not have the management experience, financial resources, product diversification and competitive strengths of large- or mid-cap companies, and, therefore, their securities tend to be more volatile than the securities of larger, more established companies, making them less liquid than other securities. Small-cap company stocks tend to be bought and sold less often and in smaller amounts than larger company stocks. Because of this, if Centerstone wants to sell a large quantity of a smaller-cap company's stock, it may have to sell at a lower price than Centerstone might prefer, or it may have to sell in smaller than desired quantities over a period of time. An investment that is subject to these risks may be more suitable for long-term investors who are willing to bear the risk of these fluctuations.

Fixed Income Risk (Global Multi-Asset Strategy and International Strategy). When a portfolio invests in fixed income securities, the value of such investments may fluctuate with changes in interest rates. Typically, a rise in interest rates causes a decline in the value of fixed income securities owned. In general, the market price of fixed income securities with longer maturities will increase or decrease more in response to changes in interest rates than shorter-term securities. Other risk factors include credit risk (the debtor may default) and prepayment risk (the debtor may pay its obligation early, reducing the amount of interest payments).

Lower-Rated and Unrated Debt Securities (Global Multi-Asset Strategy). Securities rated below investment grade, sometimes called "junk bonds," and the type of unrated debt securities purchased by a portfolio, generally are considered to have more risk than higher-rated securities. They may also fluctuate more in price, and are less liquid than higher-rated securities. Their prices are especially sensitive to developments affecting the company's business and to ratings changes, and typically rise and fall in response to factors that affect the company's stock prices. Issuers of such lower-rated debt securities are not as strong financially, and are more likely to encounter financial difficulties and be more vulnerable to adverse changes in the economy, such as a recession or a sustained period of rising interest rates. The risk that the portfolio may lose its entire investment in defaulted bonds is greater in comparison to investing in non-defaulted bonds.

Foreign Investment Risk (all strategies). Foreign investing involves risks not typically associated with U.S. investments, including adverse fluctuations in foreign currency values, adverse political, social and economic developments, less liquidity, greater volatility, less developed or less efficient trading markets, political instability and differing auditing and legal standards. Investing in emerging markets imposes risks different from, or greater than, risks of investing in foreign developed countries. A portion of the derivatives trades may take place on foreign markets.

Neither existing SEC regulations nor regulations of any other U.S. governmental agency apply to transactions on foreign markets. The securities of foreign issuers may be less liquid and more volatile than securities of comparable U.S. issuers. The costs associated with portfolio transactions are often higher in foreign countries than the United States. Additionally, investments in securities of foreign issuers, even those publicly traded in the United States, may involve risks which are in addition to those inherent in domestic investments. Foreign companies may not be subject to the same regulatory requirements of U.S. companies, and as a consequence, there may be less publicly available information about such companies. Also, foreign companies may not be subject to uniform accounting, auditing, and financial reporting standards and requirements comparable to those applicable to U.S. companies. Foreign governments and foreign economies, particularly in emerging markets, may be less stable than the U.S. government and the U.S. economy.

Currency Risk (all strategies). Changes in foreign currency exchange rates will affect the value of what a portfolio owns. Generally, when the U.S. dollar rises in value against a foreign currency, an investment in that country loses value because that currency is worth fewer U.S. dollars. Devaluation of a currency by a country's government or banking authority also will have a significant impact on the value of any investments denominated in that currency. Currency markets generally are not as regulated as securities markets.

Hedging Risk (all strategies). While hedging can reduce losses, it can also reduce or eliminate gains or cause losses if the market moves in a manner adverse to the portfolio construction employed by Centerstone or if the cost of the derivative outweighs the benefit of the hedge. Hedging also involves the risk that changes in the value of the derivative will not match those of the holdings being hedged as expected by Centerstone, in which case any losses on the holdings being hedged may not be reduced and may be increased. There can be no assurance that Centerstone's hedging strategy will reduce risk or that hedging transactions will be either available or cost effective. Centerstone is not required to use hedging and may choose not to do so.

American Depositary Receipts (ADRs) Risk (Global Multi-Asset Strategy, Global Equity Strategy, and Concentrated Global Equity Strategy). A portfolio may invest in U.S. dollar denominated American Depositary Receipts of foreign companies ("ADRs"). ADRs are receipts typically issued by a U.S. bank or trust company evidencing its ownership of the underlying foreign securities. The risks of ADRs include many of the risks associated with investing directly in foreign securities such as those listed above.

