



**Form ADV Part 2A**  
**Firm Disclosure Brochure**

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This Brochure provides information about the qualifications and business practices of Parker Global Strategies, L.L.C ("PGS"). If you have any questions about the contents of this Brochure, please contact Stephen K. Brandt , Chief Compliance Officer at 203-358-4000 or [sbrandt@parkerglobal.com](mailto:sbrandt@parkerglobal.com).

The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

PGS is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. Additional information about Parker Global Strategies also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

April 2014

## **Item 2 – Material Changes**

Our services continue to accentuate Alternative Investment Strategies specializing in publicly traded U.S. Energy Infrastructure Master Limited Partnership (MLP) - related instruments and act as Investment Advisors for Managed Accounts, and Manager of Managers for MLP, Foreign Exchange and Macro mandates.

We also note that we have made various non –material changes throughout this Disclosure Brochure in order to clarify and accentuate certain services and practices within our Firm.

April 2014

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## **Item 4 – Advisory Business**

### ***Firm Description***

Parker Global Strategies, LLC (“PGS”) is a privately held, minority/woman-owned Connecticut-based firm founded in 1995 by CEO and Managing Member Virginia R. Parker. Ms. Parker and Michael R. Parker (President) control approximately 76% of the equity interest in PGS. Office locations include: Stamford, CT and Denver, CO with an additional representative location in Tokyo. Registrations include with: SEC as Investment Adviser and NFA as Commodities Pool Operator and Trading Adviser.

PGS has three 100% owned subsidiaries: PG Services, LLC, PGS Pty, Ltd and PG Investments, LLC, an SEC registered broker-dealer engaged in the private placement of securities.

PGS has focused on two strategic areas of investment where we have developed specialized expertise with an emphasis on liquidity and transparency:

- Global Natural Resources, environmental and energy related strategies
- Foreign Exchange

### ***Services Offered***

PGS’ current focus is in alternative investment management, advising institutional and high net worth (“HNW”) clientele, using both single and multi-manager offshore trust vehicles and onshore advisory arrangements, on energy infrastructure opportunities utilizing Master Limited Partnership (“MLP”)-related instruments. Additionally, PGS constructs and implements multi-manager portfolios and indices involving foreign exchange (“FX”) and macro strategies.

MLP Strategies:

- a. Specializing in liquid energy infrastructure investments, utilizing MLP- based investment vehicles,
- b. The MLP strategy is focused on expansion of US energy infrastructure, including mid-stream assets such as pipelines and storage,
- c. Investment selection process pinpoints offerings with strong histories of distribution growth, diversified asset base, as well as thematic, opportunistic, value driven MLP’S,
- d. Development of fundamental, rules-based investable indices for MLP’s.
- e. Achieve returns generally linked to the performance of MLP’s which may include, but is not limited to, various energy-related reference assets and other important themes within the MLP universe,
- f. Achieve enhanced cash returns on Fund’s surplus cash that would otherwise be held in bank accounts,

FX & Macro Strategies:

- PGS' experienced team of allocators has had success identifying important investment themes, customizing portfolio construction, and diversifying across managers, styles and markets
- Offer diversified "Best of Breed" currency management along with liquidity, transparency, and independent operational and risk oversight
- PGS' FX Indices among the most broadly used in the industry and academia for analyzing the performance of FX programs
- PGS' indices are featured on the CitiFX® Access platform and on Deutsche Bank's dbSelect platform
- PGS is a product provider advising client portfolios on Morgan Stanley's FX Gateway manager platform
- PGS has developed a proprietary rating system for FX managers over the past 16+ years

PGS takes a cross-functional view of investment management, utilizing the following four-stage committee approach: Investment (responsible for ultimate decisions/investment selection), Implementation, Risk Management/Operations and Portfolio Committees (For a summary of committee duties, See *"Review of Accounts", Item 13 of this form*).

PGS also offers consulting services in advising on customized Alternative Investment Strategies ("AIS") or other specialized programs. AIS are investments outside conventional Asset types (such as stocks, bonds and mutual funds) and can include derivatives, currencies and futures aimed at offering better risk adjusted returns than traditional asset classes.

Clients' full discretion is typically granted with respect to managed investment selections, subject to investment guidelines delineated in confidential offering documents. As of April 15, 2014, PGS had approximately \$204 million in assets under management.

## **Item 5 – Fees and Compensation**

PGS fee are negotiable depending on such factors as products offered, services rendered and portfolio size and typically earn base fees as follows:

### ***Management Fees***

Fees earned are generally calculated at 1.5 % on Gross Asset fund values (Notional Values for FX Single Manager Funds) on the last business day of each month, payable on either a monthly or quarterly basis, and are specified in each Investment Management Agreement ("IMA") or Investment Advisory Agreement ("IAA") between PGS and client.

### ***Performance Fees***

Performance fees are generally negotiable but typically range around a gross rate of 20%, and are specified in each IMA or IAA agreement.

### ***Billing***

Management Fees are billed in arrears on either a monthly or quarterly basis in accordance with the IMA or IAA terms. Management and Performance Fee billings are invoiced then paid to PGS in accordance with IMA or IAA terms; fees are deducted from NAV.

Management Fees are prorated for account contributions and withdrawals made during the applicable period. Fees are charged a prorated fee to accounts initiated or terminated during the applicable period. PGS currently has no prepaid fee arrangements in accordance with the IMA or IAA terms.

An investor may terminate its investment in the funds managed by PGS based on the procedures delineated under the terms of the fund. Redemptions generally occur on a specific Redemption Date but with a specified Valuation Date within prescribed notification periods, occurring at varied times, depending on fund product selection. PGS and the underlying manager have the discretion to declare a Redemption Date and permit redemptions on a date other than prescribed. Customized accounts may be terminated according to the terms of the agreement. Account positions are liquidated in the best possible/most prudent manner.

When involving consulting services in an AIS project fees are typically billed at a rate ranging from \$650 to \$1500 an hour, based upon the level of the consultant. A consulting contract is agreed upon prior to the commencement of consulting services. Fees are billed on a monthly basis, along with an itemized invoice of the month's consulting activity.

Additionally, fees are negotiated depending upon the terms of the agreement and the required resources for services rendered.

### ***Other Fees/Charges***

Clients may also incur separate charges by independent vendors for custodian, transaction, transfer and execution fees. See *"Brokerage Practices" Item 12 of this form.*

## **Item 6 – Performance-Based Fees and Side-By-Side Management**

As mentioned, PGS charges accounts an asset-based management fee and has, in some instances, entered into performance fee arrangements, in accordance with applicable provisions under the Investment Advisors Act of 1940. In calculating performance-based fees, PGS includes unrealized capital gains and losses. To avoid conflicts of interest where PGS may, if applicable, have a financial incentive to favor higher fee paying accounts over

other accounts in the allocation of investment opportunities, PGS allocates trades in a fair and equitable manner by means of an order aggregation and trade allocation process designed to prevent the inequitable allocation of investment opportunities among constituents.

## **Item 7 – Types of Clients**

PGS works with major institutions and HNW investors from North America, Asia and Europe. Our Fund portfolios may be focused on a specific sector or broadly diversified to include fixed income, foreign exchange, energy, and other commodities. We both manage and select top managers in a particular market niche to implement each strategy.

