
Leucadia Asset Management LLC Wealth Management Division

Form ADV Part 2A Brochure
(For Commission Based Discretionary Accounts)

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This brochure provides information about the qualifications and business practices of Leucadia Asset Management LLC through its Wealth Management Division. If you have any questions about the contents of this brochure, please contact us at the telephone number below. 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. Registration with the SEC does not imply a certain level of skill or training.

Additional information about Leucadia Asset Management LLC also is available on the SEC's website at www.adviserinfo.sec.gov.

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I. MATERIAL CHANGES

The following material change has been made to this Brochure since the last version, dated February 2020:

- Effective as of January 1, 2021, Jefferies Investment Advisers, LLC changed its name to Leucadia Asset Management LLC ("LAM" or "we").

II. ADVISORY BUSINESS

A. STRUCTURE; HISTORY AND OWNERSHIP

Leucadia Asset Management LLC ("LAM" or "we"), a registered investment adviser, is a wholly-owned subsidiary of Jefferies Group LLC. LAM was formed on June 28, 2002 under the name of "Jefferies Private Client Advisers, LLC. It changed its name to "Jefferies Investment Advisers, LLC" on January 31, 2006 and to "Leucadia Asset Management LLC" on January 1, 2021. LAM has been registered as an investment adviser with the Securities and Exchange Commission since January 2003. We offer a variety of investment advisory and related services to its clients ("Clients").

This Brochure provides information that a prospective client should consider before engaging our Wealth Management Division to manage a discretionary account. A description of the services provided and fees payable appears below. Other brochures describe other services of the Wealth Management Division, including wrap fee programs, financial planning services, and of other divisions of LAM.

B. TYPES OF ADVISORY SERVICES

We provide discretionary investment management services to separately manage accounts (each, an "Account") held by our Clients. Clients interested in opening an Account with us work with one or more of our representatives (each, a "LAM Representative") to complete an Investment Strategy Proposal. The Investment Strategy Proposal is designed to gather information about each Client's investment goals, financial situation and risk tolerance, as well as any reasonable restrictions the Client would like to place on the management of its Accounts. Based on an analysis of this information, the applicable LAM Representative will recommend an investment strategy based on information contained in the Profile, consistent with the Client's investment goals and risk tolerance, and subject to any reasonable restrictions the Client imposes.

If, after receiving such recommendations, a Client wishes to participate in a Program, the Client will sign a Statement of Investment Selection (SIS), a risk profile and a single advisory contract (each, a "Client Agreement") with us in respect of each Account. The Client Agreement specifies the terms and conditions that govern a Client's participation in the particular investment strategy, including the Program options, services and fees, and how the Client Agreement may be terminated.

Each Client may request restrictions on the management of its Accounts' assets. Although the selected LAM Representative will seek to honor reasonable restrictions, the LAM Representative will have the right to decline to manage any Account if it believes it cannot effectively do so based on the requested restrictions. When deciding whether to request restrictions on an Account, a Client should be aware that performance of restricted Accounts may differ from performance of Accounts without restrictions, possibly producing lower overall results.

The LAM Representative assigned to an Account generally will determine the type and amount of securities to buy or sell for the Account, and will cause the purchases and sales to be effected by LAM's affiliate Jefferies LLC ("Jefferies") or by Pershing LLC ("Pershing") or another qualified broker-dealer we select, which will act as custodian for the Account (each of Pershing or such qualified broker-dealer, the "Custodian"), without obtaining the Client's specific consent.

If a LAM Representative is removed or resigns from LAM or from the management of Accounts, we will notify the affected Clients, who will have an opportunity to choose a new LAM Representative, close the Account, or convert the Account from an advisory account with us to a brokerage account with Jefferies (with Pershing LLC continuing to act as Custodian). If the Client fails to choose a new LAM Representative, or if at any time a Client otherwise revokes its grant of authority to us to make investment decisions for an Account, then the Account will, subject to notice and termination provisions set forth in the Client Agreement, be treated solely as a brokerage account with Jefferies (with Pershing LLC continuing to act as Custodian) and will no longer be an advisory account with us, and no LAM Representative will have any responsibility as a fiduciary for the Account.

We also sponsor a wrap fee program, the participants in which pay us a fixed fee for investment advisory, brokerage, custodial and administrative costs associated with their account. We pay such costs and retain the balance of the fee in consideration for our services. Accounts that are part of our wrap fee program are managed by ourselves or by third-party investment managers selected by the accountholders. Aside from how we charge our Clients for the services we provide, we manage the Accounts the same as we manage the wrap fee accounts for which we act as investment manager. Information about the wrap fee program is disclosed in a separate brochure pertaining to our wrap fee program.

C. ASSETS UNDER MANAGEMENT

As of November 30, 2019, through our Wealth Management Division, we managed \$274,590,280 of client assets on a commission based discretionary basis. We do not manage any Commission based Accounts on a non-discretionary basis.

