

Breakout Funds, LLC

Part 2A of Form ADV: Firm Brochure

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This brochure ("Brochure") provides information about the qualifications and business practices of Breakout Funds, LLC ("Adviser"), an investment adviser registered with the United States Securities and Exchange Commission (the "SEC"). If you have any questions about the contents of this Brochure, please contact us at 312-465-2694 or info@abreakoutfunds.com. The information in this Brochure has not been approved or verified by the SEC or by any state securities authority.

Additional information about the Adviser is also available on the SEC's website at www.adviserinfo.sec.gov.

Registration with the SEC or with any state securities authority does not imply a certain level of skill or training.

PURSUANT TO AN EXEMPTION FROM THE COMMODITY FUTURES TRADING COMMISSION ("CFTC") IN CONNECTION WITH ACCOUNTS OF QUALIFIED ELIGIBLE PERSONS, THIS BROCHURE OR ACCOUNT DOCUMENT IS NOT REQUIRED TO BE, AND HAS NOT BEEN, FILED WITH THE CFTC. THE CFTC DOES NOT PASS UPON THE MERITS OF PARTICIPATING IN A TRADING PROGRAM OR UPON THE ADEQUACY OR ACCURACY OF COMMODITY TRADING ADVISOR DISCLOSURE. CONSEQUENTLY, THE CFTC HAS NOT REVIEWED OR APPROVED THIS TRADING PROGRAM OR THIS BROCHURE OR ACCOUNT DOCUMENT.

Item 2 – Material Changes

The Adviser routinely makes updates throughout this Brochure to update its assets under management and to enhance and clarify the description of its business practices, risks, compliance policies and procedures, as well as to respond to evolving industry best practices.

Item 3 – Table of Contents

Item 2 – Material Changes	2
Item 3 – Table of Contents	3
Item 4 – Advisory Business	4
Item 5 – Fees and Compensation	5
Item 6 – Performance-Based Fees and Side-by-Side Management	7
Item 7 – Types of Clients	9
Item 8 – Methods of Analysis, Investment Strategies, and Risk of Loss	10
Item 9 – Disciplinary Information	18
Item 10 – Other Financial Industry Activities and Affiliations	19
Item 11 – Code of Ethics, Participation or Interests in Client Transactions and Personal Trading	20
Item 12 – Brokerage Practices	23
Item 13 – Review of Accounts	25
Item 14 – Client Referrals and Other Compensation	26
Item 15 – Custody	27
Item 16 – Investment Discretion	28
Item 17 – Voting Client Securities	29
Item 18 – Financial Information	30
Additional Information – Notice to Canadian Clients	31

Item 4 – Advisory Business

Overview

Breakout Funds, LLC (“Advisor,” “Breakout”) is a global macro Commodity Trading Advisor, founded in 2017, that takes a research-driven approach to managing alternative strategies. The Adviser commenced operations as an investment adviser in July 2023 and has been registered with the SEC since August 2023.

The Advisor is wholly owned by Matthew Laviolette, Aaron Larkin and Bryan Leavitt. The Advisor’s two majority owners are Matthew Laviolette and Aaron Larkin. The Advisor’s minority owner is Bryan Leavitt. Matthew Laviolette and Aaron Larkin are the founding principals of Breakout.

Advisory Services

Breakout utilizes a combination of experience, proprietary models, technical research and technology to generate returns on investments in exchange traded futures contracts. Breakout provides investment advice to its Clients (as defined below) on a variety of commodity interests with agreed upon investment objectives and strategies. Breakout implements its investment strategies through the following investment vehicles and portfolios.

Managed Accounts. Breakout provides advisory services to separately managed accounts for institutional investors (“Institutional Managed Accounts”). These institutional investors include; independent registered investment advisors, family offices, state pension funds, high net worth individuals and other individual investor clients.

Breakout Institutional Managed Accounts, shall be collectively referred to herein as “Clients”.

Breakout provides advice to Clients based on specific investment objectives and strategies. Under certain circumstances, Breakout tailors advisory services to the individual needs or requirements of a Client. For example, certain investors impose restrictions on their managed accounts, such as prohibiting certain securities or certain types of securities, controlling sector and industry concentrations in their portfolios or directing Breakout to trade in a particular manner or within certain risk limits. Likewise, other Clients may request certain customization to address specific tax or investment needs.

Assets Under Management

As of October 3, 2023, Breakout had approximately \$195,000,000 in Client net assets under management (“AUM”), all of which were managed on a discretionary basis. This AUM figure is comprised of SMA accounts that trade exclusively in exchange traded commodity futures contracts.

Item 5 – Fees and Compensation

Breakout is compensated through various fee structures, including asset-based fees and performance incentive-based fees. Asset-based fees (also called, “Management Fees” or “Advisory Fees”) are typically fixed fees based on AUM. A performance incentive fee is based upon a percentage of the net profits of the account being managed. Management Fees are typically charged monthly. Performance incentive fees are typically charged either Quarterly or on an Annual basis. Typically, when calculating net profits, performance incentive fees are based on absolute or benchmark-relative returns over an agreed upon time period and are subject to high water marks or loss carryforwards. As more fully described below, Breakout either bills or deducts fees in advance or in arrears, according to the terms of the pertinent investment management agreement or other governing documentation. Under certain circumstances, fees are negotiable.

Management fees will be charged without regard to the profitability of the account. Without limitation, the definition shall include the following significant accounting policies, all of which are consistent with the principles:

- (a) All cash, U.S. Treasury Bills (but not futures contracts thereon), and other such instruments shall be carried at their market value;
- (b) All open positions are valued at their then current market value, which means with respect to open positions, the settlement price as determined by the exchange on which the transaction is affected (or the most recent appropriate quotation as supplied by the clearing broker through which the transaction is effected). If there are no trades on the date of the calculation due to the operation of the daily price fluctuation limits or due to a closing of the exchange on which the transaction is executed, the contract will be valued at the nominal settlement price as determined by the exchange;
- (c) Brokerage commission on open positions shall be considered accrued in full (including, in the instance of commodity futures, on a “round-turn” basis) as a liability of the account;
- (d) The calculation of the management fee is made prior to any consideration or expense for any incentive fee imposed in the same calendar month.

A pro-rata management fee will be charged to accounts on any amount invested during the month.

Institutional Managed Accounts

Generally, advisory fees for Institutional Managed Accounts are separately negotiated with each institutional client and are based upon a percentage of AUM. Fees are based upon the fee methodology agreed to with each Institutional Managed Account. Institutional Managed Account advisory fees generally range up to 2.0% of AUM annually at the rate of 1/12th of 2% per month. The advisory fee is paid monthly based on the Net Asset Value of the account as of the end of the last business day of each month. Net Asset Value of the account shall mean the account’s total assets which includes any notional equity, as well as all cash, less liabilities, determined in accordance with Generally Accepted Accounting Principles. Breakout and Institutional Managed Accounts have, in certain circumstances, agreed to performance fees of up to 30% of net profits, subject to certain hurdles, in addition to or in lieu of a fixed advisory fee. Additional operating expenses may apply.

Additional Information

The investment terms offered to different Clients pursuing similar investment objectives in many cases differ. For example, certain Institutional Managed Accounts have different liquidity terms than others pursuing the same or similar investment objectives. Prospective clients and existing clients should consider these possible conflicts of interest in making their decision to invest or remain a client as certain Side Letters can result in favoring some clients over others and affect a client's expectations as to future return and risk.

