

Policy Statement

Stark Investments and its affiliated entities (collectively, the “Firm” or “Stark”) recognize that protection of its assets is a major responsibility to its clients. The Firm also recognizes the importance of establishing methods that seek to maintain business continuity and service to its clients in the event of a significant business disruption (“SBD”). Stark’s policy is to maintain a recovery plan for each business unit. Each Stark Principal and associate assumes the responsibility for the accuracy and maintenance of the Plan and its supporting appendices. To this end, the Firm has implemented procedures to support the resumption of critical Stark business and service operations in the event of an SBD. Stark will update its Business Continuity Plan (“BCP” or the “Plan”) in the event of any material change to its operations, structure, business or location and, utilizing its BCP Steering Committee, will conduct an annual review of its Plan to determine whether any modifications are necessary. Though the Plan provides for backup and replacement of information and equipment, it cannot replace the life of an associate. Therefore, it is the policy of Stark to protect life, information, and equipment, in that order.

The business continuity process and related documents are the operational elements of complex procedures specifically designed to recover and restore the core business infrastructure of Stark departments in the event of a disaster or other SBD. The BCP serves as a guideline of responsibilities, processes, actions, guidelines and critical information necessary to effectively restore service in as timely a manner as reasonably possible. It includes procedures and methods designed to make available adequate workspace, technological systems, equipment and resources for each mission critical department or function within the Firm. Stark also has adopted certain risk mitigation steps to address single points of failure, provide an infrastructure with high resiliency or availability in the event of an SBD, and to attempt to eliminate loss of investment-related information during technology outages or SBDs. Additionally, the Plan outlines the process for maintaining current data as well as the process to maintain and update the BCP itself.

Committed Approach

Stark is committed to its approach towards security and recovery, which seeks to maintain the continuity of key operational activities with minimal disruption to the client. Stark has implemented its Plan with the goal of providing the highest level of availability and service to its clients while providing a secure recovery solution. Stark also has implemented a number of risk mitigation systems including, but not limited to, the following:

- Eleven (11) distinct offices encompassing five (5) time zones, four (4) countries and three (3) continents. Many of the offices have redundant capabilities to perform the core functions of the Firm’s business.
- Two geographically separate data centers (sets of servers) that operate as a logical whole using redundant, highspeed data circuits. Critical production systems have redundant hardware components for seamless failover in the primary data center. In addition, most production systems have development or test systems that reside in the secondary data center. In an SBD, these development and test systems would be converted to production.
- Data is protected by several technologies. Critical databases have data that is mirrored between the two data centers at regular intervals to prevent loss. In addition, data is electronically vaulted to tape on a daily basis, and tapes are sent off-site to a third party service provider. Anti-viral and firewall procedures are state-of-the-art and are updated as soon as the upgrades become available. Data centers are protected by fire suppression systems and uninterrupted power supply (UPS). Each remote office contains its own file servers.

Plan Overview

The Firm's objective is to quickly recover and resume business operations after an SBD and respond to such circumstances by seeking to safeguard its associates and property, making a prompt financial and operational assessment, protecting the Firm's books and records, and meeting its existing client obligations. In short, the Plan is designed to permit the Firm to resume operations as quickly as possible, given the scope, severity and duration of the SBD.

The Plan addresses: data back up and recovery; mission critical systems; financial and operational assessments; alternative means of communication with clients, employees and regulators; alternate physical location of associates; critical broker, supplier, contractor, bank and counter-party impact; and regulatory reporting. In the event Stark is unable to continue its operations, investors will have prompt access to their funds, subject to any lock-up or other agreement or contractual arrangement relating to the withdrawal of funds. Stark has a BCP Steering Committee (the "Committee") that has senior executive representation from each of its core departments and three registered securities principals. The Committee leads an ongoing process to develop, implement and maintain procedures necessary to support critical business functions in the event of an SBD. In the event of an SBD, Stark associates who are deemed to be mission critical will connect to the Firm's main or back-up servers from alternative sites inclusive of, but not limited to, Stark's alternative site. Such associates have BCP documents containing the necessary contact information and detailed department-specific crisis management response procedures.

Stark maintains its primary hard copy books and records and its electronic records at 3600 South Lake Drive, St. Francis, Wisconsin. The Firm's Chief Financial Officer is responsible for the maintenance of the trading-related books and records. Stark maintains copies of all broker account agreements and related documents in connection with opening, maintaining and updating those accounts. The brokers also maintain copies of account documents at their respective primary office locations.

If the Firm's primary site is declared inoperable, it will continue operations from its back-up site and alternate locations. If electronic records are lost or not accessible, the Firm will either physically recover the storage media or electronically recover data from its back-up site, or, if the primary site is inoperable, continue operations from its back-up site or an alternate location.

Disclaimer

The Firm's business continuity strategy is designed to enable it to meet its existing obligations to clients in the event of an SBD; however, it is not infallible. The Plan is designed to work in many different emergency situations; but the events are, by their nature, unpredictable, and it is impossible to anticipate every scenario that could cause an SBD. Furthermore Stark has no control over the various entities that it must rely upon in the event of an emergency or disaster. The Plan is evaluated periodically to confirm readiness; yet such reviews may not be able to replicate the actual conditions the Firm may experience in a real emergency or disaster. Stark's BCP is subject to change without notice. Stark provides the information contained in this disclosure statement for informational purposes only. Nothing contained herein shall be construed to amend, supplement or otherwise modify any of the terms and conditions set forth in any client agreement entered into with Stark.

For More Information

Following a significant business disruption you should contact us as you usually do at 414.294.7000, or visit our web site at www.starkinvestments.com.

If you have questions about our Business Continuity Planning, please contact us at:

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