



**AltsDirect Adviser, LLC**

**PART 2A OF FORM ADV: FIRM BROCHURE**

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**AltsDirect Adviser, LLC**

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**AltsDirect Adviser LLC  
4229 Chevy Chase Lane  
Frisco, Texas 75033**

**June, 2014**

This brochure provides information about the qualifications and business practices of AltsDirect Adviser LLC (“AltsDirect” or the “Firm”). If you have any questions about the contents of this brochure, please contact AltsDirect’s Chief Compliance Officer at 214-629-8795 or [Compliance@AltsDirect.com](mailto:Compliance@AltsDirect.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

Additional information about AltsDirect also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

AltsDirect is registered with the SEC as an investment adviser. Being a “registered investment adviser” or describing AltsDirect as being “registered” does not imply a certain level of skill or training.

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***Item 2: Material Changes***

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Item 5 has been updated to reflect the Account Fee. Item 9 has been updated to include a recent disciplinary matter. Item 14 has been updated to reflect possible future solicitor engagement. There are no other material changes to note for this ADV 2A amendment.

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**Item 3: Table of Contents**

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**Item 4: Advisory Business**

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AltsDirect, a Delaware limited partnership, commenced investment operations in March 2014.

AltsDirect provides investment advisory services to privately pooled investment vehicles and to individuals in separate series of a series Trust (each series an “Investor Fund” and collectively, the “Investor Funds”).

The investment objective for each Fund is capital appreciation through direct investment in income-producing commodities, real estate, entertainment and other alternative investments through fractional interests in asset partnerships.

The Firm’s investment management and advisory services are detailed in the relevant subscription agreement and the AltsDirect Investor Agreement.

As of December 31, 2013, AltsDirect manages \$0 in net Advisory Client assets under management on a discretionary and non-discretionary basis.

AltsDirect does not participate in any wrap fee programs.

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**Item 5: Fees and Compensation**

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The Manager will be paid a management fee (“Management Fee”) with respect to each Investor Fund.

As compensation for the services rendered to the Investor Fund by the Manager, the Investor Fund will pay the Manager a management fee (“Management Fee”), payable quarterly in arrears, equal to  $\frac{1}{4}$  of 2.0% of that portion of the net asset value of the Investor Fund that is referable to investments in Operating Vehicles. The Management Fee shall be payable within approximately 30 calendar days after the last calendar day of the calendar quarter to which they pertain.

The Investor will pay the Manager an account fee (“Account Fee”), equal to 2% of each deposit into the Account, at the time that each deposit of funds is made into the Account by the Investor. Investors will not be entitled to receive any rebate of the Account Fee, which will be used by the Manager to pay cash solicitation fees to Alternatives Direct Group, LLC or an affiliate (“AltsDirect”) for software and other administrative expenses incurred in connection with the operation of the AltsDirect Website, and for AltsDirects’ efforts to solicit clients for the Manager, and to pay cash solicitation fees to certain financial intermediaries for soliciting clients for the Manager. The amount of any cash solicitation fee paid by the Manager to AltsDirect or a financial intermediary (each, a “solicitor”) will be disclosed in a form that the Investor will receive from such solicitor. The Account Fee may or may not correspond to the total amount of any cash solicitation fees that the Manager pays to AltsDirect and/or any financial intermediaries. No Account Fee shall be payable with respect to Investor Fund distributions.

Notwithstanding the foregoing, the Investor Fund Appendix with respect to an Investor Fund may set forth certain customized terms with respect to fees that are applicable to that Investor Fund.

Other than as described above or as agreed in a negotiated investment advisory agreement, no other hourly, flat or asset-based fees are charged to Investor Funds.

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***Item 6: Performance-Based Fees and Side-by-Side Management***

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Performance-based fees will only be charged consistent with the SEC rules and regulations, including Rule 205-3 under the Investment Advisers Act of 1940, as amended. It is not anticipated at this time that AltsDirect will charge performance-based fees to Investor Funds.

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***Item 7: Types of Clients***

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AltsDirect provides discretionary and non-discretionary investment management services to investors as described in Item 4.