Advisory fees are negotiable for Clients or investors in certain circumstances and Breakout from time to time enters into individual agreements with particular Clients or investors with respect to, among other things, the amount, the method of payment and timing of charging any management fee or performance fee. Generally, Breakout deducts the management fee and/or performance fee from UCITS by instructing such fund's administrator and/or custodian. Institutional Managed Accounts are either invoiced for advisory fees or they self-remit payment for those fees.

As noted above, fee arrangements may provide for the payment of monthly fees in advance or arrears. If termination of an advisory contract by the Client occurs during a month or quarter in which a fee is charged in advance, generally, such circumstances will result in the refund of a *pro rata* portion of the fee to the investor or Client for the remaining portion of the monthly or quarterly period, as the case may be.

Breakout's fees are in addition to brokerage commissions, transaction fees, service provider fees and platform fees as applicable.

Execution of Client transactions typically requires payment of brokerage commissions by Clients. Please see Item 12 – Brokerage Practices below for a description of the factors that Breakout considers in selecting counterparties for the execution of transactions and determining the reasonableness of their compensation, which are applicable for all Clients.

Investment activity also involves other transaction fees and taxes payable by Clients, including but not limited to, sales charges, odd-lot differentials, transfer taxes, financial transaction taxes, wire transfer and electronic fund fees, overdraft fees and other fees and taxes on brokerage accounts and securities transactions. In addition, Clients incur certain charges imposed by custodians, prime brokers, counterparties, banks, governmental authorities, third-party investment consultants or investment advisers, investment platform providers, attorneys and other third parties, such as custodial fees, consulting fees, administrative fees, auditing fees, legal and compliance fees, insurance fees, and transfer agency fees. Certain Clients also pay certain fees and/or expenses relating to governmental, regulatory, licensing, filing, or registration filings and their preparation, incurred in compliance with the applicable rules of any self-regulatory organization or any foreign, U.S. federal, state or local laws; to the extent permitted by applicable law, and subject to applicable client documentation, legal fees and costs arising in connection with litigation or a regulatory investigation; and extraordinary expenses or costs that the Client from time to time incurs. Further details of these and other expenses are described in the Clients' offering documents, account agreements, and onboarding documents.

Certain Breakout employees are registered representatives of Breakout. As registered representatives, such Breakout employees may engage in the marketing of Institutional Managed Accounts. However, the registered representatives will not receive compensation for providing such services. Please see Item 10 – Other Financial Industry Activities and Affiliations below for a more detailed discussion of these Breakout employees' role as registered representatives of Breakout.

Item 6 – Performance Incentive-Based Fees and Side-by-Side Management

Performance Incentive-Based Fees

As noted above, a performance fee represents an asset manager's compensation for managing a client account which is based upon a percentage of the net profits of the account being managed. Typically, when calculating net profits, performance fees are based on either absolute or benchmark-relative returns over an agreed upon time period, with performance fees subject to high water marks or loss carryforwards. In some instances, a performance fee represents all or a portion of Breakout's standard fee arrangement. In other instances, Breakout is compensated solely through an asset-based fee (*i.e.*, Breakout is paid a percentage of the amount of assets in the account). Breakout reserves the right to negotiate the rate of any applicable performance fees or asset-based fees on a case-by-case basis.

With respect to Breakout's management of Client assets, performance fees give rise to certain conflicts of interest. Specifically, Breakout's entitlement to performance fees in managing one or more accounts creates an incentive to take risks in managing those accounts that in certain circumstances Breakout would not otherwise take in the absence of such fee arrangements. Additionally, since performance fees reward for performance in accounts which are subject to such fees, Breakout has an incentive to favor these accounts over those that have only asset-based fees with respect to trading opportunities, trade allocation, and allocation of new investment opportunities. Generally, Breakout addresses these conflicts by utilizing an investment allocation policy designed to treat all Clients fairly and equitably over time. Please see below and Item 12 – Brokerage Practices for more information.

Side-by-Side Management

Side-by-side management of various types of accounts raises the possibility of favorable or preferential treatment of a Client account or a group of accounts arising from differences in fee arrangements, including favoring Clients with higher fee schedules over those with lower fee schedules. Breakout has procedures designed and implemented in furtherance of its efforts to treat all Clients fairly and equitably over time. By utilizing these procedures, Breakout believes that Clients that are subject to side-by-side management alongside other accounts are receiving fair and equitable treatment over time.

Breakout simultaneously manages multiple types of investment vehicles and accounts including Institutional Managed Accounts, and in many instances according to the same or a similar investment strategy (*i.e.*, side-by-side management). The simultaneous management of these different investment vehicles gives rise to the types of conflicts described above, for example, the fees for the management of certain types of investment vehicles may be higher than for others or the liquidity terms may differ. Nevertheless, when managing the assets of such investment vehicles, Breakout has a duty to treat all Clients fairly and equitably over time.

Although Breakout has a duty to treat all Clients fairly and equitably over time, each Client will not necessarily be managed the same at all times. Specifically, there is no requirement that Breakout use the same investment practices consistently or at the same time across all Clients. In general, investment decisions for each Client will be made independently from those of other Clients, and will be made based on the individual needs and objectives of each Client. In addition, different account guidelines, applicable laws and regulations, and/or differences within particular investment strategies leads, in some cases, to the use of different investment practices for accounts with a similar investment strategy or investing in the same securities. Portfolio managers know the size, timing and possible market impact of Client trades. A conflict of interest exists where portfolio managers could use this information to the advantage of certain accounts they manage and to the possible detriment of other accounts.

Breakout will not necessarily purchase or sell the same securities at the same time, in the same direction, or in the same proportionate amounts for all eligible accounts, particularly if different accounts have different amounts of investable cash available, different existing exposures, different liquidity requirements, different strategies, or different risk tolerances. As a result of these differences, although Breakout manages numerous accounts with similar or identical investment objectives, or may manage accounts with different objectives or strategies that trade in the same, similar or related securities, the portfolio decisions relating to these accounts, and the performance resulting from such decisions, may differ from account to account and, accordingly, Client to Client. Changes to, or modifications in, the investment strategies employed by the Adviser are generally implemented simultaneously, across Clients pursuing similar or identical investment objectives.

Please see Item 12 – Brokerage Practices below for a more detailed discussion of Breakout's trade allocation and aggregation policy and procedures.

Item 7 – Types of Clients

Breakout provides investment management services to institutional clients including, but not limited to, investment companies, pooled investment vehicles, state or municipal government entities, other investment advisers, corporations, or other business entities.

Breakout's investment minimums may vary according to investment strategy and vehicle (*i.e.*, Institutional Managed Account versus investment in a commodity trading pool/fund), and Breakout maintains the ability to waive such minimums at its discretion. Generally, the minimum to open an Institutional Managed Account at Breakout is \$1,000,000.00. In addition, Breakout reserves the right to waive investment minimums for particular Clients at its sole discretion. Please see Item 8 below for a more detailed discussion of risk management and account size.

Item 8 – Methods of Analysis, Investment Strategies, and Risk of Loss

Methods of Analysis

As noted in Item 4 – Advisory Business, Breakout specializes in global macroeconomic investment analysis, which relies on a combination of experience, proprietary models, technical research and technology to generate returns on investments in exchange traded futures contracts in a systemic process. In addition to quantitative investment analysis, Breakout also utilizes discretionary and/or hybrid strategies through a combination of quantitative, technical and fundamental techniques.