III. FEES AND OTHER COMPENSATION

Our Clients pay Pershing a negotiated commission rate on each trade (“Commissions”). Pershing retains a portion of the Commission and pays the balance to Jefferies. The portion of the Commissions received by Jefferies covers the consulting, administrative and advisory services that we provide, trade execution (except as described below), custody and reporting services.

Although Commissions include most fees and costs expected to be incurred by an Account, there are some expenses that may be charged to an Account in addition to Commissions. Fees and costs to which an Account may be subject in addition to Commissions include (without limitation) dealer mark-ups (including mark-ups, mark-downs and spreads such as for fixed income transactions); electronic fund and wire transfers; spreads paid to market-makers; exchange fees; fees, charges or other costs and expenses relating to trading in foreign securities (other than commissions otherwise payable to the Program’s primary broker); American Depositary Receipts (ADRs) conversion fees; IRA and Qualified Retirement Plan account termination fees; and certain one-time charges related to Pershing-sponsored retirement services (such as the set-up fees for 401(k) plans). To the extent an Account is invested in a collective investment vehicle such as a mutual fund, money market fund or exchange-traded fund or similar product (an “ETP”), the Account will be subject to the standard fees charged by such vehicles to their investors.

A LAM Representative, in the representative’s capacity as our agent or as an agent of Jefferies, may suggest that a Client use other products and services offered by us or our affiliates that are not available through the Client’s Account. Clients who use these other products or services will do so outside of the applicable Programs, and will pay additional fees and charges. The LAM Representative suggesting that a Client use such other products and services may receive additional compensation if the Client agrees to do so.

In addition to receiving a portion of the Commissions paid by the Accounts, we or our affiliates may receive additional compensation for investments that Accounts make in collective investment vehicles such as mutual funds, money market funds or ETPs as follows:

- Jefferies may receive fees when we or one of our affiliates provides distribution or other services to an ETP or mutual fund in which an Account invests. The fees that we or our affiliates receive for those services are based on the total amount of Clients’ assets invested in the ETP or mutual fund.
- Jefferies’ policy, when purchasing or recommending Registered Fund shares to an advisory Client, is only to purchase or recommend the lowest-cost share class available to the Client. Jefferies seeks, where possible, to purchase or recommend for advisory Clients only Registered Fund share classes that do not pay Jefferies or its clearing broker a Rule 12b-1 distribution and shareholder servicing fee, and for which neither the Registered Fund nor its service providers make revenue-sharing payments to Jefferies or its clearing broker. In certain cases, because a particular Registered Fund does not offer a share class without a Rule 12b-1 fee and/or revenue-sharing payments, or because a particular advisory Client is not eligible for a Registered Fund share class without a Rule 12b-1 fee and/or revenue-sharing payments, Jefferies may purchase a Registered Fund share class that does pay Rule 12b-1 fee and/or makes revenue-sharing payments. Similarly, in certain cases, an advisory Client may transfer into Jefferies a Registered Fund share class that pays a Rule 12b-1 fee and/or makes revenue-sharing payments. In any situation in which Jefferies does receive a Rule 12b-1 fee and/or revenue-sharing payment with respect to a Registered Fund share class held by an advisory Client, Jefferies will rebate that Rule 12b-1 fee and/or revenue-sharing payment to the advisory Client as a credit. fee. If an Account invests in an investment vehicle sponsored and/or managed by Jefferies or one of its affiliates, Jefferies or the affiliate will have a right to receive management and performance compensation from the Account in respect of such investment.

Jefferies will retain the compensation described above, and except to the extent required by applicable law, will not credit it back to Clients or apply it to reduce Commission or other expenses. The LAM Representative associated with an Account that invests in such collective investment vehicles, in his or her capacity as a Jefferies employee, may receive a portion of this compensation. Information about distribution and shareholder servicing fees is set forth in each such mutual fund, money market fund or ETP’s prospectus, which is provided to Clients. The availability of these fees creates a conflict between our interests and those of our Clients, and provides a financial incentive for us and our LAM Representatives to select or recommend investments for Accounts that maximize this compensation. Mutual funds, money market funds and ETPs that do not pay revenue sharing payments are available. Clients must advise their LAM Representatives of any wish to restrict the mutual funds, money market funds and ETPs selected for their Accounts to those mutual funds, money market funds and ETPs that do not make revenue sharing payments to Jefferies.

The LAM Representative assigned to an Account receives, on a transaction basis, a percentage of the Commission after certain expenses are deducted. Therefore, LAM Representatives may have an incentive to direct the Accounts they manage to make more trades than they would in the absence of such compensation. Each LAM Representative has a fiduciary duty to the Clients whose Accounts it manages to put their interests above those of the LAM Representative, and as such will not direct an Account to make more trades than the LAM Representative believes are necessary. If a Client anticipates frequent transaction activity in an Account, the Client may want to consider converting the Account to one that is subject to a wrap fee rather than transaction-based Commissions.