As of June 30, 2012 PGS provides services to entities which include banks, insurance companies, distributors, and high net worth investors involving:

*Single Manager Energy Infrastructure*  
*Multi-Manager Energy Infrastructure*  
*Passive Energy Infrastructure*  
*Energy Credit*  
*Foreign Exchange Indices*

PGS generally requires management of a minimum asset value depending on the level and complexity of management services offered. See “Advisory Business”, Item 1 of this Form.

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

The investment objective is to provide capital appreciation and income by investing in financial derivative instruments in the form of total return swaps and/ or futures for the purpose of providing exposure to MLP's, exchange traded funds and Transferable Securities, each of which provide exposure to the U.S. energy and natural resource infrastructure and commodities sector.

PGS combines a top down view of the MLP sectors with a bottom up search for the most attractive names according to its fundamental screening process. PGS also assesses overall market risk and the expected impact on the Fund's portfolio to determine its ongoing allocations to the core, thematic and hedge components of the Fund's portfolio.

### ***Investment Strategies: (Exhibit A)***

*Single and Multi-Manager investing in securities involves risk of loss that clients should be prepared to bear.*

PGS' manager due diligence incorporates both a quantitative and qualitative process. PGS has been studying the MLP space and managers since June 2005; FX since 1986. PGS first began allocating to dedicated MLP managers in 2006. Additionally, PGS has built a proprietary database of MLP managers that encompasses greater than 45 investable funds.

#### ***Qualitative Analysis***

Qualitative analysis is where the decision is made. PGS performs rigorous due diligence with respect to the experience of key professionals in-depth operational controls, reporting capabilities and industry reputation. One of the unique aspects of our analysis is our robust, cross-disciplinary approach, encompassing all key members from different functional areas of our Firm in addition to Research and Product Development, including the Investment Committee, Portfolio Committee, Risk Management, Operations and Client Services. Each member is involved in the initial due diligence and the on-going relationship with the manager. Each person involved introduces a different perspective to the process. There are consistent qualities that PGS believes work well for its approach to fund investing. These qualities include developing a sense of “partnership” with managers to serve clients’ best interests, openness in discussing strategy and portfolio positions, high standards of integrity that permeate the manager’s firm and the conduct of its business, efficient and accurate back office operations, the separation between responsibilities for trading and business management, and flexibility in instances where PGS needs to make changes to accommodate our investors. PGS develops strong relationships with the managers to whom we allocate. The more time and the larger the allocations, the stronger the relationships tend to be. PGS has been successful in allocating to newer managers (with less than two-year track records) by recognizing some of the universal attributes of managers that work well in its model. Overall, PGS’ team approach to manager due diligence and selection provides an excellent set of checks and balances in the process.

#### ***On-Site Visits***

A second major component is the on-site visits. We may very well have already had several meetings with the manager at either PGS’ offices or at various industry conferences; but it is essential to conduct thorough on-site interviews at the manager’s place of business to assess them in their own environment, prior to approving such manager for allocation. We also generally aim to conduct the on-site meeting after receipt and review of the due diligence questionnaire, as this will set the stage for more thorough questioning (i.e., the purpose here is less “introductory” and more “conclusive”) and provides an opportunity to look for consistency/inconsistency with questionnaire responses.

There are 2 types of on-site interviews, what we deem a “management” interview and an “operations” interview. The management interview, including principals of the manager, portfolio manager(s) and risk manager(s) (if applicable), is used to review overall



organization, business objectives, key personnel, investment strategy and methodology and risk management. We use the operations interview, ideally interviewing those directly involved, to review the various policies, procedures and controls. Such interview involves a great deal of site and spot checking. We examine the trading process in detail, directly interviewing those effecting the trading and directly observing the process “live”, on-site, as it occurs. We examine the accounting and reporting procedures of managers and require sample reports. We look at their cash and position reconciliation process. We consider whether managers conduct real-time exposure monitoring and examine their procedures for cash flow and liquidity management. We want to know the frequency of NAV calculation and the methodology of calculation and valuation (including pricing sources and systems). We consider when managers complete their month-end accounting and the promptness with which their estimates and finalized numbers are completed. We ask whether they have ever been required to restate NAVs, fees or other calculations, and, if so, why. We strive to conduct these interviews separately, and to have PGS’ head of Operations and Risk Management involved in such interviews.

Without identifying each and every individual item covered in the on-site interviews, the following chart summarizes the primary categories and provides an idea of some of the key considerations that we are examining, weighing or looking at/for:

Management	Operations
<ul style="list-style-type: none"> <li>• <b>History of the Firm/Business Objectives</b></li> <li>- how founded</li> <li>- why founded</li> <li>- any change in focus/vision over time</li> <li>- firm capitalization/time horizon</li> <li>• <b>Corporate Organization</b></li> <li>• <b>Background &amp; Experience of Key Individuals</b></li> <li>- is there depth to the firm</li> <li>- is there any key personnel risk in strategic areas</li> <li>- compensation structure/key individuals have incentive</li> <li>- ownership</li> <li>- registrations</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Policies and Procedures</b></li> <li>- trading <ul style="list-style-type: none"> <li>authorized persons</li> <li>how are trades executed?</li> </ul> </li> <li>- backoffice <ul style="list-style-type: none"> <li>daily reconciliation?</li> <li>on-site or outsourced?</li> </ul> </li> <li>- accounting</li> <li>- pricing <ul style="list-style-type: none"> <li>valuation techniques/frequency</li> <li>mark-to-market policies or mark to model policies?</li> </ul> </li> </ul>