The investors in the Funds will consist primarily of institutional investors, high net worth individuals, insurance companies and endowments.

The required minimum initial commitment is \$100,000.

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

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The Investor Funds will invest in Operating Vehicle investments made available to the Investor Funds. There can be no assurance that the objectives associated with our investment strategy will be met. At any time, AltsDirect may add, remove or modify any of the strategies it employs, including the strategies described above.

**RISK FACTORS**

**1 GENERAL RISKS**

Investing in an Investor Fund and investing Investor Fund assets in an Operating Vehicle each involve significant risks. The Investor Funds and the Operating Vehicles will not constitute a complete or diversified investment program. None of the Operating Vehicles is diversified, and although Investor Funds are expected to hold a variety of energy-related, real estate-related, and other Projects, Investors should regard their investment in an Investor Fund as only part of a broader, more diversified investment portfolio. Investors should consult with their financial advisor for additional information. There can be no assurance that the investment objective of any Investor Fund or Operating Vehicle will be met. Operating Vehicles invest in energy-related Projects, real estate-related Projects, and other types of Projects. The Projects will involve a high degree of risk and many or most may lose money. Investor Fund(s) may ultimately receive cash, securities, or other assets, or a combination of cash, securities, and other assets (and in some cases nothing at all). If an Investor Fund receives securities or other assets, the securities or other assets may not be publicly traded, and may not have any significant value.

**2 NO GUARANTEE**

Neither AltsDirect nor any of its affiliates guarantee the future performance or financial results of any Investor Fund or Operating Vehicle, and an investment in an Investor Fund, or an investment in an Operating Vehicle by an Investor Fund, may result in a gain or loss upon termination or liquidation of the Investor Fund or Operating Vehicle, as applicable. It is possible that “phantom income” may occur, which could require investors to pay taxes on their investment in and through the applicable Investor Fund, even though the Investor Fund and/or Operating Vehicles in which it invests do not distribute any income (or do not distribute sufficient income to pay the taxes).

**3 LIMITED FINANCIAL INFORMATION**

Investors will receive audited financial statements with respect to their Investor Fund or the Operating Vehicle(s) in which it invests. The Investor Fund will receive only limited information about each Operating Vehicle in which it invests and the Project to which it relates. Although investors will receive periodic information about the value or valuation of the Investor Fund and the Operating Vehicles in which it has invested, as well as ongoing information about the Projects and the Project assets held by the Operating Vehicles, any such valuation information may be of limited reliability and use.

**4 PRIVATELY-OFFERED SECURITY RISK**

Investing in privately offered securities, including the interest offered by the Investor Fund, the interests offered to Investor Funds by the Operating Vehicles, or any interests offered by a Project Entity and purchased by an Operating Vehicle, entails a significant degree of risk and, therefore, should be undertaken only by investors capable of evaluating and bearing those risks. Energy-related and real estate-related investments, such as those held by the Operating Vehicles, involve a high degree of risk and many or most such investments lose money.

**5 LIMITED MARKET FOR INVESTOR FUND, OPERATING VEHICLE, AND PROJECT ENTITY SECURITIES**

None of the interests in the Investor Funds, Operating Vehicles, or any Project Entity have been registered under the 1933 Act or any other law of the United States, or under the securities laws of any state or other jurisdiction, and therefore an interest in an Investor Fund, Operating Vehicle or Project Entity cannot be resold, pledged, assigned or otherwise disposed of unless it is so registered or an exemption from registration is available. A limited market exists for the sale of securities in the Investor Funds, Operating Vehicles, and (as applicable) any Project Entities in which the Operating Vehicles invest, and the transferability of those securities is generally restricted. In the event that the OV Adviser or General Partner determines to distribute Project-related securities held by an Operating Vehicle to Investor Funds invested in the Operating Vehicle, there may be no market through which those securities may be sold, and even if there were such a market, the transfer of such securities may be subject to significant legal and contractual restrictions, including Federal and state securities laws and regulations.