IV. PERFORMANCE BASED FEES

Our Wealth Management Division, which is responsible for managing the Accounts, does not receive performance-based fees from any of our Clients. We have other divisions that do charge performance-based fees. We do not share any management or advisory personnel with those divisions, nor do the management or advisory personnel in those divisions have access to the investment advice provided to our Clients.

V. TYPES OF CLIENTS

Our advisory services are available to high net worth individuals, trusts, estates, foundations, charitable organizations, corporations and other business entities. We do not generally place restrictions on the types of Clients who may hold Program Accounts (except as may be imposed by law); however, we retain the right to refuse any prospective Client for any reason. Among other things, we will not knowingly enter into an investment advisory relationship with a current or prospective Client whose investment goals and risk tolerance we deem incompatible with our management style or whose investment guidelines we deem unduly restrictive.

Generally, to be eligible to open an Account, Clients must deposit a minimum of \$250,000 into an Account, although we may waive this minimum (which we usually do for our employees and our affiliates' employees). If a Client withdraws assets from an Account with the result that the value of the Account is less than the required minimum, we may elect to terminate the Account. Clients are required to enter into a Client Agreement with us in order to open an Account..

VI. METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

A. METHODS OF ANALYSIS AND INVESTMENT STRATEGIES

Depending on the Client's investment goals and risk tolerance, the LAM Representative assigned to an Account may determine to buy or sell various types of financial products, including but not limited to equity securities (such as exchange-listed securities, securities traded over-the-counter, securities of U.S. or foreign issuers, whether publicly or privately traded, and distressed securities), options on equity securities, debt securities (such as municipal securities and U.S. government securities, and which also could include other fixed income securities such as high yield bonds), warrants, commercial paper, exchange-traded funds and similar products ("ETPs") and mutual funds, including but not limited to money market funds. Our trading strategies, depending on the applicable Client's investment goals and risk tolerance, may include both short-term trading and long-term purchases. Our trading strategies may also include buying on margin, short-selling and options trading if approved by the Client.

The applicable LAM Representative may use one or more sources of research and other information on which to base investment recommendations for an Account. These sources may include, but are not limited to, financial newspapers and magazines, market data services, company press releases, and research materials prepared by third parties, including by Jefferies. It should be noted that Jefferies' research analysts, when preparing research reports, are not aware of or influenced by our Clients' investment goals or risk tolerance. Jefferies' research analysts are not our employees, and do not participate in making investment recommendations for any Account. Each LAM Representative will advise or manage the assets in each Account it manages and, in making investment decisions, generally will not consider any assets that the Client owns outside of such Account.

Investments in securities and other instruments involve risk and will not always be profitable. Neither we, nor any LAM Representative guarantees the results of any advice or that the investment goals of the Client's Accounts will be met. Whether a certain type of Account is suitable for the Client depends upon a number of factors, including the size of the Client's Account, the amount of trading expected in the Client Account, the particular investment goals and risk tolerance and the fees charged.

B. RISK OF LOSS

The investment strategies used to manage an Account may cover a wide range of investment types. Certain risks applicable to the Accounts are described below.

Risks Associated with Securities Investments Generally. Investing in securities involves a variety of risks, including the loss of capital. The securities markets generally are affected by, among other things, the state of the economy, inflation rates and unemployment, trade, fiscal and monetary policies and national and international political and economic events.

Risks Associated with Particular Investment Strategies. The investment strategies and trading techniques used in respect of an Account may not be successful, and there can be no assurance that any Client's Account will generate profits or avoid losses.

Institutional Risk. The institutions, including brokerage firms and banks, with which Accounts trade or invest, may encounter financial difficulties that impair the operational capabilities or the capital position of such Accounts. Institutions performing services for Accounts or relating to a strategy's trading activity may encounter financial difficulties that impair their operational capabilities. In such event, there is a risk that Accounts in the strategy could be faced with trading or settlement delays and/or portfolio losses.

Non-U.S. Investment Risk. Investments in non-U.S. securities may experience additional risks compared to investments in U.S. securities. The markets in many foreign countries are relatively small, with a limited number of issuers and securities. Furthermore, foreign taxes also could detract from performance. Companies based in non-U.S. countries may not be subject to accounting, auditing and financial reporting standards and practices as stringent as those in the U.S. Therefore, their financial reports may present an incomplete, untimely or misleading picture of a non-U.S. company, as compared to the financial reports of U.S. companies. Nationalization, expropriations or confiscatory taxation, currency blockage, political changes or diplomatic developments can cause the value of an Account's investments in a non-U.S. country to decline. In the event of nationalization, expropriation or other confiscation, an Account could lose its entire investment in that country.

