

ADVISORS PREFERRED

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This Brochure provides you information about the qualifications and business practices of Advisors Preferred, LLC. If you have any questions about the contents of this Brochure, please contact us at 866-842-3356 or you may email us at compliance@advisorspreferred.com.

The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any You may request a copy of our Brochure by contacting R. Michael Fox, our Chief Compliance Officer, at 240-223-1967 or compliance@advisorspreferred.com.

Additional information about us is also available via the SEC's website [ww.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC's website also provides information about any persons affiliated with us who are registered, or are required to be registered, as an Investment Adviser Representative of our firm.

SUMMARY OF MATERIAL CHANGES

No material changes.

Table of Contents

SUMMARY OF MATERIAL CHANGES.....	1
ADVISORY BUSINESS.....	4
FEES AND COMPENSATION.....	5
PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT	6
TYPES OF CLIENTS	6
METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS	6
DISCIPLINARY INFORMATION	8
OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS.....	8
CODE OF ETHICS, PARTICIPATION OR INTERESTS IN CLIENT TRANSACTIONS AND PERSONAL TRADING	9
BROKERAGE PRACTICES	9
REVIEW OF ACCOUNTS.....	11
CLIENT REFERRALS AND OTHER COMPENSATION	11
CUSTODY.....	12
INVESTMENT DISCRETION	12
VOTING CLIENT SECURITIES	12
FINANCIAL INFORMATION.....	12
BROCHURE SUPPLEMENT (PART 2B OF FORM ADV)	13

ADVISORY BUSINESS

In this Brochure references to “we,” “us,” “our,” “our firm” or “Advisors Preferred” refer to Advisors Preferred, LLC. Our firm’s clients and prospective clients are referred to as “you,” “your,” or, “our clients.”

Our Officers and Owners

We are a corporation formed under the laws of the State of Maryland. We are an SEC registered investment adviser. Our firm’s officers are Catherine Ayers-Rigsby, CEO, and R. Michael Fox, Chief Compliance Officer.

As described in more detail in the section titled “**OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**”, we are affiliated with Ceros Financial Services, Inc., a nationally registered independent broker-dealer headquartered in Rockville, Maryland.

All of our investment adviser representatives (“IARs”) are appropriately licensed, qualified and authorized to provide advisory services on our behalf.

Our Advisory Services

We offer a sponsored Wrap Fee program entitled **Kensington Quantitative Solutions**, which is explained in more detail below. Please note that strategies utilized in the **Kensington Quantitative Solutions** program are not managed to the needs of any specific investor in the Program.

Kensington Quantitative Solutions

A Wrap Fee Program managed by



(A DBA of Advisors Preferred, LLC)

We offer our program, **Kensington Quantitative Solutions** on the TD Ameritrade and National Financial Services, LLC platforms.

As a wrap fee program, any and all expenses, including brokerage

commissions, management fees, and administrative costs for **Kensington Quantitative Solutions** are combined into a single fee. Advisors Preferred receives a portion of the wrap fee for its investment management services.

The following strategies are offered within the **Kensington Quantitative Solutions** program: KA Managed Income; KA Convertible Income; and KA Diversified Income. Below is a description of each strategy. All three strategies are managed by Portfolio Manager, Mr. Bruce DeLaurentis. Detailed information about Mr. DeLaurentis can be found later in this Brochure. Mr. DeLaurentis does not tailor investment advice to the needs of any specific client but concentrates on investment management of the strategies within the **Kensington Quantitative Solutions** Program as a whole.



Managed Income Strategy

The Managed Income Strategy utilizes primarily high yield bond mutual funds to achieve its investment objective, although it may also utilize ETF’s and closed-end funds. The strategy blends a quantitative approach to investing in high-yield bond mutual funds. Alternative investments may also include exchange-traded funds as well as closed-end funds. Composed of several different indicators, the KA Managed Income Strategy determines the overall buy/sell bias by looking at daily inputs for a variety of market prices and technical factors. This strategy is also offered through our affiliate RIA, AtCap Partners, LLC.