In addition, if a distribution of securities issued by a Project Entity, including an Operator, is made prior to the existence of a public market for such securities, the securities distributed would not be registered under Federal securities laws or qualified under any state securities law. Any sale would be required to be made in reliance upon exemptions under those laws. Unless a Project Entity’s securities are registered with the SEC and any required state authorities, or an appropriate exemption from registration is available, if the investor receives a Project Entity’s securities in an Operating Vehicle Distribution to the Investor Fund, the Investor Fund may be unable to liquidate those securities, even though the financial condition of the Investor Fund may dictate such liquidation. Moreover, the resale of any Project Entity’s securities following a distribution to Investor Funds will generally be subject to Rule 144 of the 1933 Act.

## **6 RESTRICTIONS ON TRANSFER**

The Investor Fund's interest in an Operating Vehicle generally cannot be traded or transferred and can only be redeemed in limited circumstances. An interest in an Investor Fund can only be transferred with the prior written authorization of the Manager, which may be withheld in the Manager's sole and absolute discretion, and the Investor Fund's interest in an Operating Vehicle can only be transferred with the prior written authorization of the OV Adviser or General Partner, which may be withheld in the OV Adviser's or General Partner's sole and absolute discretion, as applicable. The investor may not be able to transfer their interest in an Investor Fund, and the Investor Fund may not be able to transfer its interest in an Operating Vehicle, at the time or at the price desired.

The Investor Fund must typically hold its interest in an Operating Vehicle until the Project's assets are sold or otherwise disposed of by the OV Adviser or General Partner. Investors typically will not be able to redeem the corresponding investment in the Investor Fund until one of these events occurs and the Operating Vehicle makes its final distributions.

## **7 MANAGEMENT OF THE OPERATING VEHICLES**

The OV Adviser or General Partner, as applicable, makes all investment and other decisions for each Operating Vehicle, including whether and on what terms to dispose of assets associated with the Project in which an Operating Vehicle has invested, whether to exercise any conversion, warrant or similar rights with respect to any Project Entity securities held by an Operating Vehicle, and whether and how to vote on any proxy or other voting matters related to any such securities. Neither the investor nor the Investor Fund will have any right to manage or influence the management of any Operating Vehicle or of the LP, and neither the investor nor the Investor Fund have any right to remove the OV Adviser or General Partner. Investors should not invest Investor Fund assets in an Operating Vehicle unless the investor is willing to entrust all aspects of the management of the Operating Vehicle to the OV Adviser or General Partner on behalf of the Investor Fund. Any determination as to whether to distribute any assets held by the Operating Vehicle, or sell the assets and distribute cash, will be made by the OV Adviser or General Partner, as applicable, in its sole and absolute discretion.

As discussed above, the OV Adviser or General Partner (as applicable) may, in its sole and absolute discretion, determine whether to offer follow-on and other related investment opportunities in an Operating Vehicle, if such opportunities are made available, to some or all of the Investor Funds that have previously invested in a particular Operating Vehicle or to Investor Funds that did not already invest in that Operating Vehicle. In addition, the OV Adviser or General Partner (as applicable) may, in its sole and absolute discretion, determine whether to offer follow-on or other related investment opportunities in a new Operating Vehicle that will hold additional assets related to a Project associated with an existing Operating Vehicle, if such opportunities are made available, to some or all of the Investor Funds that have previously invested in that Project through an Operating Vehicle or to Investor Funds that did not already invest in that Operating Vehicle.

The General Partner may, in its sole and absolute discretion: (a) reject any subscription for an investment by an Investor Fund in any Operating Vehicle for any reason or no reason, in whole or in part, and at any time prior to its acceptance; and (b) for any reason or for no reason, require the Investor Fund to redeem its interest in an Operating Vehicle.

## **8 MANAGEMENT OF THE INVESTOR FUNDS**

As manager of each Investor Fund, the Manager is responsible for the implementation of each Investor Fund's investment program. As described above, the Manager will provide asset allocation services to



the Investor Funds on either a discretionary or non-discretionary basis, based on the Investor Profiles submitted to the Manager and utilizing the Sequencing Program. Neither the Investor Fund nor Investor in an Investor Fund have the right to remove the Manager. Investors should not invest in an Investor Fund unless they are willing to entrust all aspects of its management to the Manager.