Quantitative investment analysis is a method of evaluating securities and other assets by analyzing a large amount of traditional and non-traditional data through the use of algorithms—or models—to generate investment decisions. Breakout's models may consider a wide breadth of factors, including, for example, traditional valuation measures, momentum indicators and price signals. These diverse sets of inputs, combined with Breakout's proprietary signal construction methodology, optimization process, and trading approach, are the foundation of Breakout's investment process. There are certain risks specific to firms specializing in quantitative investment analysis. Please see below under "Investment Risks" for a summary of some of the risks specific to quantitative investment analysis.

Breakout performs research internally. Breakout performs ongoing research to monitor and maintain the effectiveness of its models over time. External data (e.g., Refinitiv, Bloomberg and other data services) is used by Breakout in developing its quantitative forecasting computer models.

Investment Strategies

The Adviser utilizes several investment strategies, including both alternative and traditional investment strategies. The Propeller Program ("Program") is a discretionary global macro trading strategy with quantitatively researched views. The Advisor will trade based on entrances and exits with macro- economic overlays; for example concerns for interest rate environment, recent global events, and the like. Since the methodology and the trading strategies utilized by the Advisor are proprietary and confidential, the discussion that follows is of a general nature and is not intended to be exhaustive.

The Program includes a group of systems (which may have sub-systems) that are intended to have low correlation to one another, as well as manual trading. The systems may be operated as trading signals for manual trading or automated and trading that runs independently. In general, the systems are based on market inefficiencies with trend following, relative value, or volatility exposures. Futures may be hedged using multiple expiration months or other correlated products, but in general are directional in nature.

The risk allocation is intended to be dynamic based on market events. At times there will be little to no trading and risk, and at other times there will be an exceptional amount, all at the Advisor's discretion. The intent is to capitalize on opportunities when they arise and to be limited when there are none.

In addition to the Program, the market may occasionally present unique trading opportunities (not signaled by the Program) that the Advisor may enter into, using general risk control methodology.

Holding Periods

The Propeller Program will consist of a mix of multi-duration holding periods from intra-day trading, to multi-week holding positions of up to six weeks. Often a view will be expressed over a longer period of time but opportunistically traded in and out. For example, if the Advisor is in a long trade for an extended period of weeks, they may at times be flat while looking to re-enter the trade.

Trading Process

Trading initially is expected to be conducted in some or all of following futures contracts: Copper, Crude Oil, Gold, Lean Hogs, Live Cattle, Natural Gas, Platinum, RBOB, Silver, Soybeans, Soybean Oil, Swiss Franc, Wheat, Australian Dollar, British Pound, Euro, Yen, Mexican Peso, NASDAQ 100, Oats, Brazilian Real, US 30 Year Govt Bond, Feeder Cattle, US Ultra Bond, US 10 Year Govt Bond, New Zealand Dollar, Russian Ruble, Soybean Meal, Canadian Dollar, US 5 Year Govt Bond, US 2 Year Govt Bond, South African Rand, Heating Oil, Eurodollar, VIX, Schatz (German 2 Year Govt Bond), Bobl (German 5 Year Govt Bond), Bund (German 10 Year Govt Bond), Buxl (German 30 Year Govt Bond), Euro-BTP 10 Year Govt Bond, Euro-OAT 10 Year Govt Bond, Sugar, Dollar Index, Long Gilt (British 10 Year Govt Bond), Euribor, DAX, EUROSTOXX 50, Cotton, FTSE 100 Index.

In the discretion of the Advisor, the following futures may be added into the program: Coffee, Cocoa, Nikkei225 Index, Hang Seng Index, ASX 200 Index, CAC 40 Index, Bovespa Index, KOSPI 200 Index, Dow Jones Index, Swiss Market Index, Euro-BTP 5, Canadian 10 Year Govt Bond, Canadian 3 Month Bankers Acceptance, Australian 90 Day Acceptance Bank Bill, Australian 3 Year Govt Bond, Australian 3 Year Govt Bond, Fed Funds, Lumber, Orange Juice, Palladium, Canola Oil, S&P 60.

The preceding lists are representative of the interests that the Advisor intends to trade; however, selection of products, markets, and exchanges traded is completely within the Advisor's sole discretion. The Advisor may, in its sole discretion, add other commodities or remove commodities to be traded under the Program if it believes that such additions or removal could provide beneficial opportunities.

There can be no assurance that the objectives associated with any strategies described above will be met. At any time, Breakout may add, remove, modify, overweight or underweight any of the strategies or factors it employs. These methods, strategies, and investments involve risk of loss to Clients and Clients must be prepared to bear the loss of their entire investment.

The methods, strategies, and investments described herein apply to Clients.

Investment Risks

Some of the risks associated with Breakout's investment strategies, and the securities and other assets utilized to implement those strategies, include, but are not limited to, those listed below.

Borrowing and Embedded Leverage. Some Clients allow secured and unsecured borrowing to the maximum extent allowable under applicable credit regulations. Like other forms of leverage, the use of borrowing can enhance the risk of capital loss in the event of adverse changes in the level of market prices of the assets being financed with the borrowings. Leverage may also take the form of financial instruments, including OTC derivative instruments which are inherently leveraged, and products with embedded leverage such as futures, options, short sales, swaps, and forwards, in which an investor can lose more money than the initial cost of the investment. The use of leverage allows the Clients to increase their exposure to assets, such that total assets may be greater than capital invested. However, the use of leverage may also magnify the volatility—or the likelihood of short-term changes in value—of any portfolio. The effect of the use of leverage in a portfolio may result in losses to the portfolio that exceed losses to the portfolio if such portfolio did not utilize leverage.

Commodities. Commodity investments are affected by business, financial market, or legal uncertainties. There can be no assurance that Breakout will correctly evaluate the nature and magnitude of the various factors that could affect the value of and return on its commodity investments. Prices of commodity investments may be volatile, and a variety of factors that are inherently difficult to predict, such as domestic or international economic and political developments, may significantly affect the results of a Client's portfolio and the value of its investments. In addition, the value of the Client's portfolio may fluctuate as the general level of interest rates fluctuates.

Commodity Futures and Options. Commodity futures markets are highly volatile and are influenced by factors such as changing supply and demand relationships, governmental programs and policies, national and international political and economic events, and changes in interest rates. In addition, because of the low margin deposits normally required in commodity futures trading, a high degree of leverage may be typical of a Client engaging in commodity futures trading. As a result, a relatively small price movement in a commodity futures contract may result in substantial losses to such Client. Commodity options, like commodity futures contracts, are speculative, and their use involves risk. Specific market movements of the cash commodity or futures contract underlying an option cannot be predicted and no assurance can be given that a liquid offset market will exist for any particular futures option at any particular time.

Counterparty Risk. Counterparty risk is the risk to each party of a contract that the counterparty will not live up to its contractual obligations. Clients could potentially incur a significant loss as a result of counterparty credit exposure should the counterparty fail to fulfill its obligations.

Currency Risk. Currency risk is the risk that changes in currency exchange rates will negatively affect securities denominated in, and/or receiving revenues in, foreign currencies. The liquidity and trading value of foreign currencies could be affected by global economic factors, such as inflation, interest rate levels, and trade balances among countries, as well as the actions of sovereign governments and central banks. Adverse changes in currency exchange rates (relative to the U.S. dollar) may erode or reverse any potential gains from investments in securities denominated in a foreign currency or may widen existing losses.