Convertible Income Strategy

The Convertible Income Strategy employs a quantitative trend following model designed for investors who desire the characteristics of both equities and fixed-income. The strategy focuses on convertible securities by investing in both mutual funds and ETFs. Convertible bonds are a step closer to equity-like returns while still retaining significantly less intrinsic downside risk and a consistently lower volatility profile than ordinary common stocks. Using its proprietary quantitative model, the Convertible Income Strategy is designed for investors with a higher risk tolerance than either Managed Income, or Diversified Income.



Diversified Income Strategy

The Diversified Income Strategy uses a quantitative trend following model that attempts to capture satisfying returns across a wide range of income producing securities. Among the asset classes covered are convertible bonds, high-yield corporate bonds, multi-sector bond funds, preferred stock, floating rate and senior loan securities, REITS, emerging market debt and U.S. Government securities. The strategy seeks to limit downside risk by employing a risk mitigating exit strategy on all securities in the portfolio. The program is oriented to conservative and moderate risk investors seeking income, with a goal of participating in positive markets and limiting loss during down markets.

FEES AND COMPENSATION

Kensington Quantitative Solutions Program Fee

Although we may negotiate our fees under certain circumstances, our standard fee schedule for the **Kensington Quantitative Solutions** Program, ranges from:

FEE SCHEDULE

All Accounts..... 0.25 - 2.5%

Our fee is based on a percentage of the market value of the assets in your account under our management. We charge our fee quarterly either in advance or arrears, which will be set forth in your written agreement with us. The quarterly fee is one-quarter (1/4) of the annual fee rate. We calculate our fee at the beginning of each calendar quarter for fees in advance, and at the end of each calendar quarter for fees in arrears, using the ending balance of your assets in your account(s) on the last business day of the previous quarter in the case of fees in advance, and the last business day of the quarter immediately ending in the case of fees in arrears. For accounts billed in advance, we prorate the initial fee based on the number of days remaining in the calendar quarter, which is due upon execution of the written advisory agreement. Management fees are limited to a 0.25% minimum and a 2.5% maximum. Upon notification by IAR or you, fees may be adjusted based on significant additions or withdrawals from your account during the quarter.

We reserve the right to negotiate our fees, which may be higher or lower than those described in this Brochure. Whether or not we negotiate fees, the fees we will charge you will be set forth in your investment advisory agreement. We may also waive fees, at our discretion.

Cash Positions

At any specific point in time, depending upon perceived or anticipated market conditions/events (there being no guarantee that such anticipated market conditions events will occur), we may maintain cash positions for defensive purposes. All cash positions (investments in money market funds, etc.) shall be included as part of assets under management for purposes of calculating the management fee.

Either of us may terminate our Advisory Agreement at any time by providing written notice to the other party. Depending on whether we bill you in arrears or advance, we will charge or refund you the prorated amount, as appropriate, of any quarterly fees based upon

the number of days remaining in the quarter after the effective date of the termination. If we do not provide you a copy of this Part 2A of Form ADV at least 48 hours prior to signing the Advisory Agreement, you may terminate the Advisory Agreement within 5 business days of signing the Advisory Agreement and receive a full refund of fees paid.

Direct Billing to Your Custodian

Generally, you authorize us in our written Investment Advisory Agreement with you to bill our fees to the custodian for your account, and direct your custodian to debit our fees from your account. If you provide us such authorization, the custodian's periodic statements will show each fee deduction from your account. You may withdraw this authorization for direct billing of these fees at any time by notifying us or your custodian in writing.

General Information on Advisory Service Fees

All fees paid to us for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds to their shareholders which are described in each fund's prospectus. Generally, these internal mutual fund fees include a management fee and other expenses. Some of our IARs may be registered representatives of a broker/dealer firm and may receive 12B-1 distribution fees and other commissions from investment companies in connection with the placement of client funds into certain investment companies. You should review all fees we charge and those fees charged by mutual funds and others to fully understand the total amount of fees you are paying.

PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

We do not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of your assets). We do NOT participate in any performance-based program.

TYPES OF CLIENTS

We provide our services described above to individuals, pension and profit-sharing plans, trusts, estates, corporations and other business entities.

We impose certain conditions for starting or maintaining an account. Generally, managed account programs will have a minimum account value imposed to open and maintain an account. We may require you to add to the amount in order to maintain the minimum or request that the account be terminated. We may waive this requirement on a case-by-case exception basis.

Please review all agreements and understand any minimum fees or account requirements prior to executing the written agreement for services.

METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

Methods of Analysis

Methods of analysis include but are not limited to the following:

We may utilize technical analysis to evaluate potential investments. Unlike fundamental analysis, technical analysis does not analyze the company's or mutual fund's value, but instead analyzes the instrument's price movement in the market. Charting is a form of technical analysis in which the various technical factors are diagrammed in order to illustrate patterns. Technical analysis studies the supply and demand in the market in an attempt to determine what direction, or trend, will continue in the future. Cyclical analysis is another form of technical analysis which focuses on the regularity of movements in the stock market and times trading to coincide with anticipated market cycles. However, there are risks involved with this method, including the risk that the trends will change unpredictably, which is why we use a combination of methods and obtain information from a variety of sources.

We obtain information from a number of sources, both public and by purchase, including financial newspapers and magazines, research materials prepared by third-parties, annual reports, prospectuses and filings with the SEC and company press releases. We believe these resources for information are reliable for making

our investment decisions; however, we are not responsible for the accuracy or completeness of this information.

Investment Strategies

We may use a variety of investment strategies: long-term purchases (held at least a year), short-term purchases (held less than a year), trading (held less than 30 days), margin transactions (purchase of a security on credit extended by a securities company), and option strategies. We may recommend implementing these strategies using stocks, bonds, mutual funds (held directly or held within variable annuities or life insurance products), municipal securities, options contracts, interests in partnerships investing in real estate or oil and gas interests, and other types of investments. Mutual funds of different kinds may be used to promote portfolio diversification within various asset classes, such as industry sectors, domestic/international, or equities/bonds. We may recommend periodic purchases, sales, and exchanges of those mutual fund shares within mutual fund families and between different mutual fund families when there are changes in market conditions, or economic developments.

Composed of several different indicators, the KA Managed Income Strategy Program determines the overall buy/sell bias by looking at daily inputs for a variety of market prices and technical factors. The KA Managed Income Strategy Program does not tailor its investment advice to the needs of any investor in the Program.

Types of Investments and Risk of Loss

We offer advice about a wide variety of investment types, including but not limited to mutual funds, index funds, exchange traded funds (“ETFs”), stocks, bonds, a variety of fixed income securities, and variable annuities, each having different types and levels of risk. We will explain and answer any questions you have about these kinds of investments.

Investing in securities involves risk of loss that you should be prepared to bear. Obtaining higher rates of return on investments typically entails accepting higher levels of risk. We do not represent, warrant or imply that our services or methods of analysis can or will predict future

results, successfully identify market tops or bottoms, or insulate you from losses due to market corrections or declines. We will work with you to attempt to identify the balance of risks and rewards that is appropriate and comfortable for you. However, it is still your responsibility to ask questions if you do not understand fully the risks associated with any investment or investment strategy.

Also, while we strive to render our best judgment on your behalf, many economic and market variables beyond our control can affect the performance of your investments and we cannot assure you that your investments will be profitable or that no losses will occur in your investment portfolio. Past performance is one consideration with respect to any investment or investment advisor, but it is not a predictor of future performance.

Mutual Funds, Index Funds and Exchange-Traded Funds

Mutual funds and ETFs typically charge their shareholders various fees and expenses associated with the establishment and operation of the funds. These fees will generally include a management fee, shareholder servicing, other fund expenses, and sometimes a distribution fee. If the fund also imposes sales charges, you may pay an initial or deferred sales charge. These separate fees and expenses are disclosed in each fund’s current prospectus, which is available from the fund or we can provide it to you upon request.