<ul style="list-style-type: none"> <li>• <b>Assets Under Management/Client Base</b> <ul style="list-style-type: none"> <li>- history of growth/decline</li> <li>- significant withdrawals?</li> <li>- capacity</li> <li>- diversity of client base</li> <li>- client screening procedures (hot money)</li> </ul> </li> <li>• <b>Products</b> <ul style="list-style-type: none"> <li>- pari passu issues</li> <li>- separately managed accounts?</li> <li>- is strategy that we are examining firm's primary focus?</li> </ul> </li> <li>• <b>Investment Philosophy</b></li> <li>• <b>Investment Strategy &amp; Methodology</b> <ul style="list-style-type: none"> <li>- questions relating to particular strategy/asset class</li> <li>- markets/instruments</li> <li>- degree of privates/illiquids</li> <li>- ability to articulate the strategy and methodology</li> <li>- what makes the strategy/methodology unique</li> <li>- discernible edge?</li> <li>- discipline in investment process?</li> <li>- consistency in responses among the key individuals?</li> <li>- consistency with answers provided in DDQ?</li> </ul> </li> <li>• <b>Performance Attribution</b> <ul style="list-style-type: none"> <li>- sources of return</li> <li>- "best" &amp; "worst" environments</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>pricing sources</li> <li>independent NAV's?</li> <li>is manager providing any pricing? (<i>e.g.</i>, distressed)</li> <li>- liquidity <ul style="list-style-type: none"> <li>how managed?</li> </ul> </li> <li>- cash management <ul style="list-style-type: none"> <li>authorized persons for cash movement</li> </ul> </li> <li>• <b>Operational Controls</b></li> <li>• <b>NAVs</b> <ul style="list-style-type: none"> <li>- independence</li> <li>- timing</li> <li>- any re-statement?</li> </ul> </li> <li>• <b>Reporting</b> <ul style="list-style-type: none"> <li>- procedures</li> <li>- timeliness of information</li> <li>- what reports are available?</li> </ul> </li> <li>• <b>Counterparties</b> <ul style="list-style-type: none"> <li>- custody</li> <li>- any assets not held by prime broker?</li> <li>- multiple prime brokers?</li> <li>- stock loan/borrow facilities/procedures</li> <li>- OTC transactions?</li> </ul> </li> <li>• <b>Systems</b> <ul style="list-style-type: none"> <li>- automated versus manual tasks</li> <li>- software &amp; hardware in place</li> </ul> </li> </ul>
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<ul style="list-style-type: none"> <li>- explanation of drawdowns</li> <li>• <b>Risk Management</b> <ul style="list-style-type: none"> <li>- separate from the trading function/dedicated risk management team?</li> <li>- who is reviewing the risk reports?</li> <li>- how does the manager define risk relative to the strategy?</li> <li>- is risk quantified? How?</li> <li>- how does the manager address downside performance?</li> <li>- any predetermined levels for reducing exposure?</li> <li>- are cut-back levels automatic or “review” levels</li> <li>- any rules legally mandated by documents?</li> <li>- how does the manager address liquidity risk</li> <li>- do redemption policies conform to liquidity profile?</li> <li>- counterparty risk</li> </ul> </li> <li>• <b>Transparency Issues</b></li> <li>• <b>Personal Qualities</b> <ul style="list-style-type: none"> <li>- “can we work with this manager?”</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>- backup procedures</li> <li>• <b>Compliance</b></li> <li>• <b>Disaster Recovery &amp; Contingency Plan</b></li> </ul>
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Following the on-site visit(s), a decision is made to reject; place on the watch list; accept or place on “active due diligence”, meaning that the prospective manager is one of the first in line for continued work to eventually be proposed to PGS’ Investment Committee for approval. The next steps to be taken include a documentation review, which consists not only of the offering documents and fund constitutional documents, but also service provider agreements, e.g., administration agreement and prime broker agreement, if attainable. We will also review the audit records. We will then perform the reference checks. We will check references provided by the manager; but will also speak to service providers and try to perform more “independent” checks through our global network to assess industry reputation. This is an important item, which should not be taken lightly.

More than once we have been able to learn about impending structural changes in a firm which could have an adverse impact on a manager or cases where someone invested with a manager and never experienced returns remotely anything like the returns which the manager reports for the same time period.

If the review proceeds successfully up through this point, a prospective manager will be submitted to PGS' Investment Committee, which will deliberate and vote on whether to place such manager on our Short List of managers to whom we may potentially allocate.

### ***Quantitative Analysis***

PGS' hedge fund manager due diligence process comprises both quantitative and qualitative analysis. Quantitative analysis is where consideration begins; but qualitative analysis is where the decision is made. Past results are no guarantee of future performance. The purpose of quantitative analysis in PGS' due diligence process is to measure the performance of our current invested funds with that of their peers, as well as to help identify new funds for consideration.

The first distinguishing feature of PGS' quantitative analysis is our own proprietary database (versus commercially-available databases) of MLP managers that allows us to create a relevant peer universe based on fund-specific parameters. The universe is ranked based on a number of return, risk, and consistency factors, and is updated quarterly. We also take into account risk adjusted returns and correlations to other asset classes. The Alerian MLP Index is commonly used as a benchmark for comparison against our universe of MLP programs.

### ***Proprietary Database***

PGS has an MLP database that is comprised of approximately 45 underlying programs from 20 different active investment managers. Our database also includes funds that are no longer active, which allows us to better monitor fund turnover and legacy track records for those fund managers that re-emerge under a new corporate structure. The underlying strategies include long-only, long/short, and absolute return approaches.

### ***Qualitative Information***

The majority of commercially-available databases contain limited or no relevant qualitative information. Users are left to perform quantitative analysis in a vacuum and compile qualitative data elsewhere. Over the years, PGS has made an effort to integrate the quantitative and qualitative elements into its proprietary database. To this end, we have established electronic links between the database and various qualitative information sources, such as On-Site Visit reports; Due Diligence Questionnaires; Offering Memoranda;

Monthly Reports, etc. In this manner, the database becomes a comprehensive, electronic, due diligence/research database, housing all relevant items with respect to each manager; and not just an application for running some numbers.

More specifically as to purpose, quantitative analysis is performed to evaluate a prospective manager's performance (i) on an "outright" basis (i.e., what does the manager's performance look like "in-and-of-itself" or on a "stand alone" basis); (ii) relative to the specific markets traded in such manager's strategy; (iii) relative to other managers that fall under the same strategy classification (peer group analysis); (iv) relative to other manager's on PGS' active short list; (v) relative to those managers to whom we actively allocate; (vi) relative to various applicable alternative benchmarks; and (vii) relative to various traditional benchmarks. In this process, we are looking at dozens of statistical measures of risk and return over various time horizons and rolling time horizons, using monthly and daily return data (where possible). In the comparative analysis, we are also performing correlation analysis, including correlations with respect to upside performance and downside performance.

Some of the highlights of the analysis that is performed include not just strength of returns/risk-adjusted returns, but consistency of returns; performance ranges and averages; outperformance of certain hurdles and the risk-free rate; downmarket performance and outperformance, as well as upmarket performance and outperformance, which can be just as important. Risk analysis includes the review of variance of returns, amplitude of drawdowns and recovery, the examination of volatility, both on the upside and downside and relevant to the direction of the major equity and fixed income indices, and the application of our risk-adjusted model. We examine how each of the managers performed during crisis times like 1994, the summer of 1998, September of 2001 and the Global Financial Crisis of 2008. We analyze each manager's ability to recover. We also assess whether the manager's reported performance is realistic given the style and performance reported to PGS by other managers with a similar style. Peer group analysis involves the screening and percentile and outright ranking across the dozens of statistical measure, on both a reported and risk-adjusted basis. The same sort of scoring and ranking will be effected vis-à-vis our current short list and active managers.

For MLP managers, PGS performs peer group analysis and also compares the performance of managers to the various indexes and benchmarks. We want to understand which managers perform best in up versus down markets and what managers do to try to hedge certain portfolio risks like an adverse move in interest rates.

For those managers deemed acceptable candidates following this quantitative process, we move to the next stage of due diligence, which is primarily qualitative in nature. It should be noted that, in making this decision, quantitative analysis with respect to the prospective manager does not simply end. In the final stages of due diligence additional quantitative analysis is applied, such as inter alia, portfolio review and testing, pricing testing, performance attribution, and VaR analysis if applicable. Such type of analysis is largely

performed by PGS' Risk Management team, and enables us to obtain a good sense of the underlying portfolio and style of the manager using first-hand, objective data. We perform quantitative analysis on live portfolio data, prior to allocating to a manager, in order to obtain an understanding of not only the manager's own positioning, style, biases, exposures, concentrations and attribution, but also of how such manager might fit in relation to those managers to whom we already actively allocate. Indeed, our emphasis on transparency and our ability to process positions and analyze the results allows us to determine a prospective manager's diversification potential in a much more significant way that goes beyond mere correlation coefficients.

