

ITEM 1 - COVER PAGE

Brochure Form ADV Part 2A

Warrington Asset Management, LLC

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This brochure provides information about the qualifications and business practices of Warrington Asset Management, LLC. If clients have any questions about the contents of this brochure, please contact us at (214)-230-2102 or at mark@warringtonasset.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state authority.

Warrington Asset Management, LLC is an investment advisory firm registered with the appropriate regulatory authority. Registration does not imply a certain level of skill or training. Additional information about Warrington Asset Management, LLC is available on the SEC's website at www.AdviserInfo.sec.gov.

ITEM 2 - MATERIAL CHANGES

This section only discusses any material changes to this Form ADV Part 2A disclosure document which we refer to as our "brochure." This is our first brochure.

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ITEM 4 - ADVISORY BUSINESS

General Information

Warrington Asset Management, LLC (WAM) was formed in 1997, and provides portfolio management services to its clients.

The principal owner of the company is Warrington PR LLC, which is in turn owned by Warrington Advisors, LLC and Kimple 2009 Trust.

Please see our ADV Part 2B for more information on the individuals who formulate investment advice and have direct contact with clients or discretionary authority over client accounts.

As of May 31, 2023, WAM managed \$308,800,000 on a discretionary basis and no assets on a non-discretionary basis.

Services Offered

At the outset of each client relationship, WAM spends time with the client, asking questions, discussing the client's investment experience and determining the risk tolerance of the client to determine which of two strategies is most suited for the clients. WAM primarily recommends investments in commodities and futures.

Portfolio Management Services – CTA Programs

WAM begins the investment process of its CTA programs by surveying both technical and fundamental indicators. The technical indicators include, but are not limited to, Relative Strength Indicators, the S&P Short Range Oscillator, slow vs fast stochastics, the 50 vs 200 day moving averages, the put/call ratio, the McClellan oscillator, new highs vs new lows, the VIX and our proprietary "Band Chart" which measures how overbought or oversold the S&P is at a given time.

As described above, at the beginning of a client relationship, WAM meets with the client, gathers information, and performs research and analysis as necessary to determine which strategy suits the client's risk tolerance.

WAM manages the client's investment portfolio on a discretionary basis. As a discretionary investment adviser, WAM has the authority to supervise and direct the portfolio without prior consultation with the client.

Notwithstanding the foregoing, clients may impose maximum margin limits on their accounts, but they may not restrict trading of any particular securities. Each client should note, however, that restrictions imposed by a client may adversely affect the composition and performance of the client's investment portfolio. Each client should also note that his or her investment portfolio is treated individually by giving consideration to each purchase or sale for the client's account. For these and other reasons, performance of client investment portfolios within the same investment objectives, goals and/or risk tolerance may differ, and clients should not expect that the composition or performance of their investment

portfolios would necessarily be consistent with similar clients of WAM if restrictions are imposed.

ITEM 5 - FEES AND COMPENSATION

General Fee Information

Generally, clients elect to pay management fees to WAM separately from the brokerage expenses of the account. Accordingly, client accounts pay a management fee, plus the cost of transactions in the account.

The fees noted above are separate and distinct from the internal fees and expenses charged by mutual funds, ETFs (exchange traded funds) or other investment pools to their shareholders (generally including a management fee and fund expenses, as described in each fund's prospectus, or offering materials). The client should review all fees charged by funds, brokers, WAM, and others to fully understand the total amount of fees paid by the client for investment and financial-related services.

Portfolio management fees are typically payable quarterly in arrears in accordance with the client's Investment Management Agreement with WAM. The value of the securities is computed by the custodian based on the market value as of the last day of each calendar quarter. If there is no market value available, the security value is computed at fair value. When management begins after the start of a quarter, fees are prorated accordingly. Fees may also be prorated for substantial cash flows at WAM's discretion. With client authorization, and unless other arrangements are made, fees are normally debited directly from client account(s).