Consequently, for any type of fund investment, it is important for you to understand that you are paying two levels of advisory fees and expenses: one layer of fees and expenses is paid at the fund level and one layer of advisory fees is paid to us. In addition, many mutual funds pay shareholder servicing fees (12b-1 fees) to brokerage firms and their registered representatives in consideration of their services to the fund’s shareholders. As described below, our IARs may be registered representatives of Ceros Financial Services, Inc. and, as such, may receive this type of compensation with respect to client assets invested in these funds.

Also, we may recommend “no-load” mutual

funds, which do not have a commission or sales charge because the shares are distributed directly by the investment company, instead of going through a secondary party. Some mutual funds may be purchased directly, without using our services and without incurring our advisory fees.

As described in more detail in the section titled **“OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS”**, many of our IARs are also registered representatives with Ceros Financial Services, Inc. (“Ceros”) and licensed to sell securities products such as variable annuity products. If you choose to purchase brokerage products from one of our IARs in their capacity as a registered representative of Ceros, you should be aware that they may receive compensation in connection with the sale of those products. To mitigate any conflict of interest, we do not require you to purchase any brokerage products we recommend through Ceros, and you may choose to use an unaffiliated broker-dealer. Some of IARS are also registered IARS of our affiliate RIA, AtCap Partners, LLC.

DISCIPLINARY INFORMATION

As a registered investment adviser, we must inform you of all material facts regarding any legal or disciplinary events that would be material to your evaluation of our firm or the integrity of our management. We have no legal or disciplinary events to disclose.

OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

As stated above, we are a commonly held affiliate of Ceros Financial Services, Inc. (“Ceros”), a nationally registered independent broker-dealer headquartered in Rockville, Maryland, which also distributes 1940 act registered mutual funds for which Advisors Preferred acts as Advisor. We are also affiliated with AtCap Partners, LLC, an SEC registered investment advisor.

Although it is not likely that individual IARs will benefit financially from this affiliation, Advisors Preferred and/or Ceros may derive financial benefits.

In addition, some of the investment adviser

representatives associated with us are also independently registered representatives of Ceros. As registered representatives of Ceros, such individuals may earn commissions on the sale of securities and variable insurance related products. While this may create a conflict of interest when an IAR recommends the purchase of products of which that IAR receives a commission from, we mitigate such conflict by not requiring you to purchase any recommended brokerage products from our IARs or through Ceros, and you may purchase such products from an unaffiliated broker-dealer. Also, some of our IARs are licensed to practice as accountants and may provide accounting and tax advice to you. Our IARs may also be licensed as insurance agents, and as such, may sell insurance products through various unaffiliated insurance companies, and earn commissions on insurance products sold to you. These services are separate from our services. Some of our IARs are also registered with our affiliate RIA, AtCap Partners, LLC.

However, when an IAR recommends that you utilize them for accounting services or purchase insurance products from them as part of their financial planning advice, this creates a potential conflict of interest. To mitigate such potential conflict, we do not require you to utilize one of our IARs to implement any financial planning recommendations, and you are free to use an unaffiliated accountant or insurance agent.

Further, we allow an IAR to independently operate their own registered investment adviser firm. In such cases, the IAR may be dually registered as an investment adviser representative with their own firm, and with our firm. As a result, your IAR may provide advisory services to you under their own independent firm, our firm or jointly as described to you in your written agreement. There are also situations in which IARS may be dually registered with our affiliated RIAs, Advisors Preferred, LLC and AtCap Partners, LLC, and/or with another unaffiliated RIA through a dual registration agreement. When you use a business that is affiliated with our IAR to purchase or sell securities or insurance, or to obtain accounting or tax preparation services, you may incur commissions, fees, and/or charges which are not part of our firm’s advisory

fees. These additional sources of compensation to our IARs create a conflict of interest, which you should carefully consider in determining to implement our advice.