## **Exhibit A**

### ***Investment Strategies: Managed MLP's\****

*Investing in securities involves risk of loss that clients should be prepared to bear.*

The investment objective of the Fund is to provide Shareholders with capital appreciation and income by investing in financial derivative instruments in the form of total return swaps for the purposes of providing exposure to MLPs and futures for the purposes of providing exposure to MLPs, exchange traded funds and Transferable Securities; each of which will give exposure to the U.S. energy and natural resource infrastructure and commodities sector.

The PGS Energy Opportunities strategy is based upon a concentrated "Best Ideas" portfolio with a strong "value" bias. We combine a top down view of the MLP sectors with a bottom up search for the most attractive names according to our fundamental screening process. We also assess overall market risk and the expected impact on our portfolio to determine our ongoing allocations to our core, thematic and hedge components of our portfolio.

### ***Portfolio Composition***

The portfolio typically holds 20+ MLP positions (\*or referenced positions via swap or futures for offshore investors) whose initial position size may range from 1% to 8%. PGS may build the position over time during market pullbacks or additional confirmation that our investment thesis for the holding is intact. Within a specific MLP sector, we generally have a bias towards the higher yielding MLPs that have an interesting story.

### ***Analysis Method:***

#### ***Core Portfolio***

The strategy includes a core portfolio ranging from 50% to 70% of the total portfolio, of the largest, most liquid MLPs. We look for names with the following characteristics:

- Strong, diversified asset base that is geographically spread
- Strong management team with a demonstrated vision and ability to execute growth initiatives

- Strong history of growing distributions
- Attractive expected distribution growth

### ***Thematic/Opportunistic Portfolio***

The strategy also includes a thematic, opportunistic portfolio (30-50%). The specific MLPs may be involved in an event-driven situation, represent deep value, or be beneficiaries of an important theme which PGS believes will drive profit and distribution growth over coming years. We adjust allocations to individual positions as themes or events play out or as positions reach a target price/yield.

### **Portfolio Management**

Virginia R. Parker serves as the Portfolio Manager and Tim Fisher serves as Assistant Portfolio Manager. Ms. Parker is the final decision maker, but both she and Mr. Fisher analyze and monitor themes and identify MLP candidates for portfolio investment. They are supported by a team of research analysts and a Risk Manager. PGS applies the same investment strategy for our offshore fund, PGS Energy Opportunities Trust and for our onshore fund, PGS MLP Opportunities Fund. PGS executes the strategy differently for offshore versus onshore investors. A precise description of the strategy execution is found in the respective confidential offering memorandum.

### ***Top- Down Sector and Theme Selection***

Generally, the portfolio includes a minimum of 5 MLP sectors. PGS analyzes the specific sectors within the MLP universe to determine what we believe will be the key performance drivers for the coming 12 to 18 months. Some of these drivers may become important themes in which we choose to invest. PGS weights sectors and themes according to the impact we believe they will have on the portfolio, while always striving for diversification within the MLP space. Current themes include the natural gas buildout's growth as a driver for gathering & processing businesses and the opportunities in NGLs (natural gas liquids).

### ***Bottom- Up Security Selection***

Next, PGS uses a bottom up process which combines fundamental and quantitative research to determine those MLPs within the sector that we believe will provide the most attractive total return – price appreciation coupled with current distributions and distribution growth over the next 12 months. First, we define our investable universe, eliminating names for fundamental reasons like small market cap and limited liquidity. Our investable universe is broken down by sector. Within each sector, we perform quantitative and fundamental screening including: market cap, liquidity, current distribution yield, expected distribution growth, balance sheet strength, commodity exposure and hedging

strategy, and major unit holders. To aid our research, the PGS MLP analysts review industry and Wall Street research, attend management meetings and assess earnings calls. On the quantitative side we rank MLPs within the same sector and across sectors on various fundamental factors to examine value and risk. We also perform technical analysis to assist with entry and exit points for initiating, building, paring and exiting positions. When we initiate a new position, we size according to the level of our conviction.

PGS follows a disciplined process to cut positions as individual names reach or exceed price targets, or approach or exceed maximum targeted portfolio concentrations. PGS also reduces or removes exposure to stale names.

### ***Hedge Portfolio***

PGS may place market hedges when we believe market risk may have an impact on our MLP portfolio. PGS does not short individual MLPs. We may short a basket of MLPs customized for PGS. We may also place market hedges through ETFs, futures and indexes. Most often the risks that we are trying to mitigate are equity market, interest rate and/or commodity market. Although MLPs are not highly correlated to any of these markets over the long term, MLPs may have short term sensitivity, especially during periods of severe turmoil. PGS only enters into hedges that we believe are highly liquid and transparent. The MLP Opportunities strategy is long biased. We try to achieve consistently high and growing distributions with low portfolio turnover over time. During periods of sustained risk, the Fund may carry to hedges.

### ***Currency Hedging***

All currency hedging transactions are clearly attributable to a specific Share Class. Therefore, currency exposures of different Share Classes with different base currencies are not combined or offset and currency exposures of assets of the fund are not allocated to separate Share Classes. Furthermore, if PGS, on behalf of the Fund, enters into financial derivative instruments (such as a forward swap or futures contract) with an approved counterparty, the fund could be exposed to credit risk from the creditworthiness of the counterparty.

Currency exposure at the Share Class level is generally hedged from 95% to 105% of Net Asset Value attributable to the relevant Share Class. With respect to managed accounts, PGS will customize the hedging policy according to individual client needs

At the instrument level the fund may enter into forward foreign exchange contracts and futures contracts for the purpose of hedging currency risks associated with underlying



Fund assets denominated in a non-base currency. The aim of such transactions will be to alter the currency characteristics of the relevant assets held by the Fund.

### ***Risk Management and Monitoring***

PGS monitors on a daily basis the following:

- Individual positions and the aggregate portfolio prices/news/research
- Individual positions and aggregate portfolio liquidity, position size, sector performance
- The Alerian constituents
- Global equity, bond, commodity and currency markets
- Individual positions in the hedge portfolio and aggregate portfolio (possible instruments include, ETFs, ETNs, Options, Indexes, Customized MLP basket shorts or Futures)
- Counterparty Exposures
- Counterparty CDS rates

### **Item 9 – Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to an evaluation of PGS or the integrity of PGS's management. PGS has no information applicable to this Item.

### **Item 10 – Other Financial Industry Activities and Affiliations**

#### ***Activities:***

PGS maintains active affiliations with the following professional organizations:

- Alternative Investment Management Association (AIMA)
- National Association of Publicly Traded Partnerships (NAPTP)
- State Association of County Retirement Systems (SACRS)
- CFA Institute

#### ***Affiliations and Registrations:***

PGS is registered with the Securities and Exchange Commission as an Investment Adviser under the US Investment Advisers Act of 1940. PGS is also registered as a commodity pool operator and a commodity trading adviser under the US Commodity Exchange Act and is a member of the US National Futures Association since 1996. An affiliated company is a SEC registered broker/dealer with FINRA, engaged in the private placement of securities. In addition to having Marketing and Business Development Personnel, PGS has (and will)

periodically engage Third Party Marketers (currently two organizations) to assist in its marketing efforts.

