



SCHOONER FUNDS

SCHOONER INVESTMENT GROUP, LLC • RADNOR FINANCIAL CENTER • 150 N. RADNOR CHESTER RD F-200 • RADNOR, PA 19087
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Q Describe your firm, its offerings and its mission.

Schooner Investment Group is an independent asset manager specializing in volatility managed equity portfolios. The firm is the advisor to the Schooner Fund, a 40Act Mutual Fund, and provides sub-advisory services to advisors and financial intermediaries. Since 1995, SIG's investment team has a history of providing hedged equity and convertible strategies to global banks, and institutional investors. The Schooner Fund (SCNAX) is an investor friendly vehicle for advisors seeking the structural efficiencies and benefits of a mutual fund, with the trading and risk management strategies traditionally only available through hedge funds. The firm's strategies seek to capture the returns of equity investing, with significant downside protection and lower volatility.

Q Describe your investment strategy and how it might be unique.

Schooner employs sophisticated investment strategies honed from years of experience working for hedge funds, and bank proprietary trading desks. The expertise of the firm's personnel is volatility based equity and equity derivative trading. We think of ourselves as specialists of risk management and volatility, which we believe is the future of the mutual fund industry. Schooner was an early adopter of the current trend blending positive attributes of hedge funds and mutual funds. We differ from traditional managers in that we are not completely dogmatic. Our mandate allows flexibility in our process to determine, from the current market environment and volatility regime, what approach is most appropriate for the portfolio.

Q Describe how your investment products fit into a well-rounded asset allocation strategy.

Schooner's strategy fits nicely as a S&P 500 replacement. It provides exposure to large-cap US equities, with a balanced and risk mitigated approach. The product is intended for

people who want the upside of equities, but also a strong emphasis on capital preservation, downside protection, and much less volatility than the S&P 500. The product is a high correlation; mid beta hedged equity product that appeals to high net worth/ pre-retirement investors. Advisors also use our mutual fund as an alternative allocation due to the fact that we employ sophisticated strategies using options and convertibles. Our goal is to outperform the S&P 500 and our Morningstar category over a full investment cycle.

Q How has your firm adapted during the recent economic downturn?

The recent economic downturn and financial market turmoil of late 2008 and early 2009 proved to be an early test and success for Schooner's investment strategies. The firm's various product offerings all performed extremely well through the severe down market shocks. Most importantly, the good performance was in line with the firm's mandate to protect and preserve capital. Schooner is a boutique manager, we focus on what we know well and we stay consistent in our approach of offering downside protection with significant upside participation. We like to think of ourselves as specialists of risk management, and volatility.

AT A GLANCE

Firm name: Schooner Investment Group, LLC
Principals: Greg Levinson, Alec Petro
Employees: 6
Location: Radnor, PA
Years in business: 3.5
Assets under management: \$75 million
Minimum investment: \$5000