Emerging Markets Risk. To the extent that an Account invests in securities of issuers located in emerging markets, the risks associated with non-U.S. securities may be heightened by political changes, changes in taxation or currency controls that could adversely affect the values of these investments. Emerging markets have been more volatile than the markets of developed countries with more mature economies.

Foreign Government/Sovereign Debt Risk: Investment in the debt of foreign governments can involve a high degree of risk. The governmental or non-U.S. sovereign issuer that controls the repayment of debt may not be able or willing to repay the principal and/or interest when due in accordance with the terms of such debt. An issuer's willingness or ability to repay the

principal and interest due in a timely manner may be affected by, among other factors, its cash flow situation, the extent of its foreign reserves, the availability of sufficient foreign exchange on the date a payment is due, the relative size of the debt service burden to the economy as a whole and the political constraints to which a governmental entity may be subject. Governmental entities also may be dependent on expected disbursements from other foreign governments, multilateral agencies and others abroad to reduce the principal and interest due on their debt.

Currency Risk. The risk that fluctuations in exchange rates between the U.S. dollar and non-U.S. currencies may cause the value of an Account's non-U.S. investments to decline in terms of U.S. dollars. Additionally, certain of an Account's foreign currency transactions may give rise to ordinary income or loss to the extent such income or loss results from fluctuations in the value of the foreign currency. Accounts that may invest in securities denominated in, or which receive revenues in, non-U.S. currencies are subject to this risk.

Performance May Be Adversely Affected by Increased Assets Under Management. The success achieved by trading advisers or managers often diminishes as the assets under their management increases. Neither we nor any LAM Representative has agreed to limit the amount of assets they will manage.

Potential Inability to Trade or Report Due to Systems Failure. Efficient management of the Accounts may be dependent to a significant degree on the proper functioning of internal and external computer systems. Accordingly, systems failures, whether due to third party failures upon which such systems are dependent or the failure of our hardware or software, could disrupt trading or make trading impossible until such failure is remedied. Any such failure, and consequential inability to trade (even for a short time), could, in certain market conditions, cause the Accounts to experience significant trading losses or to miss opportunities for profitable trading.

Dependence Upon a Limited Group of Investment Professionals. The strategies implemented on behalf of the Accounts are substantially dependent upon the skill, judgment and expertise of a very limited group of our investment professionals. The death, disability or other unavailability of one or more of our investment professionals or your LAM Representative could be material and adverse to the value of the Accounts they manage.

Competition. In recent years there has been a marked increase in the number of, and flow of capital into, investment vehicles established in order to implement alternative asset investment strategies, including commodity strategies and the strategies similar to the strategies implemented by us. While the precise effect cannot be determined, such increase may result in increased price volatility or reduced profitability with respect to certain positions. Prospective investors should understand that we may compete with other investment vehicles and programs, as well as investment and commercial banking firms, which have substantially greater resources, in terms of financial wherewithal and research staffs, than may be available to us and the Accounts.

Equity Risks. Equity securities may decline significantly in price over short or extended periods of time. Price changes may occur in the market as a whole, or they may occur in only a particular country, company, industry, or sector of the market. In addition, the types of stocks in which a particular Account invests, such as value stocks, growth stocks, large-capitalization stocks, mid-capitalization stocks, small-capitalization stocks and/or micro-capitalization stocks, may underperform the market as a whole. In addition, growth stocks can be more volatile than other types of stocks. Value stocks can continue to be undervalued by the market for long periods of time. Additionally, dividends paid on common stocks can vary significantly over the short-term and long-term. Dividends on common stocks are not fixed, but are declared at the discretion of an issuer's board of directors. There is no guarantee that the issuers of common stocks in which an Account invests will declare dividends in the future, or that if declared they will remain at current levels or increase over time.

Small- to Mid-Capitalization Companies Risk. Companies with small- to mid-sized market capitalizations may lack the management expertise, financial resources, product diversification, and competitive strengths of larger companies. In addition, the frequency and volume of their trading may be less than is typical of larger companies, making them subject to wider price fluctuations. In some cases, there could be difficulties in selling the stocks of small-cap companies at the desired time and price. Mid-cap companies may have limited product lines, markets or financial resources, and they may be dependent on a limited management group. Securities of small-cap and mid-cap companies may be subject to more abrupt or erratic market movements than those of large, more established companies or the market averages in general.

Fixed Income Securities. Certain Accounts are expected to invest in fixed income securities and instruments. Certain of the fixed income instruments in which the Accounts invest may be unrated, and whether or not rated, the fixed income instrument may have speculative characteristics. The issuers of such instruments may face significant ongoing uncertainties and exposure to adverse conditions that may undermine the issuer's ability to make timely payment of interest and principal. In addition, an economic recession could severely disrupt the market for these securities and may have an adverse impact on the value of such instruments. It is also likely that any such economic downturn could adversely affect the ability of the issuers of such securities to repay principal and pay interest thereon and increase the incidence of default for such securities. The value of fixed income investments typically decline as interest rates rise. Inflation erodes the real value of interest payments.