### **Item 11 – Code of Ethics, Participation in Client Transactions and Personal Trading**

This Code of Ethics (“Code”) has been adopted by PGS and is designed to comply with Rule 204A-1 under the Investment Advisers Act of 1940 (“Advisers Act”), and other regulatory entities (including FINRA and NFA).

This Code establishes rules of conduct for all employees and is designed to, among other things, govern personal conduct, client information confidentiality, insider trading activities and personal securities investments. The Code is based upon the principle that PGS and its employees owe a fiduciary duty to PGS's clients to conduct their affairs, including their personal securities transactions, in such a manner as to avoid (i) serving their own personal interests ahead of clients, (ii) taking inappropriate advantage of their position with the firm and (iii) any actual or potential conflicts of interest or any abuse of their position of trust and responsibility.

The Code is designed to ensure that the high ethical standards long maintained by PGS continue to be applied. The purpose of the Code is to preclude activities which may lead to or give the appearance of conflicts of interest, insider trading and other forms of prohibited or unethical business conduct. We believe the excellent name and reputation of PGS continues to be a direct reflection of the conduct of each employee.

Pursuant to Section 206 of the Advisers Act, both PGS and its employees are prohibited from engaging in fraudulent, deceptive or manipulative conduct. Compliance with this section involves not only acting with honesty and good faith alone, but also with the affirmative duty of utmost good faith to act solely in the best interest of its clients. PGS and its employees are subject to the following specific fiduciary obligations when dealing with clients:

- a. the duty to have a reasonable, independent basis for the investment advice provided;
- b. the duty to obtain best execution for a client’s transactions where the Firm is in a position to direct brokerage transactions for the client;
- c. the duty to ensure that investment advice is suitable to meeting the client’s individual objectives, needs and circumstances; and
- d. a duty to be loyal to clients.

In meeting its fiduciary responsibilities to its clients, PGS expects every employee to demonstrate the highest standards of ethical conduct for continued employment with PGS. Strict compliance with the provisions of the Code shall be considered a basic condition of employment with PGS. PGS's reputation for fair and honest dealing with its clients has taken considerable time to build. This standing could be seriously damaged as the result of even a single securities transaction being considered questionable in light of the fiduciary duty owed to our clients. Employees are urged to seek the advice of the Chief Compliance Officer ("CCO"), or a designee, for any questions about the Code or the application of the Code to their individual circumstances. Employees should also understand that a material breach of the provisions of the Code may constitute grounds for disciplinary action, including termination of employment with PGS.

The provisions of the Code are not all-inclusive; rather, they are intended as a guide for employees of PGS in their conduct. In those situations where an employee may be uncertain as to the intent or purpose of the Code, he/she is advised to consult with the CCO, or a designee, who may grant exceptions to certain provisions contained in the Code only in those situations where it is clear, beyond dispute, that the interests of our clients will not be adversely affected or compromised. All questions arising in connection with personal securities trading should be resolved in favor of the client even at the expense of the interests of employees.

The CCO, or a designee, will periodically report to senior management of PGS to document compliance with and recommend changes (where applicable) to the Code. PGS personnel are notified as significant changes occur and are sent copies of the full Code annually.

### ***Standards of Business Conduct***

PGS places the highest priority on maintaining its reputation for integrity and professionalism. That reputation is a vital business asset. The confidence and trust placed in our firm and its employees by our clients is something we value and endeavor to protect. The following Standards of Business Conduct sets forth policies and procedures to achieve these goals. This Code is intended to comply with the various provisions of the Advisers Act and also requires that all supervised persons comply with the various applicable provisions of the Investment Company Act of 1940, as amended, the NFA, the Securities Act of 1933, as amended, the Securities Exchange Act of 1934, as amended, and applicable rules and regulations adopted by the Securities and Exchange Commission ("SEC").

Section 204A of the Advisers Act requires the establishment and enforcement of policies and procedures reasonably designed to prevent the misuse of material, nonpublic information by investment advisers. Such policies and procedures are contained in this Code. The Code also contains policies and procedures with respect to personal securities transactions of all PGS's supervised persons as defined herein. These procedures cover transactions in a reportable security in which a supervised person has a beneficial interest

in or accounts over which the supervised person exercises control as well as transactions by members of the supervised person's immediate family.

Section 206 of the Advisers Act makes it unlawful for PGS or its agents or employees to employ any device, scheme or artifice to defraud any client or prospective client, or to engage in fraudulent, deceptive or manipulative practices. This Code contains provisions that prohibit these and other enumerated activities and that are reasonably designed to detect and prevent violations of the Code, the Advisers Act and rules there under.

Loyalty, prudence and care: PGS or its agents or employees have a duty of loyalty to their clients and must act with reasonable care and exercise prudent judgment. PGS or its agents or employees must act for the benefit of its clients and place their clients' interests before their own. In relationships with clients, PGS or its agents or employees must determine applicable fiduciary duty and must comply with such duty to persons and interests to whom it is owed.

### ***Prohibition Against Insider Trading***

Trading securities while in possession of material, nonpublic information, or improperly communicating that information to others may expose supervised persons and PGS to stringent penalties. Criminal sanctions may include a fine of up to \$1,000,000 and/or ten years imprisonment. The SEC can recover the profits gained or losses avoided through the illegal trading, impose a penalty of up to three times the illicit windfall, and/or issue an order permanently barring you from the securities industry. Finally, supervised persons and PGS may be sued by investors seeking to recover damages for insider trading violations.

The rules contained in this Code apply to securities trading and information handling by supervised persons of PGS and their immediate family members.

The law of insider trading is continuously developing. An individual legitimately may be uncertain about the application of the rules contained in this Code in a particular circumstance. Often, a single question can avoid disciplinary action or complex legal problems. You must notify the CCO, or a designee, immediately if you have any reason to believe that a violation of this Code has occurred or is about to occur.

### **General Policy**

No supervised person may trade, either personally or on behalf of others (such as investment funds and private accounts managed by PGS), while in the possession of material, nonpublic information, nor may any personnel of PGS communicate material, nonpublic information to others in violation of the law.

1. What is Material Information?

Information is material where there is a substantial likelihood that a reasonable investor would consider it important in making his or her investment decisions. Generally, this includes any information the disclosure of which will have a substantial effect on the price of a company's securities. No simple test exists to determine when information is material; assessments of materiality involve a highly fact-specific inquiry. For this reason, you should direct any questions about whether information is material to the CCO, or a designee.

Material information often relates to a company's results and operations, including, for example, dividend changes, earnings results, changes in previously released earnings estimates, significant merger or acquisition proposals or agreements, major litigation, liquidation problems, and extraordinary management developments.

Material information also may relate to the market for a company's securities. Information about a significant order to purchase or sell securities may, in some contexts, be material. Prepublication information regarding reports in the financial press also may be material. For example, the United States Supreme Court upheld the criminal convictions of insider trading defendants who capitalized on prepublication information about The Wall Street Journal's "Heard on the Street" column.

You should also be aware of the SEC's position that the term "material nonpublic information" relates not only to issuers but also to PGS's securities recommendations and client securities holdings and transactions.

2. What is Nonpublic Information?

Information is "public" when it has been disseminated broadly to investors in the marketplace. For example, information is public after it has become available to the general public through a public filing with the SEC or some other government agency, the Dow Jones "tape" or The Wall Street Journal or some other publication of general circulation, and after sufficient time has passed so that the information has been disseminated widely.