Emerging Markets Risk (all strategies). The risks of investing in foreign securities are increased in connection with investments in emerging markets. Emerging markets are countries generally considered to be relatively less developed or industrialized. Emerging markets often face economic problems that could subject a portfolio to increased volatility or substantial declines in value. Deficiencies in regulatory oversight, market infrastructure, shareholder protections and company laws could expose a portfolio to risks beyond those generally encountered in developed countries. In addition, profound social changes and business practices that depart from norms in developed countries' economies have hindered the orderly growth of emerging economies and their markets in the past and have caused instability. High levels of debt tend to make emerging economies heavily reliant on foreign capital and vulnerable to capital flight. Countries in emerging markets are also more likely to experience high levels of inflation, deflation or currency devaluation, which

could also hurt their economies and securities markets. For these and other reasons, investments in emerging markets are often considered speculative.

Derivatives Risk (all strategies). Centerstone may use derivatives (including futures and forward contracts) to enhance returns or hedge against market declines. Centerstone's use of derivative instruments involves risks different from, or possibly greater than, the risks associated with investing directly in securities and other traditional investments. These risks include (i) the risk that the counterparty to a derivative transaction may not fulfill its contractual obligations; (ii) risk of mispricing or improper valuation; and (iii) the risk that changes in the value of the derivative may not correlate perfectly with the underlying asset, rate or index. Derivative prices are highly volatile and may fluctuate substantially during a short period of time. Such prices are influenced by numerous factors that affect the markets, including, but not limited to: changing supply and demand relationships; government programs and policies; national and international political and economic events, changes in interest rates, inflation and deflation and changes in supply and demand relationships. Trading derivative instruments involves risks different from, or possibly greater than, the risks associated with investing directly in securities. Derivative contracts ordinarily have leverage inherent in their terms. The low margin deposits normally required in trading derivatives, including futures contracts, permit a high degree of leverage. Accordingly, a relatively small price movement may result in an immediate and substantial loss to a portfolio. The use of leverage may also cause Centerstone to liquidate portfolio positions when it would not be advantageous to do so in order to satisfy its obligations or to meet collateral segregation requirements. The use of leveraged derivatives can magnify a portfolio's potential for gain or loss and, therefore, amplify the effects of market volatility.

Credit Risk (Global Multi-Asset Strategy and International Strategy). Credit risk is the risk that the issuer of a bond or other instrument will not be able to make payments of interest and principal when due. Changes in an issuer's credit rating or the market's perception of an issuer's creditworthiness may also affect the value of a portfolio's investment in that issuer. The value of the debt securities held by a portfolio fluctuates with the credit quality of the issuers of those securities. A portfolio could lose money if the issuer of a security is unable to meet its financial obligations or goes bankrupt. In addition, fluctuations in interest rates can affect the value of debt instruments held by a portfolio. An increase in interest rates tends to reduce the market value of debt instruments, while a decline in interest rates tends to increase their values. Longer-duration instruments tend to be more sensitive to interest rate changes than those with shorter durations.

Investor Activism Risk (all strategies). This is the risk that if Centerstone actively seeks to influence the management of a portfolio company in which it is invested, the investment results may be disappointing if the portfolio company resists Centerstone's efforts, or alternatively, if the portfolio company adopts Centerstone's proposed strategy, which may prove to be misguided. There also may be instances where a portfolio will be restricted in transacting in a particular investment as a result of Centerstone's activist strategy. It is also possible that a portfolio may become involved in litigation, which entails expense and the possibility of claims for damages against a portfolio.

Risk Arbitrage Securities and Distressed Companies (all strategies). A merger, other restructuring, tender, or exchange offer proposed at the time a portfolio invests in risk arbitrage

securities may not be completed on the terms or within the time frame contemplated, resulting in losses to a portfolio. Debt obligations of distressed companies typically are unrated, lower-rated, in default or close to default. Also, securities of distressed companies are generally more likely to become worthless than the securities of more financially stable companies.

Regulatory Risk (all strategies). Changes in the laws or regulations of the United States or other countries, including any changes to applicable tax laws and regulations, could impair the ability of Centerstone to achieve a strategy's investment objective and could increase the expenses of a portfolio.

The foregoing list of risk factors does not purport to be a complete enumeration or explanation of the risks involved with Centerstone's investment programs or an investment in any Separate Account or Mutual Fund advised by Centerstone.