Risks Associated with Exchange Traded Products. ETPs include exchange traded funds (“ETFs”) and exchange traded notes (“ETNs”). Depending on the investment goal and investment strategy of a particular ETP: (i) the investment adviser may not achieve the ETP’s investment goal or be able to cause the ETP’s performance to match that of the ETP’s underlying index or other benchmark on either a daily or aggregate basis; (ii) ETPs may be offered at a discount to the value of the underlying holdings; (iii) although an ETP’s shares are listed on a national securities exchange, there can be no assurance that an active trading market for the ETP’s shares will develop or be maintained; (iv) ETPs that are non-diversified may invest in the securities of a limited number of issuers or concentrated in a particular market, country, industry, sector or asset class and may be more susceptible to adverse economic, market, political or regulatory occurrences; and (v) ETPs are subject to the risk that changes in an issuer’s management performance, financial condition and the supply and demand for the issuer’s products or services may adversely affect the value of the securities held by an ETP.

In addition, the value of commodity-linked ETPs may be affected by changes in overall market movements, commodity index volatility as well as changes in interest rates or sectors affecting a particular industry or commodity, such as weather, embargoes, tariffs and international economic, political and regulatory developments. A commodity-linked ETP may compete with other financial investments, including traditional debt and equity securities issued by companies in the commodity’s particular industry and other securities backed by or linked to the particular commodity, direct investments in the commodity and investment vehicles similar to an ETP. Market and financial conditions, and other conditions beyond the ETP portfolio manager’s control may make it more attractive to invest in other financial vehicles or to invest in such commodity directly, which could limit the market for the ETP shares and reduce the liquidity of the ETP shares. If the commodity ETP is physically backed, such as with gold or silver, there is a risk that some or all of the ETF’s supply of the stored commodity could be lost, damaged or stolen. Access to the stored commodity could also be restricted by natural events (such as an earthquake) or human actions (such as a terrorist attack). Any of these events may adversely affect the operations of the ETP and, consequently, an investment in its shares. The ETP may not have adequate sources of recovery if its physical commodity is lost, damaged, stolen or destroyed and recovery may be limited, even in the event of fraud, to the market value of the commodity at the time the fraud is discovered. ETNs are senior, unsecured, unsubordinated debt securities issued by an underwriting bank. Similar to other debt securities, ETNs have a maturity date and are backed only by the credit of the issuer. When an investor buys an ETN, the underwriting bank promises to pay the amount reflected in the index, minus fees upon maturity. Thus, an ETN has an additional risk compared to an ETF: upon any reduction of credit ratings, or if the underwriting bank goes bankrupt, the value of the ETN is adversely eroded and an investor can lose all or most of its investment.

Risks Associated with Derivative Instruments. The Accounts may be invested in derivatives for speculative as well as hedging purposes. Derivatives may be defined as financial instruments (such as call options, put options, futures contracts and options on futures contracts) whose performance is derived, at least in part, from the performance of another asset (such as a security, currency or an index of securities). Investments in such instruments involve risks that are different from the investment risks associated with long investments, including a potentially unlimited loss associated with futures transactions, which, in the case of futures contracts, involve agreements to take or make delivery of an amount of cash equal to a specified dollar amount multiplied by the difference between the value of the underlying asset (such as a stock index) at the close of trading of the contract and the price at which the futures contract was originally struck. Derivatives may be exchange traded or traded in over-the-counter (“OTC”) transactions between private parties. OTC transactions are subject to additional risks, such as the credit risk of the counterparty to the instrument, and are less liquid than exchange-traded derivatives since they can only be closed out with the other party to the transaction. Derivative instruments may include elements of leverage and, accordingly, the fluctuation of the value of the derivative instrument in relation to the underlying asset may be magnified. The successful use of derivatives is dependent upon a variety of factors, including, in particular, the ability to correctly anticipate trends in the underlying asset. In addition, there may be an imperfect correlation between a derivative transaction and the objective sought to be achieved in entering into such transaction. Moreover, in unusual market conditions, the derivative may perform in a manner that was not, and could not have been, anticipated.

Short Sales. Short selling, or the sale of securities not owned by the Client, necessarily involves certain additional risks. Such transactions expose the Client to the risk of loss in an amount greater than the initial investment, and such losses can increase rapidly and without effective limit. There is the risk that the securities borrowed in connection with a short sale would need to be returned to the securities lender on short notice. If such request for return of securities occurs at a time when other short sellers of the subject security are receiving similar requests, a “short squeeze” can occur, wherein the Client might be compelled, at the most disadvantageous time, to replace borrowed securities previously sold short with purchases on the open market, possibly at prices significantly in excess of the proceeds received earlier.