Either WAM or the client may terminate their Investment Management Agreement at any time, subject to any written notice requirements in the agreement. In the event of termination, any paid but unearned fees are promptly refunded to the client based on the number of days that the account was managed. Any fees due to WAM from the client are invoiced or deducted from the client's account prior to termination.

Portfolio Management Services Fees

WAM's fees for Portfolio Management Services are based upon a percentage of assets under management. Fees are 2% annually based on AUM as of the end of each quarter, regardless of profitability. Fees are negotiable. The terms and conditions of the fee structure are mutually agreed upon prior to entering into an advisory agreement. WAM may, at its discretion, make exceptions to the foregoing or negotiate special arrangements where WAM deems it appropriate under the circumstances. WAM directly debits fees from client accounts. WAM will notify the introducing broker of the quarterly fee and the introducing broker will then debit the fees directly.

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

WAM does have performance-based fee arrangements when investing in the CTA programs. WAM charges a 20% performance fee.

Because investments with higher expected returns may also have higher risks of loss, the existence of performance-based profit allocations might create incentives for an investment manager to use client funds for investments that are riskier than investments that might be made under a compensation structure that did not include performance-based profit allocations.

The incentive fee, calculated and billed quarterly, is equal to twenty percent (20%) of "Trading Profits". "Trading Profits" shall mean the increase, if any, in the Net Assets (as defined below) of the customer's account as of the end of each calendar quarter (adjusting Net Assets for the purpose of calculating such fee by adding back (i) the incentive fees accrued or payable, (ii) any decrease in the Net Assets resulting from a notice from the customer of such decrease (whether or not in connection with any funds being withdrawn from the account) since the beginning of the quarter that immediately follows the last quarter-end at which an incentive fees was earned, (iii) and deducting any increase in Net Assets resulting from a notice from the customer of such increase (whether or not in connection with any additional funds deposited in the account) since the last quarter-end at which an incentive fee was earned or, if no incentive fee has been earned previously, since the beginning of the trading period)

ITEM 7 - TYPES OF CLIENTS

WAM serves individuals, mutual funds, and unregistered private funds. An account minimum of \$500,000 is required.

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

Methods of Analysis and Investment Strategies

Technical Analysis - involves studying past price patterns and trends in the financial markets to predict the direction of both the overall market and specific stocks.

The main sources of information include financial newspapers and magazines,

S&P P/E ratio (both forward and backward looking), economic and earnings releases, global economic and political events, and Federal Reserve statements, speeches, and research papers.

Specific sources of information that WAM may use include data services such as Bloomberg and CQG, to published periodicals such as The Wall Street Journal, Barron's,

Bloomberg BusinessWeek, The Economist, Investor's Business Daily, Financial Times, and Grant's Interest Rate Observer. We also read a number of non-traditional news sources such as online blogs covering both technical analysis as well as fundamental developments, and some other obscure sources through Twitter.

Investment Strategies

Strategies may include long-term purchases, short-term purchases, trading, tactical asset allocation, short sales, and option writing and buying (including covered options, uncovered options, or spreading strategies) which are described below:

Strategic

Warrington Asset Management utilizes a fundamental, discretionary trading strategy using options on the S&P 500 index futures. We seek to produce consistent, non-volatile, superior returns that are uncorrelated to stocks, bonds and other CTAs. Having traded the same strategy since 1997, Warrington's tested and proven methodology is designed to potentially profit in any market environment. Warrington uses technical and fundamental market analysis to form a market opinion and then uses combinations of options to express that opinion. By trading only around the front-month options expiration, Warrington is able to keep its positions very short-term in nature, usually lasting only four to six weeks in duration. Risk management and capital preservation are key components of the strategy and using our predetermined, incremental hedging strategy has been instrumental in minimizing losses in a variety of volatile markets since 1997.

Tactical

Warrington Asset Management's Tactical trading program builds on the firm's twenty-year history of successful money management. Utilizing a fundamental, discretionary trading strategy based solely on S&P 500 futures options, we seek to produce consistent, non-volatile, superior returns that are uncorrelated to stocks, bonds, and other CTAs. The short-term trading strategy sells options, usually 1-2 weeks before expiration, which are deep out-of-the-money to capture small, consistent profits, with disciplined risk management to protect against adverse market moves. The option trades are spread across multiple serial, quarterly, end-of-month and weekly expirations, providing additional diversification.