3. Identifying Inside Information

Before executing any trade for yourself or others, including investment funds or private accounts managed by PGS ("Client Accounts"), you must determine whether you have access to material, nonpublic information. If you think that you might have access to material, nonpublic information, you should take the following steps:

- a. Report the information and proposed trade immediately to the CCO, or a designee.
- b. Do not purchase or sell the securities on behalf of yourself or others, including investment funds or private accounts managed by the firm.
- c. After the CCO, or a designee, has reviewed the issue, the firm will determine whether the information is material and nonpublic and, if so, what action the firm will take.

You should consult with the CCO, or a designee, before taking any action. This degree of caution will protect you, our clients, and the firm.

#### 4. Contacts with Public Companies

Contacts with public companies may represent an important part of our research efforts. The firm may make investment decisions on the basis of conclusions formed through such contacts and analysis of publicly available information.

Difficult legal issues arise, however, when, in the course of these contacts, a supervised person of PGS or other person subject to this code becomes aware of material non-public information. This could happen, for example, if a company's Chief Financial Officer prematurely discloses quarterly results to an analyst, or an investor relations representative makes selective disclosure of adverse news to a handful of investors. In such situations, PGS must make a judgment as to its further conduct. To protect yourself, your clients and the firm, you should contact the CCO, or a designee, immediately if you believe that you may have received material, non-public information.

#### 5. Tender Offers

Tender offers represent a particular concern in the law of insider trading for two reasons: First, tender offer activity often produces extraordinary gyrations in the price of the target company's securities. Trading during this time period is more likely to attract regulatory attention (and produces a disproportionate percentage of insider trading cases). Second, the SEC has adopted a rule which expressly forbids trading or "tipping" while in the possession of material, non-public information regarding a tender offer received from the tender offer or, the target company or anyone acting on behalf of either. Supervised persons of PGS and others subject to this Code should exercise caution any time they become aware of non-public information relating to a tender offer

## ***Personal Securities Transactions***

### **General Policy**

PGS has adopted the following principles governing personal investment activities by PGS's supervised persons:

- a. the interests of and decisions involving client accounts will at all times be placed first;
- b. all personal securities transactions will be conducted in such manner as to avoid any actual or potential conflict of interest, interference or any abuse of an individual's position of trust and responsibility.
- c. supervised persons must not take advantage of their positions

### **Pre-Clearance Required for Participation in IPOs**

No supervised person shall acquire any beneficial ownership in any securities in an Initial Public Offering for his or her account, as defined herein without the prior approval of the CCO, or a designee, who has been provided with full details of the proposed transaction (including written certification that the investment opportunity did not arise by virtue of the supervised person's activities on behalf of a client) and, if approved, will be subject to continuous monitoring for possible future conflicts by the CCO.

### **Pre-Clearance Required for Private or Limited Offerings**

No supervised person shall acquire beneficial ownership of any securities in a limited offering or private placement without the prior approval of the CCO, or a designee, who has been provided with full details of the proposed transaction (including written certification that the investment opportunity did not arise by virtue of the supervised person's activities on behalf of a client) and, if approved, will be subject to continuous monitoring for possible future conflicts.

### **Interested Transactions**

No supervised person shall recommend any securities transactions for a client without having disclosed his or her interest, if any, in such securities or the issuer thereof, including without limitation:

- a. any direct or indirect beneficial ownership of any securities of such issuer;
- b. any contemplated transaction by such issuer or its affiliates;

- c. any position with such issuer or its affiliates; and
- d. any present or proposed relationship between such issuer or its affiliates and such person or any party in which such person has a significant interest.

## **Personal Investing**

PGS Management appreciates that opportunities present themselves in the marketplace whereby personnel can make personal investment purchase or sale decisions, however, in order to reaffirm that our first responsibility is to the business affairs of both our customers and PGS, we must take this occasion, effective immediately, to institute a policy revision relating to the frequency and nature of employee investment activities in securities, options, debt instruments, futures and all other investible products.

SEC Rule 204 (A) requires that PGS receive, review and retain outside brokerage account quarterly statements of all personnel. Aspects involved in statement review include: volume of employee trades occurring, whether trades are transacted in securities held by funds under PGS management, and if employee transactions are contrary to positions held by funds under PGS management.

The following is the policy with respect to employee investing activity:

- Unless approved by the CCO, or a designee, in advance, buy or sell transactions are limited to a total of 5 per calendar month,
- PGS will periodically update, then circulate a “restricted list” of securities, including MLP’s, that employees will not be permitted to transact in, unless expressly approved by the CCO ,or a designee, in advance of a trade order,

This policy change will also be incorporated in both PGS Policies and Procedures and Employee Handbook, each of which PGS is required, under SEC regulation, to annually send to (and have return-receipt requested from) its’ personnel.

## ***Protecting the Confidentiality of Client Information***

In the course of investment advisory activities of PGS, the firm may gain access to non-public information about its clients. Such information may include a person's status as a client, personal financial and account information, the allocation of assets in a client portfolio, the composition of investments in any client portfolio, information relating to services performed for or transactions entered into on behalf of clients, advice provided by PGS to clients, and data or analyses derived from such non-public personal information (collectively referred to as 'Confidential Client Information'). All Confidential Client Information, whether relating to PGS's current or former clients, is subject to the Code's policies and procedures. Any doubts about the confidentiality of information must be resolved in favor of confidentiality.



***Non-Disclosure of Confidential Client Information***

All information regarding PGS's clients is confidential. Information may only be disclosed when the disclosure is consistent with the firm's policy and the client's direction. PGS does not share Confidential Client Information with any third parties, except in the following circumstances:

- a. as necessary to provide service that the client requested or authorized, or to maintain and service the client's account. PGS will require that any financial intermediary, agent or other service provider utilized by PGS (such as broker-dealers or sub-advisers) comply with substantially similar standards for non-disclosure and protection of Confidential Client Information and use the information provided by PGS only for the performance of the specific service requested by PGS;
- b. as required by regulatory authorities or law enforcement officials who have jurisdiction over PGS, or as otherwise required by any applicable law. In the event PGS is compelled to disclose Confidential Client Information, the firm shall provide prompt notice to the clients affected, so that the clients may seek a protective order or other appropriate remedy. If no protective order or other appropriate remedy is obtained, PGS shall disclose only such information, and only in such detail, as is legally required; and
- c. to the extent reasonably necessary to prevent fraud, unauthorized transactions or liability.

***Employee Responsibilities***

All supervised persons are prohibited, either during or after the termination of their employment with PGS, from disclosing Confidential Client Information to any person or entity outside the firm, including family members, except under the circumstances described above. A supervised person is permitted to disclose Confidential Client Information only to such other supervised persons who need to have access to such information to deliver the PGS's services to the client.

Supervised persons are also prohibited from making unauthorized copies of any documents or files containing Confidential Client Information and, upon termination of their employment with PGS, must return all such documents to PGS

Any supervised person who violates the non-disclosure policy described above will be subject to disciplinary action, including possible termination, whether or not he or she benefited from the disclosed information.