Other Business Activities

Advisors Preferred acts as an Advisor to 1940 Act Registered Investment Companies.

CODE OF ETHICS, PARTICIPATION OR INTERESTS IN CLIENT TRANSACTIONS AND PERSONAL TRADING

We have adopted a Code of Ethics describing the standards of business conduct we expect all officers, directors, employees, and IARs to follow. Our Code also describes certain reporting requirements with which particular individuals associated with or employed by us must comply.

We and our IARs may buy or sell securities for our own accounts, otherwise known as proprietary accounts, which we also recommend to you and other clients consistent with our policies and procedures. There may be many similarities in portfolio holdings among these proprietary accounts and your accounts. While this may create a conflict of interest, our supervisory procedures involve ongoing surveillance and monitoring of trades and accounts to meet best execution standards. We may also aggregate or “batch” orders for your account and our proprietary accounts into one large order in accordance with our trade aggregation and allocation policy described in more detail in the “Trade Allocation Policy.”

Aggregated orders may achieve better execution for all participating accounts and we fairly allocate those benefits among all participating accounts, which mitigates any potential conflict.

We do not act as principal in any securities transactions. However, Ceros Financial Services, Inc. in its capacity as a broker-dealer, may act as principal when buying or selling fixed income securities. In these situations, your trade confirmation will notify you that Ceros acted as principal for such transaction. Our Chief Compliance Officer monitors these transactions, and if a conflict of interest arises

in these transactions, we promptly notify you of such a conflict. We also instituted internal procedures and policies to prohibit IARs from knowingly buying or selling securities from a client, as principal, and effecting agency cross transactions involving a client. However, it is possible that the executing broker-dealer, without your IAR’s or our knowledge, could inadvertently cross your transaction. In order to mitigate and prevent any such conflicts, our Chief Compliance Officer reviews transaction by employees and related persons at least quarterly to determine and eliminate any conflicts of interest.

You may request a copy of our Code of Ethics by contacting R. Michael Fox at 240-223-1967 or compliance@advisorspreferred.com.

BROKERAGE PRACTICES

Although we do not require you to use a specific broker-dealer to execute securities transactions for your account, we have an established relationship with Ceros Financial Services, Inc. (“Ceros”) and its clearing firm, National Financial Services, LLC. (“NFS”). Also, for some accounts, we utilize other platforms such as TD Ameritrade or similar institutions. If you do not direct us otherwise, we will utilize Ceros and NFS to execute securities transactions for your account. When selecting Ceros as the recommended broker-dealer, and to fulfill our duty of best-execution, we considered its variety of services, and competitive commission rates. Accordingly, you may pay commissions in excess of those which Ceros (or another broker) may charge for transactional services alone, in recognition of the additional services provided. We, however, must determine in good faith that the amount of any commission paid is reasonable in relation to the value of the brokerage and research services provided, viewed in terms either of a particular transaction or our overall responsibilities with respect to accounts which we manage. We must also determine that any services we receive provide lawful and appropriate assistance in the performance of our investment decision-making responsibilities.

Any commissions you pay as a result of securities transactions for your account will be determined according to standard commission rates in effect at Ceros Financial Services, Inc.

("Ceros") or as negotiated by your IAR. Commissions paid by you may or may not be higher than commissions paid at other broker/dealers. Ceros may provide customary research and other value-added services, which your IAR may use to benefit all accounts and not only those accounts with Ceros and NFS.

Benefits Received

Ceros and NFS may offer us other products and services that assist us in managing and administering clients' accounts, but may not directly benefit your accounts. We may use many of these products and services to service all or some substantial number of our client accounts. These products and services include software and other technology that (1) provide us access to client account data, such as trade confirmations and account statements; (2) facilitate trade execution and allocate aggregated trade orders for multiple client accounts; (3) provide research, pricing and other market data; (4) facilitate payment of our fees from our clients' accounts; and (5) assist with back-office functions, recordkeeping and client reporting.