Options Trading/Writing - a securities transaction that involves buying or selling (writing) an option. If clients write an option, and the buyer exercises the option, clients are obligated to purchase or deliver a specified number of shares at a specified price at the exercise of the option, regardless of the market value of the security at expiration of the option. Buying an option gives clients the right to purchase or sell a specified number of shares at a specified price until the date of expiration of the option regardless of the market value of the security at expiration of the option.

The investment strategy for a specific client is based upon the strategy selection at the beginning of the client engagement.

Risk of Loss

While WAM seeks to diversify clients' investment portfolios across various asset classes consistent with their Investment Plans to reduce risk of loss, all investment portfolios are

subject to risks which clients should be prepared to bear. Accordingly, there can be no assurance that client investment portfolios will be able to fully meet their investment objectives and goals, or that investments will not lose money.

Below is a description of several of the principal risks that client investment portfolios face.

Management Risks. While WAM manages client investment portfolios based on WAM's experience, research, and proprietary methods, the value of client investment portfolios changes daily based on the performance of the underlying securities in which they are invested. Accordingly, client investment portfolios are subject to the risk that WAM allocates assets to asset classes that are adversely affected by unanticipated market movements and the risk that WAM's specific investment choices could underperform their relevant indexes.

Currency Risk: WAM may invest portions of client assets in foreign investments. Foreign investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.

Margin Risk: WAM may invest its client's assets using margin accounts. Margin transactions, in which an investor deposits a certain amount in a margin account and securities are purchased in part with borrowed funds, are subject to legal limitations and may carry other risks, including the following:

- The possibility that the investor can lose more funds than were deposited in the margin account. A decline in the value of securities that are purchased on margin may require that the investor provide additional funds to the firm that has provided the loan to avoid the forced sale of those securities or other securities in the investor's account.
- The risk that WAM can be forced to sell securities in the client's account if the equity in the margin account falls below the maintenance margin requirements under the law—or the firm's higher "house" requirements. WAM can sell the securities in the client's account to cover the margin deficiency. In this event, the client will also be responsible for any short fall in the account after such a sale.
- A client is not entitled to an extension of time on a margin call. While an extension of time to meet initial margin requirements may be available to customers under certain conditions, a customer does not have a right to the extension. In addition, a customer does not have a right to an extension of time to meet a maintenance margin call.

Options Risk: Even a small investment in options may give rise to leverage risk and can have a significant impact on the accounts' performance. Derivatives are subject to credit risk and liquidity risk.

ITEM 9 - DISCIPLINARY INFORMATION

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to a client's evaluation of WAM or the

integrity of WAM's management. Neither WAM nor any of its associates have any disciplinary activity to report.

ITEM 10 - OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

WAM is affiliated with Warrington GP through common ownership, a Commodity Pool Operator. Registered with the National Futures Association. WAM may suggest to clients that they invest in commodity pools operated by Warrington GP, but only if WAM determines such pools are suitable to the client's risk tolerance. Clients who invest in a pool operated by Warrington GP will only pay the fees associated with that investment and will not be charged by WAM as part of the assets under management.

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

Code of Ethics and Personal Trading

WAM has adopted a Code of Ethics ("Code"), the full text of which is available to clients upon request by using the contact information found on the cover page of this brochure. WAM's Code has several goals. First, the Code is designed to assist WAM in complying with applicable laws and regulations governing its investment advisory business. Under the Investment Advisers Act, WAM owes fiduciary duties to its clients. Pursuant to these fiduciary duties, the Code requires persons associated with WAM (managers, officers, and employees) to act with honesty, good faith, and fair dealing in working with clients. In addition, the Code prohibits such associated persons from trading or otherwise acting on insider information.