DISCIPLINARY INFORMATION

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

OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Certain inherent conflicts of interest may arise from the fact that Centerstone may carry on substantial investment activities for multiple clients simultaneously, including the Separate Accounts and the Mutual Funds. Centerstone may give advice and recommend investments to, or engage in investment transactions for, certain of its clients which advice or investments may differ from advice given to, or investments made for, other Centerstone clients, even though their investment objectives may be the same or similar.

As described above, Centerstone may act as an investment adviser to multiple clients. The investment methods and strategies that Centerstone uses to manage a particular client's account may be used by Centerstone when managing another client's account. Centerstone and/or its affiliates may have a conflict of interest in rendering advice to a particular client because the financial benefit from managing another client's account may be greater, which could provide an incentive to favor such other account. Centerstone believes, however, that these conflicts are mitigated by its methodology for allocating investments among clients, as described below in "*Brokerage Practices.*"

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

Centerstone has adopted a Code of Ethics for all supervised persons of the Firm describing its high standard of business conduct, and fiduciary duty to its clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, restrictions on the acceptance of gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All supervised persons at Centerstone must acknowledge the terms of the Code of Ethics annually, or as amended.

Centerstone's clients or prospective clients may request a copy of Centerstone's Code of Ethics by contacting the Chief Compliance Officer, Abhay Deshpande, at (212)-503-5790.

As a matter of policy, Centerstone, its principals, and affiliates do not engage in principal trades with clients (purchase securities or derivatives from or sell securities or derivatives to clients), or engage in agency cross transactions (act as broker for a client account and the other party to the transaction). Centerstone may effect transactions in which a client purchases securities or derivatives from, or sells securities or derivatives to, another clients account (i.e., cross trades) where it determines that such trades are in the interest of both clients and otherwise comply with the Firm's Code of Ethics.

Centerstone's employees and persons associated with Centerstone are required to follow Centerstone's Code of Ethics, which prohibits Centerstone personnel from trading most instruments held by clients (ETFs and mutual funds, among certain other investments, would not be prohibited). The Code of Ethics is designed to assure that the personal transactions, activities and interests of the employees of Centerstone will not interfere with making decisions in the best interest of advisory clients. The Code of Ethics requires pre-clearance of certain transactions, and requires that the interests of Centerstone clients be placed ahead of those of Centerstone employees. Most employee trading is prohibited and what employee trading is permitted is regularly monitored under the Code of Ethics in an effort to prevent conflicts of interest between Centerstone and its clients.

BROKERAGE PRACTICES

Best Execution

Centerstone's policy is to obtain the best execution of client transactions over the long term, taking into account the full range and quality of services offered by executing brokers.

Selection of Brokers

While trade price is often a significant quantitative factor in best execution, Centerstone also evaluates qualitative execution factors, such as research capabilities, success of prior research recommendations, ability to execute trades, nature and frequency of sales coverage, depth of services provided, including back office and processing capabilities, financial stability and responsibility, reputation, commission rates, responsiveness to Centerstone and the value of research and brokerage products and services provided by such brokers. The determinative factor is not the lowest possible commission cost alone.

In limited circumstances, Centerstone may use a broker where a division or affiliate of such broker may have referred or may refer clients to Centerstone. Centerstone may be deemed to have a potential conflict of interest in receiving such referrals. Centerstone, however, does not consider such referrals in its selection of brokers.

Research and Other Soft Dollar Benefits

In recognition of commission dollars generated by trades executed by Centerstone, Centerstone generates credits with brokers, which may be used to pay for research provided by brokers. To the

extent Centerstone generates such credits, it will be receiving a benefit by reason of the direction of such commissions.

It is Centerstone's policy not to enter into soft dollar arrangements for a product or service that may be used for both research and non-research purposes (*i.e.*, a "mixed-use product or service").

Directed Brokerage

Under certain circumstances, clients may direct Centerstone to use certain brokers. Any such direction must be in writing from the client and approved by Centerstone's Chief Compliance Officer. Each directed brokerage arrangement must be evaluated to determine whether Centerstone has any discretion in the investment or order entry process that may still require a best execution analysis. Centerstone must disclose to any client requesting a directed brokerage arrangement, among other information, the conflicts of interest involved and the fact that the client may give up benefits of better pricing or lower commission, which might otherwise be available through participation in bunched orders. Directed brokerage arrangements involving ERISA "plan assets" must be to procure goods, services, or rebates for the benefit of the ERISA plan paying the commissions.