Ceros and NFS also offer other services intended to help us manage and further develop our business enterprise, such as compliance, legal, business consulting, publications, conferences on practice management and business succession, and access to employee benefits providers, human capital consultants and insurance providers.

Ceros and NFS may also provide other benefits to us, such as educational events or occasional business entertainment of our personnel. In evaluating whether to recommend that you custody your assets at NFS, we may take into account the availability of some of these products and services and other arrangements as part of the total mix of factors we consider, in addition to the nature, cost or quality of custody and brokerage services, which may create a potential conflict of interest. However, to mitigate this conflict we do not limit the benefit of these products and services to only clients utilizing NFS as their custodian.

We use the research and other services provided by NFS or other institutions with which

our clients have accounts for the benefit of all clients. Unless directed otherwise by you, we seek to negotiate commissions, mark-ups, and other brokerage fees to ensure a reasonable rate based on multiple factors including execution prices which we review annually to determine their reasonableness.

Directed Brokerage

While our receipt of research and other services or products from Ceros or NFS may create an incentive for us to recommend such institutions as your custodian, we also mitigate this conflict by allowing you to direct us, in writing, to use a different custodian. You should understand that, in the case of such a directed brokerage arrangement:

- You are solely responsible for negotiating the terms and arrangements with these brokers and dealers, and we have no responsibility for reviewing the fairness of those terms and arrangements;
- We will not seek better execution services or prices from other brokers and dealers in connection with transactions for your account;
- We will not be able to "batch" or "aggregate" transactions for your account with transactions for our other clients not subject to a similar such arrangement;
- We will not monitor the performance of or services provided by the brokers and dealers you choose; and
- As a result, you may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for your account than would otherwise be the case.

However, we may seek better execution services or prices from other brokers or dealers or "batch" your transactions for execution if such action is required by law or fiduciary duties, including but not limited to, the fiduciary duty provisions under the Employee Retirement Income Security Act of 1974, as amended, if you

are a plan subject to ERISA, or if the designated broker or dealer is unable or unwilling to effect a particular transaction, which may occur with certain transactions involving fixed-income securities. If you choose to direct brokerage, from time to time we may ask you to confirm your direction to use a brokerage firm other than NFS.

Trade Allocation Policy

We have adopted a trade allocation policy to govern how we handle the aggregation of orders for more than one client's account. From time to time and only where appropriate, we may aggregate orders for securities transactions for more than one client and, in appropriate circumstances, may include proprietary accounts. In doing so, we strive to treat each client fairly and will not favor one client or a proprietary account over another client. When executed, we will allocate the aggregated order in accordance with policies and procedures intended to achieve fair treatment. The purpose of aggregating orders is for our administrative convenience and, in some transactions, to obtain better execution for the aggregated order than might be achieved by processing each of the transactions separately.

We will not aggregate orders for a client having a directed brokerage relationship with a client who does not have a directed brokerage relationship with the same broker-dealer if, by doing so, the directed-brokerage client would receive any undisclosed rebate or extra economic benefit than is obtained by other clients participating in the aggregated order on a pro rata basis. A consequence of not aggregating a client's order with other orders for the same securities is that the client may not obtain as good a price or as low a cost in a separate transaction as clients whose orders have been aggregated.

Each account that participates in an aggregated order will participate at the average share price for all transactions within such an order on a given business day. If permitted by the broker-dealer effecting the transaction, transaction costs will be shared on a pro rata basis. Some broker-dealers charge brokerage commissions to each participating client in accordance with

the size of that client's share of the aggregated order, regardless of the total size of the aggregated order. If an aggregated order is not filled in its entirety, it will be allocated among participating accounts on a fair and equitable basis, which is typically a pro rata basis.

REVIEW OF ACCOUNTS

We monitor client accounts on a continuous basis, and conduct a formal review at least annually. Typically, our IARs review their own clients' accounts. Other factors may trigger additional reviews, such as changes in market conditions, large deposits or withdrawals from your account, or your request for an additional review. In these instances, R. Michael Fox, our Chief Compliance Officer, assigns someone that is familiar with the client's accounts to conduct the review. Mr. Fox is responsible for the supervision of the reviewers. In addition, you will receive a statement, at least quarterly, from the custodian for your account regarding holdings and transactions within your account.