All PGS employees and agents acknowledge and agree that any and all notes, memoranda, notebooks, records, programs, plans, lists, data, documents, disks, hard drives, tape drives, CD Rom and other computer hardware or software or other material in physical form which contain or embody Confidential Information and/or information relating to the business and affairs of PGS and its clients, whether created by Parker Global Strategies, employees and agents or by others (collectively, the "Confidential Materials") which are in their possession and control are the sole property of PGS

## **Item 12 – Brokerage Practices**

PGS may be granted discretionary authority to determine the securities to be used and the commission costs to be paid. In electing brokers, the Firm's primary consideration will be to obtain the most favorable net result for the client, which may not involve the lowest commission cost. However, in addition to the price of the security and the commission cost, the Firm may also take into account other considerations, including (i) the size and difficulty of the order, (ii) the apparent capability of the broker to complete the transaction, (iii) research services provided to the Firm by the broker, (iv) the financial strength of the broker and (v) marketing assistance, such as obtaining participation in new issues, providing bids and offers for securities that are thinly traded, and assisting in distribution of shares or interests in investment funds or partnerships. Research and related services furnished by brokers may include: written information and analyses concerning specific securities, companies, regions or sectors; market, financial and economic studies and forecasts; Statistical and pricing services; discussions with research personnel; attendance at seminars; risk management and performance analysis software; and other hardware, software, data bases and news, technical and telecommunications services and equipment utilized in the investment management process. Research services received from brokers may be used for the benefit of all clients. Clients may pay higher commissions than are obtainable from other brokers as a result of the firm's consideration of research services and the other factors identified above in addition to commission cost. PGS does not pay nor does it charge for other than commercially available research available to the general public.

### ***Direct Brokerage***

PGS' policy and practice is to not accept advisory clients' instruction for directing a client's brokerage transaction to a particular broker-dealer. Clients may direct advisers to use a particular broker-dealer under various circumstances, including where a client has had a

pre-existing relationship with the broker or participates in a commission recapture program, among other situations. Advisers may also elect not to exercise brokerage discretion and, therefore, requires clients to direct brokerage. Advisers should recommend to the clients the use of broker-dealers providing reasonable, competitive and quality brokerage services and advise clients if a client's directed broker does not provide competitive and quality services. PGS is not incentive to select or recommend to a client a Broker-Dealer based on its interest in receiving client referrals.

### **Item 13 – Review of Accounts**

For Managed Account Funds, accounts are reviewed daily for those days the markets are open for trading in the U.S. Reviews encompass examining all transactions for the accounts including securities bought and sold, interest earned, calculation of the accounts value applying a current mark-to-market for each position and appropriateness of securities for the account.

#### ***Committees:***

PGS committees include the Investment Committee, Implementation Committee, Portfolio Management Committee, and Risk Management Committee. Each committee includes representatives from various departments of the Firm. Committee members overlap to insure strong communication throughout the Firm for all accounts. Ultimately, The Managing Member, monitors the progress of each committee.

#### ***Investment Committee***

Includes the most senior and experienced professionals in the Firm from Research, Risk Management, and Fund & Client Services. Responsible for portfolio management including reviewing performance, rebalancing, hiring and terminating managers.

#### ***Implementation Committee***

Contract negotiations with mangers and clearing entities. Portfolio structuring and legal set-up. Establish all operating agreements and offering documents.

#### ***Portfolio Committee***

Responsible for monitoring all the hedge fund managers on the approved list. Portfolio Analysts report on the performance, underlying portfolio of positions, portfolio concentration and risk profile.

***Risk Committee***

Responsible for reviewing the daily NAV and risk reports, ensuring compliance with trading policies, and performing analysis of current opening positions. Responsible for reviewing the fund of hedge fund operations, policies and procedures and operational/accounting issues related to fund administration.

**Item 14 – Client Referrals and Other Compensation**

PGS may enter into arrangements with third parties whereby the Firm will pay to third parties who introduce clients to the Firm a portion of the fees received by the Firm from such clients. Such arrangements will be fully disclosure to client in accordance with, and otherwise comply with, Rule 206(4)-3 under the Investment Advisers Act of 1940.

***Soft Dollar Arrangements***

Soft dollars generally refer to arrangements whereby a discretionary investment adviser is allowed to pay for and receive research, research related or execution services from a broker-dealer or third-party provider, in addition to the execution of transactions, in exchange for the brokerage commission for clients' accounts. PGS does not receive payments of any kind from third-party Hedge Funds or third-party service providers. Portfolio transactions for the Funds and for other accounts and entities which the advisor or its affiliates, members, officers or principals may advise or manage generally will be allocated to brokers on the basis of best execution and in consideration of such brokers' provision of or payment of the costs of (at the direction and approval of PGS), certain services that are of the benefit to the Fund, PGS, or any such other accounts and entities. These services may take the form of research services, special execution capabilities, financing, clearance, settlement, net price, on-line pricing, block trading and block positioning capabilities, wiliness to execute related or unrelated difficult transactions in the future, order of call, on-line access to computerized data regarding clients' accounts, performance measurement data, consultations, economic and market information, portfolio strategy advice, industry and company comments, technical data, recommendations, general reports, financial strength and stability, effective execution and error resolution, quotation services. Market data services, the availability of stocks to borrow for short trades, custody, recordkeeping and similar services; PGS does receive research and attend conferences sponsored by its' executing brokers, including J.P. Morgan, Morgan Stanley and Merrill Lynch. PGS CEO periodically monitors the firm's business relationships and advisory services to ensure regulatory compliance for research services or products appearing to be obtained on a soft dollar basis.

## Item 15 – Custody

As a matter of policy and practice, PGS does not permit employees or the firm to accept or maintain custody of client assets. It is our policy that we will not accept, hold, directly or indirectly, client funds or securities, or have any authority to obtain possession of them. PGS will not intentionally take custody of client cash or securities.

In summary, PGS has investment authority only, is not a trustee, nor has general power of attorney, therefore under regulatory interpretation is deemed not to have a custody relationship.

In cases where PGS as a registered adviser is deemed to have custody because it either (a) actually holds securities or (b) has the authority to withdraw client funds because it has a general power of attorney or acts as general partner or a partnership, manager of an LLC, trustee of a trust, or in a similar capacity, then PGS will ensure that either

- the Fund will produce audited financials within 120 days of year end, or
- a formal custodian will be appointed to send a formal account statement to each investor, or
- the Fund's auditors will be engaged to conduct an unannounced audit.

The custody rule under the Investment Advisers Act of 1940 defines custody as "holding, directly or indirectly, client funds or securities, or having any authority to obtain possession of them." The custody definition now includes three examples to clarify what constitutes custody for advisers as follows:

- a. possession of client funds or securities, unless an adviser receives them inadvertently e.g., from a client. If the adviser returns them within three business days of receipt, custody can be avoided (inadvertent custody);
- b. any arrangement which authorizes or permits an adviser to withdraw client funds or securities, e.g., a general power of attorney, direct debiting of advisory fees, etc.; and
- c. any capacity, e.g., general partner of a limited partnership, trustee, etc., that gives an adviser, or supervised person, legal ownership or access to client funds or securities.

The custody rule requires advisers with custody to maintain client funds and securities with "qualified custodians," which include banks, registered broker-

dealers, and certain foreign custodians, which provide at least quarterly account statements directly to the adviser's clients.

For advisers with custody who do use qualified custodians, the prior requirements of having a surprise annual audit and delivering an audited balance sheet as part of Form ADV Part II have been eliminated except as noted below.