The Manager may, in its sole and absolute discretion: (a) reject any subscription for an interest in an Investor Fund for any reason or no reason, in whole or in part, and at any time prior to its acceptance; and (b) for any reason or for no reason, require the Investor to redeem its interest in an Investor Fund.

## **9 NO OR LIMITED CONTROL OVER THE PROJECTS AND THE VALUE OF THEIR ASSETS**

In the case of most energy-related Projects, the OV Adviser, General Partner and Manager typically will not obtain representation on the board of directors (or similar governing body) of, or otherwise have any control over, an Operator or any other Project Entity involved in the management of the applicable Project. The success of any Operating Vehicle investment depends on the ability and success of the Operator and any other management entities and individuals associated with the Project whose assets are held by that Operating Vehicle, in addition to economic and market factors. Valuations may fluctuate considerably and the price paid for a Project's assets or interests, including any securities issued by a Project Entity, may bear limited or no relationship to future valuations of the Project's assets or interests in any market that may develop for such assets or interests, whether private or public.

In the case of most real estate-related Projects, the General Partner will typically hire an Operator to manage property directly owned by the Operating Vehicle. As a result, the General Partner will have the ability to monitor and potentially remove and replace the Operator. Nonetheless, the General Partner cannot guarantee that the Operator will effectively or successfully manage the Project, and the success of the Operating Vehicle investment may fluctuate based on the Operator's performance, in addition to economic, regulatory and market factors. Valuations in real estate assets may fluctuate considerably, and the price paid for a real estate-related Project's assets may bear limited or no relationship to future valuations of the Project's assets.

## **10 FEES, ALLOCATIONS AND EXPENSES THAT WOULD NOT BE INCURRED THROUGH DIRECT PURCHASE OF A PROJECT'S ASSETS OR INTERESTS**

When an investor invests in an Investor Fund, they will be required to pay IF Expenses and a Management Fee. In addition, when the Investor Fund invests in an Operating Vehicle, it will pay OV Expenses and other operational expenses of the Operating Vehicle, and its distributions will be reduced by the amount of the Performance Allocation. None of these allocations, expenses or fees would be incurred by an Investor making a direct investment in the assets associated with a Project. The foregoing allocations, expenses and fees, which may be significant in terms of the size and assets of the Operating Vehicle or Investor Fund, will reduce the amount received by Investors in each Investor Fund.

An Investor may or may not be able to directly purchase the assets of a Project at a price and upon terms that would be more economically advantageous than those available by investing Investor Fund assets in an Operating Vehicle.

## **11 THE GENERAL PARTNER'S DECISIONS MAY BE INFLUENCED BY THE TYPE OF PERFORMANCE ALLOCATION IT RECEIVES**

Because the General Partner is not permitted to receive compensation based on the capital appreciation of an asset in cases where the OV Adviser manages the Operating Vehicle in question, and the asset generates income (most frequently, real estate-related assets), the General Partner may have an

incentive to reject offers to purchase assets held by an Operating Vehicle, because the sale would result in an end to income-based returns on the asset. In cases where the OV Adviser does not manage the Operating Vehicle in question - most frequently, where the Operating Vehicle invests in real estate-related Projects that generate capital appreciation, the General Partner is permitted to receive compensation based on capital appreciation of an asset, and therefore the General Partner may have an incentive to reject offers to purchase securities held by an Operating Vehicle, if the purchase price would not be sufficient to generate a significant (or any) Performance Allocation.

## **12 LIMITED INFORMATION ABOUT PROJECTS**

Due to the nature of the Projects offered through the Site, there may be limited information—financial, operating or otherwise—regarding a Project. Investors considering investing Investor Fund assets in an Operating Vehicle must be aware that there is a risk that: (i) there are facts or circumstances pertaining to a Project that the public, the Operating Vehicle, the OV Adviser, the General Partner, the Manager, the Investor Fund that the investors are not aware of, and (ii) the information upon which the Operating Vehicle, the OV Adviser, the General Partner, the Manager, the Investor Fund and the investor rely, including both publicly available information and information on the Site concerning the Projects, may prove to be inaccurate, and, as a result, the Operating Vehicle and in turn the Investor Fund may suffer a partial or complete loss of the investment.