Order Bunching

Centerstone may aggregate brokerage orders for a group of clients rather than execute individual transactions for each client. These reasons include, but are not limited to: obtaining a lower commissions rate, increasing the efficiency of order entry, insuring that all accounts managed in a particular style obtain the same execution, and obtaining a better execution price even if offset by a higher commission rate than the lowest rate that may be available.

REVIEW OF ACCOUNTS

Account Reviews

Centerstone's portfolio managers and their investment teams and trading desks review the positions held by Centerstone's clients on a daily basis. In addition, Centerstone also reviews positions held in client accounts upon the occurrence of an event which would have a significant impact on its clients' performance. The foregoing reviews are undertaken by Centerstone's Chief Investment Officer.

Client Reporting

Clients with Separate Accounts advised by Centerstone receive all brokerage confirmations and monthly statements with respect to their accounts generally within ten 10 business days of the end of each month.

Centerstone's Mutual Fund clients generally furnish each Mutual Fund investor with annual reports which include audited financial statements prepared in accordance with generally accepted accounting principles, and monthly reports that include an unaudited statement of the net asset value of the Mutual Fund investor's interest in the Mutual Fund provided by the Mutual Funds' third party administrator.

CLIENT REFERRALS AND OTHER COMPENSATION

Although Centerstone does not currently anticipate doing so, Centerstone may enter into arrangements with affiliated and unaffiliated solicitors. Centerstone may pay such solicitors some portion of the advisory compensation received by Centerstone. Except in limited circumstances and as disclosed to the affected investor, such payments will not reduce the amount invested by a solicited investor. Such arrangements, if any, will be in compliance with Section 206(4)-3 of the Investment Advisers Act of 1940, as amended.

In addition to the above, Centerstone or its affiliated persons may accept gifts or entertainment from third parties to whom Centerstone directs business, including brokerage, investments and other financial and administrative services, in compliance with Firm policy and in observance of Centerstone's Code of Ethics. In these instances, when a conflict of interests seems to arise, Centerstone will seek to ensure that all business decisions are made independent of any gifts or entertainment received from any third party and will ensure that such business decisions comport with Centerstone's fiduciary duty to its clients and the Firm's policies.

CUSTODY

Centerstone currently does not have custody of the funds and securities of the Separate Accounts, nor does it have custody of any funds or securities in the Mutual Funds it manages.

Separate Account clients may receive periodic statements from the custodian that holds and maintains the client's investment assets. Centerstone urges each client to carefully review such statements and compare such official custodial records to any account statements that Centerstone may provide such client. Centerstone's statements may vary from custodial statements based on accounting procedures, reporting dates or valuation methodologies of certain securities or other instruments.

INVESTMENT DISCRETION

Unless otherwise agreed to by Centerstone and a particular client, Centerstone generally exercises discretionary authority over the accounts of its clients. Centerstone usually receives discretionary authority from the client at the outset of an advisory relationship, by means of an investment advisory or similar agreement, which grants a power of attorney in favor of Centerstone to select the identity and amount of any investments to be bought or sold for its clients. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client.

VOTING CLIENT SECURITIES

Centerstone holds the authority to vote proxies on behalf of the Mutual Funds it manages, and has adopted proxy voting policies and procedures designed to ensure that such proxies are voted in the best interests of those clients. Centerstone will engage Institutional Shareholder Services Inc. ("ISS") as an independent third party to assist Centerstone with fulfilling its Proxy Voting Policy and Procedures. Pursuant to Centerstone's proxy voting procedures, in the event that Centerstone

receives proxies, the portfolio manager will generally vote proxies based on the recommendation of ISS. However, if Centerstone disagrees with the recommendation of ISS, it will vote proxies in the manner it believes to be in the best interest of the Mutual Fund and its shareholders.

At the express direction of a client, Centerstone will vote proxies for securities held in such client's Separate Account. Unless such client has provided Centerstone specific voting instructions, Centerstone will generally vote such proxies consistent with the recommendations of ISS, except in cases where Centerstone believes that such recommendation would be inconsistent with the best interest of the client.

Centerstone may also engage ISS or another independent third party to cast any proxy votes on behalf of those clients in the event that the Chief Compliance Officer identifies a material conflict of interest in casting such votes.

Clients may obtain a copy of Centerstone's complete Proxy Voting Policy and Procedures and information about how Centerstone voted any proxies on behalf of clients by contacting Centerstone at (212)-503-5790.

FINANCIAL INFORMATION

Centerstone is required to provide you with certain financial information or disclosures about its financial condition. Centerstone has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.