VII. DISCIPLINARY INFORMATION

We are a wholly owned subsidiary of Jefferies Group LLC, as described above. Jefferies Group LLC controls numerous operating companies including ourselves and Jefferies as well as various other U.S. and foreign regulated financial institutions. Many aspects of these businesses involve substantial risks of liability. We and our affiliates are involved in a number of judicial and regulatory matters arising out of the conduct of these businesses. Based on currently available information, neither we nor our management have been involved in any legal or disciplinary events that would be material to a Client's evaluation of us or the integrity of our management.

VIII. OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

A. MATERIAL FINANCIAL INDUSTRY AFFILIATIONS

Our executive officers and LAM Representatives serve in various capacities for Jefferies, an affiliated broker-dealer, and are all its registered representatives.

By reason of the advisory, investment banking, and/or other activities of our affiliates, we and our affiliates may acquire confidential or material non-public information or be restricted from initiating transactions in certain securities. We will not be free to divulge, or to act upon, any such confidential or material non-public information and, due to these restrictions, we may not be able to initiate a transaction for an Account that we otherwise might have initiated. As a result, an Account may be frozen in an investment position that it otherwise might have liquidated or closed out.

Certain of our affiliates are investment advisers, futures commission merchants, commodity pool operators, commodity trading advisers and sponsors of limited partnership whose businesses have no material relationship to our business.

B. POTENTIAL CONFLICTS OF INTEREST

Compensation. We could receive substantial compensation in the form of Program Fees, even from Accounts that lose value. Such Program Fees may exceed the fees that a Client might pay if the Client paid for services separately rather than as part of a wrap fee program.

Advisory Time. We devote as much of our time to each of our Clients as in our judgment is reasonably required. However, we also provide investment advisory services, securities research and brokerage services for other clients and engage in other business ventures in which the Program Clients have no interest. As a result of these separate business activities, we may have conflicts of interest in allocating management time, services, and functions among the Accounts and other business ventures or clients.

Other Clients; Allocation of Investment Opportunities. We are responsible for the investment decisions made on behalf of Discretionary Accounts. As described above, there are no restrictions on our ability to manage any number of other clients following the same or different investment goals, philosophies and strategies. As a general matter, it would not be expected that Accounts with different LAM Representatives would share information relating to potential transactions. Therefore, one Account may trade prior to and at a better price than another Account trading in the same instrument.

General. We may, without prior notice to a Client, arrange, recommend, and/or effect transactions in which, or provide services in circumstances where, we have, directly or indirectly, a material interest or relationship with another party that may present a potential conflict with our duty to a Client.

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

A. CODE OF ETHICS

As evidence of our commitment to operating with integrity, we have adopted the Leucadia Asset Management LLC Code of Ethics (the “LAM Code”). The purpose of the LAM Code is to identify the ethical and legal framework in which we and our employees are required to operate, and to highlight some of the guiding principles and mechanisms for upholding our standard of business conduct.

As our personnel may be employed with or undertake functions on behalf of Jefferies or its subsidiaries, our personnel are also subject to the Code of Ethics of the Board of Directors of Jefferies Group LLC (the “Jefferies Code”). The LAM Code may supplement (but not contradict) the Jefferies Code with policies and procedures applicable to our personnel. A complete copy of the LAM Code and Jefferies Code will be provided to Clients and prospective Clients upon request.

As a fiduciary, we and our employees have an affirmative duty to act with loyalty, honesty, impartiality and in the best interests of our Clients. Employees must not place their interests ahead of our Clients’ interests under any circumstances. We make every effort to avoid conflicts of interest and fully disclose all material facts concerning any potential or actual conflicts of interest that may arise with respect to any Client.

Among other things, the LAM Code also addresses certain aspects of personal trading. The LAM Code requires our employees to obtain pre-approval before acquiring any security in an initial public offering or in a private placement exempt from registration under the Securities Act of 1933 pursuant to Section 4(2) thereof or pursuant to Rule 504, Rule 505, or Rule 506 thereunder. The LAM Code also requires our employees to arrange for us to receive periodic investment holdings reports.

In addition, our employees may not trade, either personally or on behalf of another, on material non-public information or communicate material non-public information to another person in violation of the law. We have implemented policies and procedures designed to detect and prevent insider trading.

Interested Transactions

When appropriate, we or our affiliates may recommend that our Clients buy or sell securities or investment products in which we, our officers, directors, affiliates and representatives (together, “Related Persons”) have a financial interest. For example, we or our Related Persons may recommend that Clients purchase, among other things, securities in which Jefferies makes a market or with respect to which Jefferies or its affiliates otherwise earn fees.