CLIENT REFERRALS AND OTHER COMPENSATION

Client Referrals

We must disclose any economic benefits our IARs or we receive for providing investment advice and other services to you. As we described above, while this may create a conflict of interest, we mitigate this conflict by not requiring you to purchase such securities products or life insurance through our affiliated agencies or representatives, and you may purchase the products from another broker-dealer, insurance agency or accountant.

Also, as disclosed above in the "BROKERAGE PRACTICES" section, we may receive certain benefits, services and products from various broker-dealers and custodians for utilizing their services.

We may also receive additional compensation from some third party money management platforms based upon the amount of business our IARs or we referred to the third party money manager.

These types of agreements may financially benefit us and do not necessarily benefit clients' accounts placed with such platforms. In addition, our receipt of this compensation creates a conflict of interest because our IARs may have an incentive to recommend you use third party money managers or programs that provide such additional compensation. However, to mitigate this conflict we do not require you to use such money managers, and you may choose a different management platform.

Solicitation Arrangements

We must also inform you if we or a related person directly or indirectly compensates a third-party for referring clients to us. From time to time, we may engage solicitors to market our services. If we do so, you will receive a separate solicitor's disclosure brochure describing our solicitation arrangements, the compensation we pay to the solicitor, and the terms of that relationship. You will also receive a copy of this Brochure.

CUSTODY

You will receive statements at least quarterly from NFS, or another qualified custodian that holds and maintains your investment assets. We urge you to carefully review such statements and compare such official custodial records to the account statements that we may provide to you.

INVESTMENT DISCRETION

We manage assets on either a discretionary or nondiscretionary basis. If we manage your assets on a discretionary basis, we will receive limited power of attorney authority in writing from you at the outset of our advisory relationship in the investment advisory agreement. If you

choose to do so, discretionary authority grants us the ability to determine, without obtaining your specific consent, the securities to buy or sell for your portfolio and the amount of securities to buy or sell. In all cases, we exercise such discretion consistent with your account size, risk tolerance, and any written investment guidelines and restrictions you established with us in writing to limit our discretionary authority in relation to your accounts.

VOTING CLIENT SECURITIES

As a matter of firm policy and practice, Advisors Preferred will not be responsible for responding to proxies solicited with respect to annual or special meetings of shareholders of securities held in your account. Proxy solicitation materials will be forwarded to you for response and voting.

FINANCIAL INFORMATION

As a registered investment adviser, we must provide you with certain financial information or disclosures about our financial condition if we have financial commitments that impair our ability to meet contractual and fiduciary commitments to you. We have not been the subject of a bankruptcy proceeding and do not have any financial commitments that would impair our ability to meet any contractual or fiduciary commitments to you.

BROCHURE SUPPLEMENT (PART 2B OF FORM ADV)

The following Brochure Supplement provides information on your investment advisor representative. Please contact R. Michael Fox at 240-223-1967 or mfox@advisorspreferred.com if you have any questions about the contents of this Supplement.

Catherine Ayers-Rigsby, CEO

DOB: March 1948

Education: BA - University of North Carolina.

Professional Designations Licenses: Chartered Financial Analyst (CFA) – Candidates are required to pass three six-hour exams, possess a bachelor's degree from an accredited institution (or have equivalent education or work experience) and have 48 months of qualified, professional work experience. CFA charter holders are also obligated to adhere to a strict Code of Ethics and Standards governing their professional conduct. Ms. Ayers-Rigsby holds the following securities Licenses—Series 3, 4, 7, 24, 27, 55, 63 and 99.

Business Experience: Ms. Ayers-Rigsby is President of Advisors Preferred, LLC, AtCap Partners, LLC, and CEO of Ceros Financial Services, Inc., a nationally registered broker/dealer firm (August 2009 to Present). From March 2002 until August 2009 she was Managing Director of Rydex Financial Services, Inc., a division of Rydex Distributors, Inc.