Cybersecurity Risk. With the increased use of technologies such as the Internet to conduct business, the Adviser and its Clients are susceptible to operational, information security and related risks. In general, cyber incidents can result from deliberate attacks or unintentional events. Cyberattacks include, but are not limited to, gaining unauthorized access to digital systems (e.g., through “hacking” or malicious software coding) for purposes of misappropriating assets or sensitive information, corrupting data, or causing operational disruption. Cyberattacks may also be carried out in a manner that does not require gaining unauthorized access, such as causing denial-of-service attacks on websites (i.e., efforts to make network services unavailable to intended users). Cyber incidents affecting the Adviser, sub-adviser(s) and other service providers (including, but not limited to, administrators, accountants, law firms, custodians, transfer agents and financial intermediaries) have the ability to cause disruptions and impact business operations, potentially resulting in financial losses, impediments to trading, the inability of Clients and/or investors to transact business, violations of applicable privacy and other laws, regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, or additional compliance costs. Similar adverse consequences could result from cyber incidents affecting issuers of securities in which a Client invests, counterparties with which a Client engages in transactions, governmental and other regulatory authorities, exchange and other financial market operators, banks, brokers, dealers, insurance companies and other financial institutions (including financial intermediaries and other service providers for Clients) and other parties. In addition, substantial costs may be incurred in order to prevent any cyber incidents in the future. While a Client’s service providers may have established business continuity plans in the event of, and risk management systems to prevent, such cyber incidents, there are inherent limitations in such plans and systems including the possibility that certain risks have not been identified. Furthermore, the Adviser cannot control the cyber security plans and systems put in place by its service providers or any other third parties whose operations may affect a Client. As a result, Clients could be negatively impacted.

Execution/Implementation Risk. There can be no assurance that Breakout’s investment strategies will be successfully implemented. Failure to successfully implement Breakout’s investment strategies, due to errors related to the operation of quantitative models or otherwise, can lead to substantial losses or missed opportunities for gains for a Client. While Breakout monitors client portfolios, there can be no assurance that risks associated with the implementation of investment strategies will be effectively managed.

Fixed-Income and Debt Securities. Investment in fixed-income and debt securities, such as bonds, notes, and asset-backed securities, subject a Client to the risk that the value of these securities overall will decline because of rising interest rates.

Futures Contracts Risks. Futures prices are highly volatile. An extremely high degree of leverage is typical of a futures trading account; as a result, a relatively small price movement in a futures contract price may result in substantial losses to a portfolio. Like other leveraged investments, any purchase or sale of a futures contract may result in losses in excess of the amount invested. Futures exchanges and trading facilities limit fluctuations in certain futures contract prices during a single day by regulations referred to as “daily price fluctuation limits” or “daily limits.” During a single trading day no trades may be executed at prices beyond the daily limit. Futures prices have occasionally moved to the daily limit for several consecutive days with little or no trading. Similar occurrences could prevent the prompt liquidation of unfavorable positions and subject a portfolio to substantial losses. The CFTC and certain futures exchanges and trading facilities have established limits referred to as “speculative position limits” on the maximum net long or net short positions that any person may hold or control in certain futures contracts.

General Risks of Derivatives Use. Derivatives trading is highly speculative. Price movements of derivative contracts are influenced by, among other things, changing supply and demand relationships, governmental agricultural and trade programs and policies, and national and international political and economic events. Foreign currency forward prices are influenced by, among other things, changes in balances of payments and trade, domestic and international rates of inflation, international trade restrictions, and currency devaluations and revaluations. In addition, unless a portfolio is hedged against fluctuations in the exchange rate between the U.S. dollar and the currencies in which trading is done on some foreign exchanges, any profits that such a portfolio realizes in trading on such exchanges could be eliminated by adverse changes in the exchange rate, or such a portfolio could incur losses as a result of any such changes. Due to the low margin deposits normally required in derivatives trading, an extremely high degree of leverage is typical of a derivatives trading account. As a result, a relatively small price movement in a derivatives contract price may result in substantial losses to a portfolio. Like other leveraged investments, any purchase or sale of a derivatives contract may result in losses in excess of the amount invested. Accordingly, relatively small derivatives positions have the potential to erode significantly or erase gains and compound losses in other investments held by a portfolio.

Hedging. There can be no assurances that a particular hedge is appropriate or that certain risk is measured properly. Further, while Breakout may enter into hedging transactions to seek to reduce risk, such transactions may result in poorer overall performance and increased (rather than reduced) risk for the Client portfolios than if Breakout did not engage in any such hedging transactions.

Interest Rate Risk. Portfolios may be subject to interest rate risk. Generally, the value of fixed income securities will change inversely with changes in interest rates. As interest rates rise, the market value of fixed income securities tends to decrease. Conversely, as interest rates fall, the market value of fixed income securities tends to increase. This risk will be greater for long-term securities than for short-term securities.

Investment and Trading Risk Generally. Investments in securities and other financial instruments and products that are subject to market forces risk the permanent loss of capital as a result of adverse market developments, which can be unpredictable. To the extent that a portfolio is concentrated in any one particular strategy, the risk of any incorrect investment decision is increased. Each strategy exposes the Client's capital to the risk of an extremely rapid and severe decline in value in the event of a sudden change in the level of volatility (e.g., a market crash) that is not anticipated by Breakout.

Leverage. Certain of Breakout's strategies utilize varying amounts of leverage, which involves the borrowing of funds from U.S. and non-U.S. brokerage firms, banks, and other institutions in order to be able to increase the amount of capital available for securities investments. Leverage may also be embedded in financial instruments, including futures and short sales, as well as OTC derivatives like options, swaps, and forwards, which enable investors to gain exposure to assets whose value exceeds the amount of capital necessary to obtain such exposure. Money borrowed will be subject to interest, costs and other fees, which may or may not be recovered by earnings on the securities purchased. A fund or account also may be required to maintain minimum average balances in connection with a borrowing or to pay a commitment or other fee to maintain a line of credit. Either of these requirements would increase the cost of borrowing over the stated interest rate. Unless the appreciation and income, if any, on assets acquired with borrowed funds exceed the costs of borrowing, the use of leverage will diminish the investment performance of a fund or account compared with what it would have been without leverage.

Liquidity Risk Generally. Liquidity—or the ability to quickly sell an asset at its fair market value—is important to the Adviser’s investment strategies. Under certain market conditions, such as during volatile markets or when trading in a financial instrument or market is otherwise impaired, the liquidity of the Adviser’s portfolio positions may be reduced. In addition, the Adviser may, from time to time, hold large positions in a particular portfolio with respect to a specific type of financial instrument, which may reduce the portfolio’s liquidity. During such times, the Advisor may be unable to dispose of certain financial instruments, including longer-term financial instruments, which would adversely affect its ability to rebalance a portfolio or meet redemption requests. Under these circumstances the Adviser may be forced to dispose of financial instruments at reduced prices, thereby adversely affecting its performance. If there are other market participants seeking to dispose of similar financial instruments at the same time, the Adviser may be unable to sell such financial instruments or prevent losses relating to such financial instruments. Furthermore, if the Adviser incurs substantial trading losses, the need for liquidity could rise sharply while its access to liquidity could be impaired. Finally, in conjunction with a market downturn, the Adviser’s counterparties could incur losses of their own, thereby weakening their financial condition and increasing the Adviser’s credit risk to those counterparties.