For advisers with custody who do not use qualified custodians which send account statements directly to clients, they must still send quarterly account statements to clients and undergo an annual surprise examination by an independent public accountant to verify client funds and securities. The independent accountant must file its certificate Form ADV-E with the SEC within 30 days of the examination. Any material discrepancies found by the accountant must be reported to the SEC within one day. The requirement to deliver an audited balance sheet with Form ADV Part II has been eliminated for these advisers also.

In the event any employee of PGS receives funds, securities, or other assets from a client, such employee must immediately notify the Compliance Officer and arrange to return such funds, securities or other assets to the client within three business days of receiving them.

### ***Procedure***

PGS has adopted various procedures to implement the firm's policy and reviews to monitor and ensure the firm's policy is observed, implemented properly and amended or updated, as appropriate which include the following:

Securities and funds of custodial clients are maintained with a qualified custodian or, in the case of accounts holding share of open-end mutual funds, the fund's transfer agent and held in the client's name or under PGS as agent or trustee for the clients;

- PGS has a reasonable belief that the qualified custodian(s) holding client assets provides at least quarterly account statements directly to those clients or an "independent representative" of their choosing that does not have a "control" relationship within the past two years with PGS;
- If PGS receives inadvertently from a client any funds or securities, these assets shall be returned to the client as soon as reasonably possible.
- No employee or supervised person of PGS shall knowingly accept actual possession of any client funds or securities. Persons receiving a request from a client to deposit assets with a qualified custodian may assist the client to complete necessary forms and/or mailings, but shall not take actual possession of the funds or securities.
- To avoid being deemed to have custody, PGS's procedures prohibit the following practices:
- Any employee, officer, and/or the firm from having signatory power over

- any client's checking account;
- Any employee, officer, and/or the firm from having the power to unilaterally wire funds from a client's account;
- Any employee, officer, and/or the firm from holding any client's securities or funds in PGS's name at any financial institution;
- Any employee, officer, and/or the firm from physically holding cash or securities of any client;
- Any employee, officer, and/or the firm from having general power of attorney over a client's account;
- Any employee, officer, and/or the firm from holding client assets through an affiliate of PGS where the firm, its employees or officers have access to advisory client assets;
- Any employee, officer, and/or the firm from receiving the proceeds from the sale of client securities or interest or
- Dividend payments made on a client's securities or check payable to the firm except for advisory fees;
- Any employee, officer, and/or the firm from directly deducting advisory fees from a client's account.\*

\*Note: Typically advisers do obtain client authority to directly debit advisory fees from clients' accounts. If an adviser does directly debit fees, the adviser will be deemed to have custody. Advisers that do directly debit fees should treat the firm as having custody and tailor the firm's policy and procedures accordingly.

## **Item 16 – Investment Discretion**

Subject to the investment objectives, policies and restrictions of each PGS Fund as set forth in the governing documents of such Funds, PGS has discretionary authority to determine the type, amount and price of securities and investments to be bought and sold on behalf of each Fund and client account, including the section of, and commissions paid to, broker-dealers. Discretionary authority facilitates placing trades in clients' accounts on their behalf so that we may promptly implement the investment policy that they have approved.

### ***Conditions for Managing Accounts***

PGS will offer investment advice to clients on the basis of a minimum investment. Only "accredited investors" or "qualified eligible participants" will be eligible to invest in the funds sponsored by PGS.

### ***Limited power of Attorney***

Clients must sign a limited power of attorney before PGS is given discretionary authority. The limited power of attorney is included in the qualified custodian's account application or our main custodians. For accounts not held with our main custodian, clients may sign a separate limited power of attorney document giving discretionary authority to PGS.

### **Item 17 – Voting *Client Securities***

Because of the unique nature of MLP's ownership structure, particularly as it relates to current PGS investments for our foreign client base, PGS currently does not have authority for voting proxies on behalf of advisory clients for any and all securities maintained in client portfolios.

In the event of changes in PGS' business model and/or client base, PGS will follow the following guidelines:

- Voting proxies for portfolio securities consistent with the best economic interests of the clients,
- Maintain written procedures on handling, research, voting and reporting of proxy voting, along with properly disclosing, in writing, such practices to clients (upon their request). Included here will be such items as monitoring corporate actions, receive and vote client proxies, maintaining required records and disclose any potential conflicts of interest\*\*, in accordance with relevant provisions under SEC regulations.

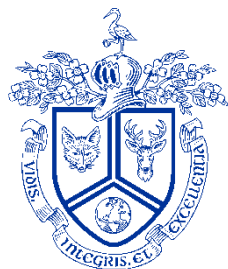
\*\* where resolution may include the following:

Client contact and voting in accordance with their directive, abstaining, voting according to proxy voting guidelines or following the vote recommendation of an independent fiduciary appointed for that purpose.

### **Item 18 – Financial Information**

PGS has no requirement to provide a Balance Sheet because PGS, as previously stated, does not serve as a custodian for client funds or securities and does not have any prepayment arrangement where fees of more than \$1,200 per client are payable six month or more in advance. As PGS is a privately-held company, all internal financial statements prepared in accordance with Generally Accepted Accounting Principles ("GAAP"), and, if required under regulation, can prepare an audited Balance Sheet compiled by an independent accountant that would include notes describing principles used in preparing, valuation methodologies and any other disclosures required for clarity. PGS does not have any financial impairment that will preclude the firm from meeting contractual commitments to clients, or been the subject of a bankruptcy petition in the last ten years.





## PARKER GLOBAL STRATEGIES, LLC

### PRIVACY POLICY NOTICE

Parker Global Strategies, L.L.C.'s (the "Firm") primary client goal is to protect your privacy.

**This privacy notice is provided to you by the Firm in accordance with regulations of the SEC.**

To conduct regular business, we may collect nonpublic personal information from sources such as:

- Information reported by you on applications or other forms you provide to us,
- Information about your transactions with us, our affiliates, or others
- Information you provide us through your account inquiries by mail, telephone or over the internet

As the Firm shares nonpublic information solely to service our client accounts, we do not disclose any nonpublic personal information about our customers or former customers to anyone, except as permitted by law, or otherwise set forth in this document. Names and addresses are never sold to third parties for any outside use.

To provide high levels of service, we may disclose the information below regarding customers and/or former customers, as necessary, to companies to perform certain services on our behalf or to other financial institutions with whom we have joint marketing agreements, or as required by law.

- Information the firm receives from clients on applications (name, social security number, address, assets, etc.)
- Information about client transactions with our firm or others (account information, payment history, parties to transactions, etc.)

At times, we may disclose nonpublic personal information to affiliated or nonaffiliated third parties. We may share any of the information that we collect as described above. We may disclose nonpublic personal information about you to the following types of affiliated or nonaffiliated third parties:

- Financial service providers such as registered investment advisors and broker dealers

**Information Safeguarding**

Parker Global Strategies, L.L.C. will internally safeguard your nonpublic personal information by restricting access to only those employees who provide products or services to you or those who need access to your information to service your account. In addition, we will maintain physical, electronic and procedural safeguards that meet federal and/or state standards to guard your nonpublic personal information.

**Please feel free to request additional information concerning this privacy notice.**

Revised March 2014