Disciplinary History: None

Additional Compensation: Ms. Ayers-Rigsby does not receive additional compensation or other economic benefit from third parties in connection with the advisory services offered to clients.

R. Michael Fox, Chief Compliance Officer

DOB: September 1950

Education: MBA – Wilmington College, Wilmington, DE

MA – Computer and Information Information Resources Management

BS – Webster University, Southern Illinois
Industrial Technology

Professional Designations Licenses: Mr. Fox holds the following securities licenses: series 7, 24, 27, 53, 63, 66 and 99. He also holds life, health and annuity insurance licenses for various states.

Business Experience: Mr. Fox is Chief Compliance Officer (CCO) and Chief Financial Officer (CFO) of Advisors Preferred, LLC. He is Financial and Operational Principal (FINOP) for

Ceros Financial Services, Inc. and CCO/CFO for AtCap Partners, LLC, an affiliated company. Prior to joining Ceros, Mr. Fox served in various roles including President, CCO, CFO, and FINOP at Wilmington Brokerage Services Company from 2008 to 2011 and 2001-2007. He was also CCO for SunTrust Investment Services 2007 – 2008. Additionally, he was a securities examiner for NASD Regulation now known as Financial Industry Regulatory Authority (FINRA) 1997- 2001.

Disciplinary History: NONE

Other Business Activities: Mr. Fox owns Michael Fox Consulting LLC and on occasion is employed part-time as an adjunct Professor. Mr. Fox is also CCO of Advisors Preferred Trust, which holds 1940 Act mutual funds.

Additional Compensation: Mr. Fox does not receive additional compensation or other economic benefit from third parties in connection with the advisory services offered to clients.

Supervision: Mr. Fox is currently supervised by Catherine Ayers-Rigsby, CEO of Advisors Preferred, LLC. Ms. Ayers-Rigsby reviews Mr. Fox's work through frequent office interactions as well as through periodic reviews of selected client accounts. Ms. Ayers-Rigsby may be reached at 240-223-1998, cayers-rigsby@advisorspreferred.com.

Bruce DeLaurentis, Portfolio Manager, Kensington Quantitative Solutions, , formerly known as High Yield Bond Strategies Program; Investment Advisor Representative, Advisors Preferred, LLC (DBA Kensington Analytics, LLC).

DOB: November 1946

Education: BA – Hofstra University

Professional Designations Licenses: Mr. DeLaurentis holds a Series 65.

Business Experience: Mr. DeLaurentis is an investment advisor representative for Advisors Preferred, LLC, as well as portfolio manager for the KA Managed Income Strategy Program, formerly known as the High Yield Bond Strategy Program. He is also Principal and Founder of Kensington Analytics, LLC, which provides quantitative research in the equity and fixed income markets to a limited number of financial firms. Mr. DeLaurentis has been in the financial services industry since 1969, in a variety of capacities beginning as trader and student of the

stock market. He adopted the Kensington name in 1984. Prior to beginning his career in financial services, Mr. DeLaurentis was a chief warrant officer in the U.S. Army and served as a helicopter pilot. Following a tour in Vietnam in 1967-1968, he served as an instructor pilot.

Disciplinary History: NONE

Other Business Activities: As noted above, Mr. DeLaurentis is Principal and Founder of Kensington Analytics, LLC. In addition to his dual registration with Advisors Preferred, LLC, he is also registered with Advisors Preferred's affiliate RIA, AtCap Partners, LLC.

Additional Compensation: Mr. DeLaurentis does not receive additional compensation or other economic benefit from third parties in connection with the advisory services offered to clients.

Supervision: Mr. DeLaurentis is currently supervised by Mike Fox, CCO of Advisors Preferred,, LLC. Mr. Fox reviews Mr. DeLaurentis's work through periodic reviews of selected client accounts. Mr. Fox may be reached at 240-223-1967, compliance@advisorspreferred.com.