Market Disruption Risk. Clients and investors could lose money due to the effects of a market disruption. Although multiple asset classes may be affected by a market disruption, the duration and effects may not be the same for all types of assets. In early 2020, the global outbreak of Coronavirus (or Covid-19) created enormous unprecedented economic and social uncertainty throughout the world. Geopolitical and other events, including war, terrorism, economic uncertainty, trade disputes, trade sanctions, extreme weather and climate-related events, and other events affecting the financial markets, public health crises and related geopolitical events have led, and in the future may lead, to increased market volatility, which may disrupt US and world economies and markets and may have significant adverse direct or indirect effects on the fund and its investments.

Regulatory Limitations on Investment Adviser Activity. Governments may impose bans, restrictions or limitations on ownership and/or trading. Such limitations can be applied to securities, derivative instruments or other assets or instruments, including but not limited to, futures, options, or swaps. The imposition of the types of restrictions noted above will, in certain circumstances, adversely affect one or more Clients’ performance.

Social, Political and Economic Uncertainty Risk. The success of a Client’s activities will be affected by general economic and market conditions, such as interest rates, availability of credit, inflation rates, economic uncertainty, changes in laws (including laws relating to taxation of the Client’s investments), currency exchange controls, as well as the national and international political circumstances (including wars, terrorist acts, security operations or civil unrest). These factors will in many instances affect the level and volatility of securities prices and the liquidity of Client’s investments. Volatility or illiquidity could impair Client’s profitability or result in losses. These impacts can be exacerbated by failures of governments and societies to appropriately respond to emerging events or threats, whether by greater governmental and regulatory involvement in the economy, financial markets or social factors that impact the economy, or by insufficient governmental or regulatory action, among other possibilities. For example, a Client may be exposed to the direct and indirect consequences of potential or actual political, economic, social and diplomatic changes. Clients could incur material losses even if Breakout reacts quickly to difficult market conditions, and there can be no assurance that Clients will not suffer material losses and other adverse effects from broad and rapid changes in market conditions in the future.

The following risks relate to the Adviser's quantitative and statistical methods of analysis.

Computer System Risks. Throughout its investment management process and business operations, Breakout relies on a variety of computer hardware and software systems and platforms, some of which may be proprietary while others may be licensed from third parties (such systems and platforms, collectively, "Computer Systems"). Incorrect data, including stale or missing data, hardware or software malfunctions, programming inaccuracies, and similar errors may impair the performance of Computer Systems, which may negatively affect investment performance.

Crowding/Convergence. There is significant competition among quantitatively-focused managers. To the extent that Breakout's models come to resemble those employed by other managers, the risk that a market disruption that broadly affects the models of quantitatively-focused managers (including competitors of Breakout) may adversely affect a Client is increased, as such a disruption could accelerate reductions in liquidity or rapid repricing due to simultaneous trading across a number of funds in the marketplace.

Operational Risk. Breakout has developed systems and procedures to manage operational risk. Operational risks arising from mistakes made in the confirmation or settlement of transactions, from transactions not being properly booked or accounted for, or other similar disruption in the Adviser's operations may cause a Client to suffer financial loss, the disruption of the Adviser's business, liability of Clients to third parties, regulatory intervention, or reputational damage to Breakout. Breakout relies heavily on its portfolio management, trading, financial, accounting, and other data processing systems. The ability of its systems to accommodate an increasing volume of transactions could also constrain the Adviser's ability to properly manage a Client's portfolio.

Proprietary Trading Methods. Because Breakout's trading methods are proprietary, a Client will not be able to determine any details of such methods or whether they are being followed.

Trading Decisions Based on Quantitative and Other Analysis. Breakout's portfolio management and trading decisions are based on quantitative models, signals, and other analyses. Any factor that would lessen the prospect of major trends occurring in the future (such as increased governmental control of, or participation in, the financial markets) may reduce the prospect that a particular trading method or strategy will be profitable in the future. In the past, there have been periods without discernible trends and, presumably, such periods will continue to occur in the future. Moreover, any factor that would make it more difficult to execute trades at desired prices in accordance with the signals of the trading method or strategy (such as a significant lessening of liquidity in a particular market) would also be detrimental to profitability. Further, many advisors' investment models and trading methods utilize similar analyses in making trading decisions. Therefore, bunching of buy and sell orders can occur, which makes it more difficult for a position to be taken or liquidated. No assurance can be given that the Adviser's strategies will be successful under all or any market conditions.

Trading Judgment. The success of the proprietary valuation techniques and investment and trading strategies employed by Breakout is subject to the judgment and skills of the trading team and, research team. For Breakout Clients the abilities of the trading team with regard to execution and discipline are important to a Client's performance. There can be no assurance that the investment decisions or actions of the Advisor, researchers or trading personnel will be correct. Incorrect decisions or poor judgment may result in substantial losses to a Client.

Risk Management

A fundamental belief of the Breakout team is that sound risk management is the first goal of any investment. To this end, we have adopted the following risk management framework which details some investment risks we see in our strategy and how we manage them. Our general philosophy comes from our proprietary trading backgrounds where every position's risk is managed continuously at the intra-day level, without any inter-market correlation benefits assumed.

The Chief Risk Officer (CRO) has the primary responsibility to maintain and enforce this policy. The CRO has the power to ultimately override and liquidate any position if risk parameters are breached. If in an emergency, the CRO can directly order the executing broker to exit positions. If not an emergency, the CRO would contact the CIO and the CEO to exit positions.

Risk is monitored on a daily, weekly, and monthly basis. The CRO is copied on all trade confirms intraday. At the end of every trading day, members of the risk team receive end-of-day positions and their corresponding notional exposures. T+1, Breakout receives performance, margin use, instrument performance breakdowns, and notional exposure statistics from its managed account administrator.

This framework is intended to discuss direct investment risks only.

The strategy and methods used are intended to limit portfolio drawdown while maximizing returns, but there is no assurance that these will be effective. The Advisor intends to maintain a diverse set of modestly sized positions in a variety of commodity futures contracts that are traded on U.S. markets. The Advisor expects to invest primarily in highly liquid futures products, with many positions taken in spreads, either exchange approved or synthetic.

There is no set level of trading activity established for the Propeller Program.

Minimum Account Size

The minimum account size for the program is \$350,000 in U.S. funds, although the Advisor may, at its discretion, accept less than the minimum. The Advisor will trade the account as if it is funded with \$1,000,000, with the balance of the amount of funds required to achieve the \$1,000,000 being notional funds. It is projected that a range from 12%-20% of the account will be used for margining purposes. This is a target the Advisor uses in helping to manage risk and not a hard number to be maintained at all times. There certainly will be times where positions taken could be much less or more than projected, at the sole discretion of the Advisor.

The above does not purport to be a complete discussion of all the risks associated with a Client's specific mandate. Client's investment management agreement and disclosure document contains additional information with respect to the risks to which the Client will be subject.

Item 9 – Disciplinary Information

Breakout and all its employees and principals have no disciplinary history.

Item 10 – Other Financial Industry Activities and Affiliations

CFTC Registration Status

Breakout is registered with the CFTC as a commodity trading adviser and is a member of NFA.