Next, the Code sets forth guidelines for professional standards for WAM's associated persons. Under the Code's Professional Standards, WAM expects its associated persons to put the interests of its clients first, ahead of personal interests. In this regard, WAM's associated persons are not to take inappropriate advantage of their positions in relation to WAM clients.

Third, the Code sets forth policies and procedures to monitor and review the personal trading activities of associated persons. From time to time, WAM's associated persons may invest in the same securities recommended to clients. Under its Code, WAM has adopted policies designed to reduce or eliminate conflicts of interest that this could potentially cause. The Code's personal trading policies include procedures for limitations on personal securities transactions of associated persons, reporting and review of such trading, and pre-clearance of certain types of personal trading activities. These policies are designed to discourage and prohibit personal trading that would disadvantage clients. The Code also provides for disciplinary action as appropriate for violations.

Participation or Interest in Client Transactions

As outlined above, WAM has adopted policies to protect client interests when its associated persons invest in the same securities as those selected for or recommended to clients. In the event of any identified potential trading conflicts of interest, WAM's goal is to place client interests first.

Consistent with the foregoing, WAM maintains policies regarding participation in initial public offerings ("IPO"s) and private placements to comply with applicable laws and avoid conflicts with client transactions. If a WAM associated person wishes to participate in an IPO or invest in a private placement, he or she must submit a pre-clearance request and obtain the approval of the Chief Compliance Officer.

Finally, if associated persons trade with client accounts (e.g., in a bundled or aggregated trade), and the trade is not filled in its entirety, the associated person's shares are removed from the block, and the balance of shares are allocated among client accounts.

ITEM 12 - BROKERAGE PRACTICES

Best Execution and Benefits of Brokerage Selection

When given discretion to select the brokerage firm that will execute orders in client accounts, WAM seeks "best execution" for client trades, which is a combination of a number of factors, including, without limitation, quality of execution, services provided and commission rates. Therefore, WAM may use or recommend the use of brokers who do not charge the lowest available commission in the recognition of research and securities transaction services, or quality of execution. Research services received with transactions may include proprietary or third-party research (or any combination) and may be used in servicing any or all of WAM's clients. Therefore, research services received may not be used for the account for which the particular transaction was effected.

WAM may recommend the Custodians to clients for custody and brokerage services.

Soft Dollars

WAM does not utilize soft dollars.

Directed Brokerage

Clients may direct WAM to use a particular broker for custodial or transaction services on behalf of the client's portfolio. In directed brokerage arrangements, the client is responsible for negotiating the commission rates and other fees to be paid to the broker. Accordingly, a client who directs brokerage should consider whether such designation may result in certain costs or disadvantages to the client, either because the client may pay higher commissions or obtain less favorable execution, or the designation limits the investment options available to the client.

Aggregated Trade Policy

WAM may enter trades as a block where possible and when advantageous to clients whose accounts have a need to buy or sell shares of the same security. This blocking of trades permits the trading of aggregate blocks of securities composed of assets from multiple client accounts, so long as transaction costs are shared equally and on a pro-rata basis between all accounts included in any such block. Block trading allows WAM to execute equity trades in a timelier, equitable manner, and may reduce overall costs to clients.

WAM only aggregates transactions when it believes that aggregation is consistent with its duty to seek best execution (which includes the duty to seek best price) for its clients and is consistent with the terms of WAM's Investment Advisory Agreement with each client for which trades are being aggregated. No advisory client will be favored over any other client. Each client that participates in an aggregated order will participate at the average share price for all WAM's transactions in a given security on a given business day, with transaction costs generally shared pro-rata based on each client's participation in the transaction.

On occasion, depending on the size of a particular account's pro-rata share of an order or other factors, the commission or transaction fee charged could be above or below a breakpoint in a pre-determined commission or fee schedule set by the executing broker, and therefore, transaction charges may vary slightly among accounts. Accounts may be excluded from a block due to tax considerations, client direction, nominal value, or other factors making the account's participation ineligible or impractical.