From time to time, we may recommend the following actions on behalf of an Account: (1) recommend the purchase and sale of securities in which we or Related Persons have an interest; (2) effect transactions through Related Persons including broker-dealers acting as agent for our Clients; and (3) recommend the purchase and sale of securities in which we, Related Persons or our other Client’s Accounts are at the same time effecting a sale or purchase. We and/or our affiliates may receive compensation with respect to these transactions in addition to our compensation under our advisory agreements with our Clients. In any transaction with a Related Person, that Related Person may receive compensation.

We and our Related Persons may trade in the securities markets for their own accounts and the accounts of their Clients, and in doing so may take positions opposite to, or ahead of, those held by a Client or may be competing with a Client for positions in the marketplace. Such trading may result in competition for investment opportunities or create other conflicts of interest on behalf of one or more such persons in respect of their obligations to the Client. Records of this type of trading are not available for inspection by Clients.

Our proprietary activities or portfolio strategies and those of our Related Persons or the activities or strategies we use for accounts managed for other customer accounts could conflict with the transactions and strategies employed by a Client and affect the prices and availability of the instruments in which the Client invests. Issuers of instruments held by the Client may have publicly or privately traded securities in which we and our Related Persons are investors or make a market. Our trading activities and those of our Related Persons generally may be carried out without reference to positions held directly or indirectly by any Client and may influence the value of the positions so held or may result in us and our Related Persons having an interest in the issuer adverse to that of the Client.

B. PERSONAL SECURITIES TRANSACTIONS

In addition to the requirements of the LAM Code, all employees also must comply with the Jefferies Group LLC Employee Trading Policy. These policies and procedures cover all personal securities accounts. All personal securities transactions must be executed in accounts maintained at Jefferies’s Wealth Management Group or at approved brokers, and pre-approved where required. Our pre-approval procedure and the submission of personal trading information assist us towards our goal of ensuring that no personal trading of any employee will disadvantage any Account.

X. BROKERAGE PRACTICES

All trades executed in the Accounts will be executed by Jefferies, an affiliated broker-dealer, or by the Custodian.

LAM Representatives also serves as representatives of Jefferies. Any commission or asset-based fee charged by Jefferies will be paid directly to Jefferies and not to us. Jefferies may act as principal with respect to trades placed on behalf of the Accounts only with the applicable Client's consent. Jefferies may act as broker for the Client and for another person on the other side of the trade (an "agency cross trade"). Some or all executions for the Accounts may be aggregated with executions effected for our other clients as well as clients of Jefferies or Pershing, and the Accounts will receive an average price for these executions. Where Jefferies is the executing broker, the Jefferies confirmation for such transactions will reference an average price execution and that details will be furnished on request. Jefferies may receive compensation from certain third-party broker-dealers or market centers for directing order flow in option and NMS securities. For securities, payment is on a per share basis; for options, payment is on a per contract basis. The market centers that pay for order flow are selected based upon the opportunity they provide for execution of orders at prices better than the National Best Bid or National Best Offer. Absent specific order routing instructions from customers and regardless of whether payment for order flow is received, Jefferies, when acting as executing broker for the Accounts, transmits customer orders for execution to various exchanges and other market centers based on a number of factors, including: the ability of a market center to execute the orders at or superior to the National Best Bid and National Best Offer, the ability of a market center to provide price improvement opportunities, the speed of execution, the availability of efficient, automated transaction processing, liquidity enhancement opportunities, the speed of displaying better-priced limit orders, trading characteristics of the particular securities and the extent to which different markets may be more suitable for different types of orders or different securities. All such compensation will be retained by Jefferies and is not shared with our Clients.

We do not obtain soft dollar benefits in relation to the Discretionary Accounts and Non-Discretionary Accounts.

We do not consider Client referrals when recommending or selecting brokers.

We do not permit Clients to direct us to use particular brokers.

Allocation and Aggregation

If we are purchasing or selling the same securities for several Accounts at approximately the same time, we may, to the extent permitted by law, combine or 'batch' such orders to obtain best execution, or to allocate equitably among our Clients differences in prices or other transaction costs that might have pertained had such orders been placed independently. In these circumstances, the price and associated costs of such transactions will be averaged and allocated among our Clients in proportion to the purchase and sale of orders placed for each Client Account on any given day. Such aggregation of orders may, on average, slightly reduce the overall costs of the transaction for our Clients.

Trade Errors

In the event a trade is entered in error in an Account, our investment advisory personnel will immediately notify WM Management. The Manager or its designee will research and correct the error. Any trade errors will be borne by Jefferies, and will not be charged to any Account.