Item 11 – Code of Ethics, Conflicts of Interest and Personal Trading

Code of Ethics

Breakout's officers, principals, and employees (collectively "Covered Persons") must abide by Breakout's Compliance Manual and Code of Ethics (the "Compliance Manual"), which includes Breakout's Personal Trading Policy (which is also applicable to members of their household).

Covered Persons may hold and transact in securities only if they comply with the Personal Trading Policy. Breakout has implemented the Personal Trading Policy in order to reduce conflicts of interest between trading for Clients and the personal trading activities of Covered Persons. Covered Persons are permitted to invest in exchange listed commodities, through their personal trading accounts, subject to certain restrictions. At times, Covered Persons invest in the same or related securities as those that Breakout or an affiliate invests in for Clients, including doing so before, or at or about the same time as a Client transaction is effected. The Personal Trading Policy also prohibits certain personal transactions, imposes restrictions on personal trading, requires pre-clearance of certain personal trades, and requires Covered Persons to make certain reports regarding their personal trading and private investments.

The allocation of all trades including any and all personal trading accounts is examined and tested quarterly by a third party accounting firm and auditor. This third party performs and tenders and quarterly allocation testing report.

Breakout is firmly committed to making its Covered Persons aware of the requirements within Breakout's Compliance Manual. All Covered Persons are provided with the Compliance Manual at the time of hire and must certify that they have received a copy of the Business Conduct Manual and have read and understand its provisions. Covered Persons are also required to certify at least annually that they have complied with the terms of the Compliance Manual. Additionally, Breakout conducts periodic compliance training that addresses the requirements of the Compliance Manual.

Clients or prospective Clients may obtain a copy of the Compliance Manual upon request.

Conflict of Interest Created by Proprietary Trading

Potential clients should note that Breakout Funds, LLC, its principals and/or its employees (if any) may trade futures interest contracts for their own proprietary accounts. Hence, it is possible that Breakout, its principals and/or its employees may, from time to time, as a result of a neutral allocation system, testing a new trading system, trading their proprietary accounts more aggressively, or any other actions that would not constitute a violation of fiduciary duties, be competing with a client's account for similar futures interest contract positions in one or several markets or may take positions in their proprietary accounts which are opposite, or ahead of, the positions taken in a client's account. Additionally, proprietary accounts may also receive preferential treatment. The records of such trading will not be made available to clients.

Management of Other Accounts by Trading Advisor.

The Advisor may have a conflict of interest in rendering advice to a client because its benefit from managing other commodity accounts may exceed its benefit from managing the client's account and, therefore, may provide incentives (financial or otherwise) to favor such other accounts, including the Advisor's proprietary trading accounts. For example, different accounts may pay different fees, trade with different leverage and will, from time to time, compete for the same positions with other accounts. In addition, the Advisor's acceptance of additional capital may adversely impact the performance of its existing clients' accounts because of speculative position limits, liquidity constraints or other factors. Advisor will not, however, knowingly or deliberately employ a trading method or recommendation on behalf of any account that it manages or trades that it knows to be inferior to any trading method or recommendation that is employed for other accounts or knowingly or deliberately favor one account over any other such account. Furthermore, any FCMs or IBs through which Advisor may manage or trade client accounts will have and maintain an operating policy of transmitting orders to the trading pits in the sequence received regardless of the account for which the order is placed.

Because of price volatility, occasional variations in liquidity, and differences in order execution, it is impossible for Advisor to obtain identical trade execution of all its clients. Such variations and differences may produce differences in performance among client accounts over time. In an effort to treat its clients fairly when block orders for client accounts are filled at different prices, Breakout assigns trades on a non-preferential systematic basis.

Incentive Fees. The Advisor receives an incentive fee based on performance. This may provide an incentive for the Advisor to trade an account more aggressively to seek maximum profits in order to generate such a fee.

Breakout is obligated by law and its own practices to treat each client with fairness, considering the client's best interest in adherence to its fiduciary duty to each Client.

Insider Trading/Material Nonpublic Information (“MNPI”)

All Breakout employees are subject to the Compliance Manual Policy to Prevent Insider Trading. This section of the Compliance Manual includes policies and procedures prohibiting the misuse of MNPI and is designed to prevent insider trading by an officer or employee of the Adviser. Additionally, employees are prohibited from transacting in the securities of the relevant issuer while in possession of MNPI that has been obtained in breach of a duty of trust or confidence, and disclosing such MNPI to any person, including, but not limited to, family members.

Item 12 – Brokerage Practices

Clients often grant Breakout responsibility for selecting brokers to execute portfolio transactions on behalf of Clients as well as negotiating any commissions or spreads paid on such transactions. Before establishing a relationship with any counterparty selected by Breakout, Breakout will evaluate the counterparty based on selection factors including, but not limited to, those listed below.

Selection Factors for Counterparties

Best Execution. Clients often grant Breakout the authority to select the counterparty to be used for the purchase or sale of securities and investments. Consequently, Breakout has a duty to seek best execution of transactions for Clients in which Breakout or its affiliates select the broker or counterparty. “Best execution” is generally understood to mean the most favorable cost or net proceeds reasonably obtainable under the circumstances.

In seeking best execution, the selection of executing brokers and their respective capabilities on behalf of Clients shall be evaluated by Breakout. Each broker evaluation shall be conducted by Breakout and consider factors including, but not limited to, those described below. The determining factor is not necessarily the lowest possible commission cost, but whether the transaction represents the best qualitative execution overall. Breakout has determined that the following factors, to the extent applicable, should be considered in determining whether a broker provides best execution: competitiveness of commission rates or spreads; execution capabilities; clearance and settlement capabilities; access to various market centers; expertise in executing trades for a particular security type; reputation and business practices; overall quality of broker services, including responsiveness and technology support; ability or willingness to maintain and commit adequate capital; and the size and volume of the broker’s order flow.

Recognizing the value of these factors, Breakout may select counterparties that charge a commission in excess of that which another counterparty might have charged for effecting the same transaction. Breakout is not obligated to choose the counterparty offering the lowest available commission rate if, in Breakout’s reasonable judgment, the total cost or proceeds from the transaction may be less favorable than what may be obtained elsewhere or if a higher commission is justified by the service provided by another counterparty.

Additional Considerations. When selecting brokers to execute Client trades, employees may not consider factors that are based on a personal benefit or conflicts of interest (e.g., directing execution as a means of compensating others for personal favors). In addition, employees are required to disclose to the Compliance Department any related person of the employee who is employed by or affiliated with a bank, broker-dealer, futures broker or commodities broker, which may present a potential conflict of interest.

Review of Counterparty Execution. Breakout has implemented internal controls and procedures to address the conflicts of interest associated with its brokerage practices. To determine that it is receiving best execution for its transactions over time, Breakout will obtain information as to the general level of commission rates being charged by the brokerage community, from time to time, and will periodically evaluate the overall reasonableness of brokerage commissions paid on Client transactions by reference to such data. To the extent Breakout has been paying higher commission rates for its transactions, Breakout will determine if the quality of execution and the services provided by the counterparty justify these higher commissions.

Soft Dollar Arrangements.

Breakout received a front-end trading software (specifically a trading terminal by Trading Technologies (TT)). The terminal is used entirely for execution (trading). It is not used for any other purpose—for example, it is not used for research. The SEC does not define services or products used for execution as soft dollar arrangements. The use of this terminal would not be considered a soft dollar arrangement by the SEC.