WAM prepares, before entering an aggregated order, a plan specifying the participating client accounts and how it intends to allocate the order among those clients. If the aggregated order is filled in its entirety, it is allocated among clients in accordance with the plan. If the order is partially filled, it will generally be allocated pro-rata, based on the partial fill policy. Notwithstanding the foregoing, the order may be allocated on a basis different from that specified in the partial fill policy, if all client accounts receive fair and equitable treatment, and the reason for different allocation is explained in writing and is approved by an appropriate individual/officer of WAM. WAM's books and records separately reflect, for each client account included in a block trade, the securities held by, bought, and sold for that account. Funds and securities of clients whose orders are aggregated are deposited with one or more banks or broker-dealers, and neither the clients' cash nor their securities are held collectively any longer than is necessary to settle the transaction on a delivery versus payment basis. Cash or securities held collectively for clients are delivered out to the custodian bank or broker-dealer as soon as practicable following the settlement, and WAM does not receive additional compensation or remuneration of any kind as a result of the proposed aggregation.

Trade Errors

When WAM causes a trade error, it takes prompt action to resolve the error with the objective to return the client's account to the position that it would have been if there had been no error. WAM pays to correct an error and reimburses a client for any loss resulting from the error. If an error is identified and corrected prior to settlement of the trade and the correction of the trading error results in a gain, WAM may keep the resulting gain. If an error

is identified and corrected after the settlement of the trade, and the correction of the trading error results in a gain, an amount equal to the gain shall be given to the client.

ITEM 13 - REVIEW OF ACCOUNTS

Managed portfolio balances, margin and trades are reviewed daily by the investment advisor representatives. WAM communicates primarily with the Introducing Broker and will review client information as needed based on information provided by the Introducing Brokers.

Account custodians are responsible for providing monthly or quarterly account statements which reflect the positions (and current pricing) in each account as well as transactions in each account, including fees paid from account. Custodians also provide prompt confirmation of all trading activity, and year-end tax statements, such as 1099 forms. If requested by the client, WAM will provide written holdings and/or performance reporting on managed portfolios. Additional reports are available at the request of the client.

ITEM 14 - CLIENT REFERRALS AND OTHER COMPENSATION

WAM does not have any arrangements for client referrals or other compensation.

ITEM 15 - CUSTODY

The custody of clients' account assets must be maintained at an independent "qualified custodian," which is typically a brokerage firm or FCM. In addition to any account statements clients may receive from us, clients will receive account statements directly from the client's custodian on at least a quarterly basis; although clients may receive them on a monthly basis. Clients should carefully review these statements and compare these statements to statements clients receive from us for any discrepancies. Clients should also remember that the statements clients receive from the client's custodian are the client's official record of the client's accounts and assets for tax purposes.

Although custody of clients' account assets will generally be maintained at the client's qualified custodian, as stated above, under certain circumstances, we may be deemed to have custody of a client's account assets. These reasons involve our authority to directly debit the client's custodial account to collect our fee and assisting clients with transfer of assets held by some custodians.

From time to time, WAM will provide additional written reports. The account balances reflected on these reports should be compared to the balances shown on the brokerage statements to ensure accuracy. At times, there may be small differences due to the timing of dividend reporting, pending trades, or other similar issues.

ITEM 16 - INVESTMENT DISCRETION

As described above under *Item 4 - Advisory Business*, WAM manages portfolios on a discretionary basis. This means that after an Investment Plan is developed for the client's investment portfolio, WAM will execute that plan without specific consent from the client for each transaction. WAM then directs investment of the client's portfolio using its discretionary authority. The client may limit what WAM can do to the extent consistent with the client's investment advisory agreement with WAM and the requirements of the client's custodian. The discretionary relationship is further described in the agreement between WAM and the client.

ITEM 17 - VOTING CLIENT SECURITIES

Proxy Voting

Due to the nature of WAM's investments in only options and futures contracts, WAM does not vote proxies. In the event that WAM decides to trade equity securities in the future, WAM will develop a proxy voting policy.

ITEM 18 - FINANCIAL INFORMATION

WAM does not require, nor solicit, prepayment of more than \$1,200 in fees per client, six months or more in advance, and therefore, has no disclosure with respect to this item.