XI. REVIEW OF ACCOUNTS

The Client, and not LAM, selects the applicable LAM Representative for an Account. We will permit a LAM Representative to act (and to continue to act) as the designated LAM Representative for an Account based on our determination that the LAM Representative has an appropriate track record, experience managing Client portfolios, registration status, compliance record, and an appropriate proposed investment strategy. We have a conflict of interest in evaluating our own LAM Representative with respect to the provision of services to Clients. We are, however, mindful of the duty that we owe to our Clients to put their interests above our own or those of our LAM Representatives. We further believe that ensuring the highest quality in our LAM Representatives will benefit both our Clients and ourselves in the long run.

Investnet provides the manager, his designee, home office and advisor an Investment Policy Exception tool that will reflect all accounts that are in violation of the stated asset classes intended for each account. Our Manager or his designee also reviews the performance of each Account on a periodic basis.

Clients will receive from the Custodian periodic statements of Account activity reflecting the value of their Accounts at the beginning and end of the relevant period, and detailing all transaction activity, contributions and withdrawals, and fees charged. Reports include quarterly statements and interim statements containing asset summaries and performance reporting against relevant comparative indexes. We provide quarterly reports to Clients, unless otherwise instructed by the Client. These reports contain information required by the Client Agreement and include the Account's market value, transaction reports and portfolio holdings. Clients in all Programs also will receive statements at the end of each calendar year from the Custodian providing necessary tax reporting information relating to their Accounts.

XII. CLIENT REFERRALS AND OTHER COMPENSATION

We and our affiliates receive certain economic benefits for providing investment advice or other advisory services to advisory Clients as described in Item 5, "Fees and Other Compensation." Neither we nor our Related Persons directly or indirectly compensates any person for advisory Client referrals.

XIII. CUSTODY

We do not have custody of our clients' assets. Account assets are maintained in a brokerage account established with the Custodian through a fully disclosed clearing agreement in which Jefferies acts as introducing broker. The Custodian provides monthly statements reflecting positions and trading activity for each month in which such activity occurs in the account. Clients may also receive certain customized account statements or performance reports from LAM or its affiliates relating to the account. Clients should review monthly statements from the Custodian carefully and compare them to any statements or reports received from LAM or its affiliates. If there are any discrepancies, the monthly statements from the Custodian are determinative.

XIV. INVESTMENT DISCRETION

We have discretionary authority over the securities held in our Clients' Accounts. Our discretionary authority over our Clients' Accounts is embodied in the Client Agreement between ourselves and each Client, and is subject to any special instructions or restrictions the Client has requested. Our management will also consider the Client's investment goals and risk tolerance.

XV. VOTING CLIENT SECURITIES

Clients are responsible for voting proxies for securities held in their Accounts. The Custodian will forward copies of related proxies and shareholder communications to the Client.

XVI. FINANCIAL INFORMATION

We have no financial commitment that impairs our ability to meet contractual and fiduciary commitments to clients and we have not been the subject of a bankruptcy proceeding. We do not require payment of more than \$1,200 in fees per client, six months or more in advance.

Jefferies

Your Privacy is Important to Us

At Leucadia Asset Management LLC (“LAM”), we understand that our relationship with you is based on trust. This is reflected in everything we do including the way we handle our clients’ nonpublic personal information. The following disclosure explains what personal information we collect, what we do with that information and the steps we have put in place to protect the nonpublic personal information you have entrusted to us.

Information We Collect

From time to time, we gain access to your personal information through

- Our interaction with you on the telephone, in person or through e-mail
- Account Applications or other forms you complete
- Transactions in your accounts or on your behalf
- Our website or the websites of our affiliated companies
- Information tools we may make available to you
- Third parties with whom we deal, such as consumer-reporting agencies, to verify information we receive from you and your credit worthiness

It is the policy of Jefferies’ businesses that collect U.S. Social Security numbers in the course of business to:

- Protect the confidentiality of such Social Security numbers;
- Prohibit the unlawful disclosure of such Social Security numbers; and
- Limit access to such Social Security numbers.

Information We Disclose

It is LAM’s policy not to disclose any of your nonpublic personal information to third parties without your consent, unless those parties are providing services or support to us and have agreed to keep your nonpublic personal information confidential. Examples of these parties include the company we use to prepare and mail your account statements or to perform our internal auditing. Even if you cease to transact business with LAM, we will continue to apply the same protections to your nonpublic personal information as we did when you were an active client.

The Jefferies Family of Companies

LAM is a member of a family of related companies which are owned in whole or in part by Jefferies Group LLC. These affiliated companies allow us to provide greater value to our clients. In the course of our business, employees or representatives of various Jefferies affiliates will have access to your nonpublic personal information. They have agreed to hold your information confidential and to comply with the privacy policy established by LAM.

Protecting Your Information

LAM protects your nonpublic information from access by third parties by maintaining physical, electronic and procedural safeguards. We limit access to your information to those employees who are trained in the proper handling of nonpublic client information and who need access to the information to perform their job functions. For more information, to find out what personal information of yours we have collected, or to update your personal information, please contact Ron Filipowicz at LAM, at 212-284-1780.