The reasons the use of this terminal does not constitute an actual conflict of interest are: 1) the choice of executing broker presents no conflicts or discrimination among clients; 2) neither Breakout, nor any of its principals are enriched by use of this terminal; 3) the use of the terminal was not and is not an incentive on the part of Breakout to use relevant Futures Commission Merchant; 4) the terminal does not represent a payment for order flow situation; 5) the choice of the executing broker was determined solely based on a competitive evaluation among all other brokers to secure the best execution and commission structure for the clients of BF; and 5) the existence of said terminal, is incidental to the foregoing point.

Breakout does not have any existing soft-dollar arrangements. To the extent Breakout may use soft dollars in the future, we expect that such use will fall within the safe harbor afforded by Section 28(e) of the Securities Exchange Act of 1934, as amended.

Brokerage for Client Referrals. Breakout does not select counterparties based on or related to Client referrals or in connection with past or future placement of investors with Breakout. Breakout conducts best execution reviews on a regular basis in an effort to mitigate potential conflicts of interest with brokerage relationships, and to provide reasonable assurance that Breakout obtains best execution for all Clients.

Trade Aggregation and Allocation. As a fiduciary, Breakout and its personnel must exercise due care to reasonably ensure that it places the interests of its Clients first and to allocate investment opportunities fairly and equitably and in accordance with regulatory requirements. The timing, size, and frequency of trading in a Client's portfolio will be determined by a number of factors, including, but not limited to: (1) investment objectives and guidelines; (2) regulatory restrictions; (3) risk tolerance including exposure control; (4) liquidity needs; (5) redemptions and subscriptions; and (6) daily trading limits. If a Client portfolio is scheduled to trade on the same day as a separate, but similar, Client portfolio, trading will be aggregated in certain circumstances.

As discussed in Item 6 – Performance-Based Fees and Side-By-Side Management above, side-by-side management of various types of portfolios raises the possibility of favorable or preferential treatment of a portfolio or a group of portfolios arising from differences in fee arrangements. Breakout has implemented specific controls built on two general principles: (1) fair allocation of a trade opportunity, and (2) fair allocation of price. Breakout's Trade Allocation Policy is available for review by prospective Clients upon request.

Policy. Breakout classifies trade errors pursuant to its own Trading Error Reporting Policy that is available in Breakout's Compliance Manual. Breakout addresses operational events on a case-by-case basis, in its discretion based on factors it considers reasonable, including regulatory requirements, contractual obligations, and business practices.

Item 13 – Review of Accounts

Breakout's portfolio managers, client administration analysts, and the Compliance Department frequently communicate with the trading staff to review the status of, and to provide instructions or guidance concerning, pending transactions for, and overall performance of, each Client's account. The level of review and guidance provided by Breakout's personnel varies based upon facts and circumstances specific to individual Clients. Generally, a review of a Client's account includes specific securities held, adherence to investment guidelines, and account performance.

Although Breakout reviews each Client's account on a regular basis, there are facts and circumstances which will prompt *ad hoc* reviews. Significant market events affecting the prices of one or more securities held by a Client, changes in investment objectives or guidelines of a particular Client, or specific arrangements with particular Clients or investors may trigger more frequent reviews of a particular Client's account.

Item 14 – Client Referrals and Other Compensation

Relationships with Consultants

Breakout has certain Clients that were introduced to Breakout through consultants. These consultants or their affiliates may, in the ordinary course of their investment consulting business, recommend Breakout's investment advisory services or otherwise place Breakout into searches or other selection processes for a particular client.

Breakout has extensive dealings with investment consultants, both in the consultants' role as adviser for their clients and through independent business relationships.

Payment of Fees to Salespersons. Breakout may pay fully registered persons or firms that introduce accounts to it a portion of the fees it receives from such accounts. As a result, people or firms that introduce a Client to the Advisor may have an incentive to do so based on the payments they will receive. This fee would be a part of the maximum commission, management and/or incentive fee(s) disclosed in the investment management agreement between Client and Advisor.

Relationships with Brokers

As discussed in Item 12 – Brokerage Practices, Breakout currently does not have any soft dollar arrangements other than use of front end trading software, which is not considered a soft dollar arrangement.

Item 15 – Custody

Breakout does not take custody of Client assets. Investment advisers with custody of client funds or securities are required to comply with the requirements of Rule 206(4)-2 of the Advisers Act. Breakout does not have actual physical custody of any investor funds or securities invested in such funds; rather, all such assets are held in the name of each of the applicable funds by an independent qualified custodian.

Breakout does not custody the assets of Institutional Managed Accounts. Custodians may be broker-dealers, prime brokers, banks, trust companies, or other qualified institutions. These Clients should carefully review the qualified custodian's statement upon receipt to determine that it completely and accurately states all holdings in the account and all account activity over the relevant period. Any discrepancies identified by a Client should be immediately reported to Breakout and the qualified custodian.

Item 16 – Investment Discretion

Breakout generally provides investment advisory services on a discretionary basis to Clients, though as noted above in Item 4 – Advisory Business.

Prior to assuming discretion in managing a Client's assets, the Adviser enters into a written investment management agreement or other agreement that sets forth the scope of the Adviser's discretion.

The agreement gives the Adviser the authority to determine the timing and amount of securities and other instruments to be purchased and sold for the Client account (subject to restrictions on Breakout's activities set forth in the applicable agreement, any written investment guidelines and applicable law). Because of the differences in Client investment objectives and strategies, risk tolerances, tax status, liquidity considerations, and other criteria, there may be differences among Clients in invested positions and amounts held. Please see Item 12 – Brokerage Practices.

Item 17 – Voting Client Securities

This section does not apply as Breakout provides investment counsel and discretionary trading solely over listed futures contracts.

Item 18 – Financial Information

This Item is not applicable.

Additional Information – Notice to Canadian Clients

Breakout Funds, LLC hereby provides notice that the Firm has filed to rely, and is actively relying on the International Adviser Exemption in the provinces of Ontario and Quebec pursuant to National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations ("NI 31-103"). For purposes of such exemption, Breakout is required to advise you of the following:

1. Breakout Funds, LLC is not registered as an adviser in any province or territory of Canada;
2. the jurisdiction of Breakout Fund, LLC's head office and principal place of business is the state of Tennessee, United States;
3. all or substantially all of Breakout Fund LLC's assets are or may be situated outside of Canada;
4. there may be difficulty enforcing legal rights against Breakout Funds, LLC in Canada because it is resident outside Canada and all or substantially all of its assets are or may be situated outside of Canada;
5. the full name and address of Breakout Funds, LLC's agents for service of process in each of the exempted jurisdictions of Canada, can be found below.

Please note that our agents for service are solely for purposes of serving upon us notices, pleadings, subpoenas, summons or other proceedings arising out of or relating to or concerning our activities.

