

Strategy

The Arquitos Value portfolio is made up of companies where there is a mispricing between the current stock price and the overall company's prospects. This discount may be determined by examining specific balance sheet characteristics and income statement valuation metrics. The portfolio is managed using fundamental research and contains traditional value stocks, arbitrage and special situations, and companies with superior leadership that have the safety and potential to grow over the long term. Arquitos Value has low turnover and does not employ leverage.

Highlights

- Investors have 24/7 online access to view holdings, print out statements, and make deposits and withdrawals
- Investor assets are held with a third party custodian
- The portfolio manager has a substantial personal investment right beside clients in the same stocks and same original allocations
- We diversify by combining different investing styles and by owning stocks from different industries, not simply by owning more stocks
- Each investor is automatically entitled to SIPC, FDIC, and Lloyds of London Insurance policy protections totaling \$14.5 million per client

Account Management

Client accounts are managed using a Spoke Fund® structure. Spoke Funds® are a group of separate investor accounts linked to a portfolio containing most of the liquid net worth of that fund's manager. Each investor owns the same stocks and original allocations as the other investors. Investor assets are held with a third party custodian. Arquitos has the authority to place trades in investor accounts and deduct fees, but we have no other access to investor assets. Investors have 24/7 online access to view holdings, print out statements, and make deposits and withdrawals.

Portfolio Manager

Steven Kiel is the portfolio manager for the Arquitos Value portfolio. He is the founder and president of Arquitos Capital Management. Steven is a graduate of George Mason School of Law and is a member of the bar in Illinois and Washington, D.C. He is licensed as a Registered Investment Advisor.

Steven has been quoted in The Wall Street Journal, MarketWatch, The Atlantic, Deal journal, USA Today, and other publications. He is a regular contributor to a variety of investing websites, and has had op-eds published at places such as the Daily Caller and National Review Online. Steven is also a captain and judge advocate in the Army Reserves and a veteran of Operation Iraqi Freedom.

Terms and Conditions

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|----------------------------|---|----------------------------|---|
| Investment Manager: | Arquitos Capital Management, LLC | Subscriptions: | Anytime |
| Fees: | 1.5% annually includes virtually all trading costs | Redemptions: | 7 days' notice with electronic withdrawal |
| Types of Accounts: | Individual, joint, business, trust accounts, and IRAs (regular, Roth, rollover and SEP) | Minimum Investment: | \$20,000 |
| | | Custodian: | FOLIO Institutional |

Top Holdings

| | | | |
|------------------|------|--------------------|------|
| First Marblehead | 10% | Berkshire Hathaway | 7.5% |
| Biglari Holdings | 7.5% | Bank of America | 7% |

Arquitos Capital Management

Arquitos Capital Management is an independent, fee-only investment management firm based in Virginia. Arquitos Capital Management manages a hedge fund, Arquitos Capital Partners, as well as two Spoke Funds®: Arquitos Value and The Hayek Fund. Arquitos Capital Management takes a conservative, value-oriented approach to investing, focusing on downside risk first and capital appreciation second. It is licensed with the Commonwealth of Virginia as a Registered Investment Advisory firm. Learn more at www.arquitos.com.

Important Notice

This form is for informational purposes only and does not constitute a complete description of our investment services or performance. This form is in no way a solicitation or offer to sell securities or investment advisory services. We do not warrant or guarantee the timeliness or accuracy of the information listed in this form. Nothing here should be interpreted to state or imply that past results are an indication of future performance. THERE ARE NO WARRANTIES, EXPRESSED OR IMPLIED, AS TO ACCURACY, COMPLETENESS, OR RESULTS OBTAINED FROM ANY INFORMATION LISTED HERE. Holdings and original allocations are as of September 1, 2011. Securities listed here are not a recommendation to buy. This overview is for informational purposes only and does not constitute a complete description of our investment services.