Should you have any questions or require any information, please contact us at 312-435-6147 or info@breakoutfunds.com

Breakout Funds LLC has appointed the following agents for service of process in the Canadian provinces listed below:

Jurisdiction**Agent for Service of Process****Ontario****Fasken Martineau DuMoulin LLP**
333 Bay Street, Suite 2400
Toronto, ON M5H 2T6**Québec****Fasken Martineau DuMoulin LLP**
333 Bay Street, Suite 2400
Toronto, ON M5H 2T6

Breakout Funds, LLC

Part 2B of Form ADV: Firm Brochure Supplement

600 W Jackson,
Suite 110
Chicago, IL 60661
Tel: (312) 465-2694
Website: www.breakoutfunds.com

October 11, 2023

This brochure supplement provides information that supplements the Breakout Funds, LLC brochure with regard to the following people: Matthew Laviolette, Aaron Larkin, Bryan Leavitt and Jim Baniewicz.

You should have received a copy of the Breakout Funds LLC brochure. If you did not receive a copy of that brochure or if you have any questions about the contents of this brochure supplement, please contact Breakout Funds, LLC at 312-435-6147 or info@breakoutfunds.com

Matthew Laviolette

600 W Jackson,
Suite 110
Chicago, IL 60661
Tel: (312) 465-2694
Website: www.breakoutfunds.com

Educational Background and Business Experience:

Year of Birth: 1980

Formal Education: Indiana University, B.S., Finance and Accounting

Business Experience: Breakout Funds, LLC

- Chief Investment Officer and Founding Principal, 2017-Present
- Power of Investment Management Services Co. (PIMS)
- Co-Chief Investment Officer, April 2015-April 2017
- Vine Street Trading
- Senior Trader, December 2010-April 2015

Disciplinary Information:

Matthew Laviolette has no disciplinary events.

Other Business Activity:

The investment advisory business is Matthew Laviolette's occupation and he is not involved in any outside business activities.

Additional Compensation:

Matthew Laviolette does not receive any compensation or economic benefit from sources outside of Breakout Funds, LLC for providing advisory services.

Supervision:

Breakout's investment decisions are based on a quantitative analysis of a specified universe of derivatives. This quantitative analysis relies on proprietary models to generate views on derivatives and apply them in a disciplined and systematic process. The firm's CIO and CEO supervise the day-to-day execution of these models and continuously research ways to enhance their efficiency. Moreover, the Compliance team and Chief Risk Officer monitor the firm's investment activities through numerous electronically generated reports designed to audit trading activity and account management.

Matthew Laviolette is the Chief Investment officer and a Founding Principal of Breakout, (312) 435-6147

Aaron Larkin

600 W Jackson,
Suite 110
Chicago, IL 60661
Tel: (312) 465-2694
Website: www.breakoutfunds.com

Educational Background and Business Experience:

Year of Birth: 1980

Formal Education: Indiana University, B.S., Finance and Economic

Business Experience: Breakout Funds, LLC

- Chief Executive Officer and Founding Principal, 2017-present

Power Investment Management Services Co. (PIMS)

- Co-Chief Investment Officer, October 2013-April 2017

A & J Larkin Investments, LLC

- Partner and Chief Investment Officer, March 2006-October 2013

Disciplinary Information:

Aaron Larkin has no disciplinary events.

Other Business Activity:

The investment advisory business is Aaron Larkin's occupation and he is not involved in any outside business activities.

Additional Compensation:

Aaron Larkin does not receive any compensation or economic benefit from sources outside of Breakout Funds, LLC for providing advisory services.

Supervision:

Breakout's investment decisions are based on a quantitative analysis of a specified universe of derivatives. This quantitative analysis relies on proprietary models to generate views on derivatives and apply them in a disciplined and systematic process. The firm's CIO and CEO supervise the day-to-day execution of these models and continuously research ways to enhance their efficiency. Moreover, the Compliance team and Chief Risk Officer monitor the firm's investment activities through numerous electronically generated reports designed to audit trading activity and account management.

Mr. Larkin is the Chief Executive Officer and Founding Principal of Breakout (312) 435-6147

Bryan Leavitt

600 W Jackson,
Suite 110
Chicago, IL 60661
Tel: (312) 465-2694
Website: www.breakoutfunds.com

Educational Background and Business Experience:

Year of Birth:	1986
Formal Education:	Northwestern University, B.A., Mathematics and Integrated Science University of Chicago, M.S. Financial Mathematics
Business Experience:	Breakout Funds, LLC <ul style="list-style-type: none">• Chief Risk Officer and Director of Research, 2017-Present Power of Investment Management Services Co. (PIMS) <ul style="list-style-type: none">• Quantitative Analyst, September 2016-April 2017 Manning & Napier <ul style="list-style-type: none">• Quantitative Analyst, May 2014-June 2016 Xenon Group <ul style="list-style-type: none">• Analyst, June 2009-May 2014

Professional Designations Held:**CFA**

- The Chartered Financial Analyst (CFA) is a globally recognized, graduate-level investment credential.
- The CFA Program is organized into three levels, each culminating in a six-hour exam.
- Earning the CFA charter demonstrates mastery of the skills most needed for investment analysis covering a comprehensive range of subjects including:
 - Ethics
 - Statistics
 - Economics
 - Financial and corporate analysis
 - Equity, fixed income, and alternative investment analysis
 - Portfolio management
 - Wealth planning
- The CFA charter requires four years of qualified investment work experience.
- Adherence to the CFA Institute Code of Ethics and Standards of Professional Conduct.
- Annual membership in the CFA Institute.

Disciplinary Information:

Bryan Leavitt has no disciplinary events.

Other Business Activity:

The investment advisory business is Bryan Leavitt's occupation and he is not involved in any outside business activities.

Additional Compensation:

Bryan Leavitt does not receive any compensation or economic benefit from sources outside of Breakout Funds, LLC for providing advisory services.

Supervision:

Breakout's investment decisions are based on a quantitative analysis of a specified universe of derivatives. This quantitative analysis relies on proprietary models to generate views on derivatives and apply them in a disciplined and systematic process. The firm's CIO and CEO supervise the day-to-day execution of these models and continuously research ways to enhance their efficiency. Moreover, the Compliance team and Chief Risk Officer monitor the firm's investment activities through numerous electronically generated reports designed to audit trading activity and account management

Mr. Leavitt is the Chief Risk Officer and Director of Research of Breakout (312) 435-6147

James Baniewicz

600 W Jackson,
Suite 110
Chicago, IL 60661
Tel: (312) 465-2694
Website: www.breakoutfunds.com

Educational Background and Business Experience:

Year of Birth: 1965

Formal Education:**Business Experience:**

- Breakout Funds, LLC
- Chief Operating Officer, December 2020-present
- Marex Capital Markets
- Sales Associate, February 2020-September 2020
- Société Générale
- Relationship Manager, January 2015-May 2019
- Newedge Group
- Alternative Investments Group, January 1999-January 2015

Disciplinary Information:

James Baniewicz has no disciplinary events.

Other Business Activity:

The investment advisory business is James Baniewicz's occupation and he is not involved in any outside business activities.

Additional Compensation:

James Baniewicz does not receive any compensation or economic benefit from sources outside of Breakout Funds, LLC for providing advisory services.

Supervision:

Breakout's investment decisions are based on a quantitative analysis of a specified universe of derivatives. This quantitative analysis relies on proprietary models to generate views on derivatives and apply them in a disciplined and systematic process. The firm's CIO and CEO supervise the day-to-day execution of these models and continuously research ways to enhance their efficiency. Moreover, the Compliance team and Chief Risk Officer monitor the firm's investment activities through numerous electronically generated reports designed to audit trading activity and account management

Mr. Baniewicz is the Chief Operating Officer of Breakout (312) 435-6147