Investors should read and understand the risk factors contained in the Investment Information before the Investor Fund assets are invested in an Operating Vehicle.

## **13 NO ASSURANCE OF DISTRIBUTIONS**

An Investor Fund may not receive distributions with respect to an Operating Vehicle and any such distributions may not be received for a significant period of time (such as when the assets of the applicable Project(s) are sold or otherwise disposed of). Investors should therefore not have any expectation of receiving distributions.

Unless otherwise requested by the Investor, all distributions otherwise payable to an Investor from an Investor Fund, if any, shall be retained by the Investor Fund for reinvestment in one or more Operating Vehicles. Therefore, if an Investor seeks to receive such distributions, the Investor must notify the Manager.

## **14 LACK OF PERFORMANCE RECORD**

Each Operating Vehicle and Investor Fund is a newly-formed entity with no performance record. In addition, each Project is a highly speculative and untested project. As such, it is possible that any Operating Vehicle, Investor Fund, or Project may not be financially successful.

## **15 THE INVESTOR FUNDS AND OPERATING VEHICLES DO NOT OFFER A COMPLETE INVESTMENT PROGRAM**

None of the Operating Vehicles are diversified. In general, each investment in an Operating Vehicle is offered for the primary purpose of investing in a single Project. Each Project has an inherently high risk/high reward return profile. Because none of the Operating Vehicles are diversified, an investment of Investor Fund assets in a particular Operating Vehicle may be subject to greater volatility and may be more susceptible to any single economic, political or regulatory occurrence than would be the case if the investments held by the Operating Vehicle were more diversified. As a result, an investment in an Operating Vehicle is subject to partial or total risk of loss.

Investor Funds are expected to hold a variety of energy-related, real estate-related, entertainment-related, and other Projects, and it is the objective of the Manager to seek to ensure, to the extent practicable, that an Investor Fund's interests in Operating Vehicles are sufficiently diversified so that the risk of the overall portfolio of the applicable Investor Fund is reduced. However, the Manager's ability to achieve diversification is contingent on a number of factors, including, among others, whether the Manager manages the Investor Fund on a discretionary or non-discretionary basis, the availability of different types of Projects, the terms of available interests in Operating Vehicles, and the extent to which each Investor chooses to "opt in" or "opt out" of particular Operating Vehicle investments.

In addition, it is expected that, at least initially, the Operating Vehicles will be concentrated in a limited number of industries and asset classes, particularly energy, real estate, and entertainment. Operating Vehicle Projects may also be concentrated geographically. As a result, despite the Manager's objective of seeking diversification across Operating Vehicles, the Operating Vehicles themselves will not be diversified with respect to industries and asset classes and may also not be diversified geographically. The value of an Investor Fund may, therefore, be subject to greater volatility and may be more susceptible to any single global or regional economic, political or regulatory occurrence than would otherwise be the case.

#### **16 LIMITATION ON LIABILITY; INDEMNIFICATION**

The LLC Agreement, the LP Agreement, and certain other agreements comprising the Investment Information contain provisions limiting the liability of the Investor Fund Covered Parties and the Operating Vehicle Covered Parties, and providing for their indemnification in certain circumstances, provided that such Investor Fund Covered Party or Operating Vehicle Covered Party has met its standard of care. Further, Operators, administrators, due diligence specialists and other service providers to or agents of the Investor Funds and/or the Operating Vehicles will likely be subject to limitations on liability, and will receive indemnification rights, that are substantially similar to those described above for Investor Fund Covered Parties and Operating Vehicle Covered Parties.

Any indemnification paid to a party referenced above is likely to be paid from the assets of one or more Investor Funds and/or Operating Vehicles and therefore would reduce the value of such Investor Funds or Operating Vehicles (in some cases, significantly).

#### **17 ENERGY, REAL-ESTATE, AND ENTERTAINMENT RELATED RISKS**

The Operating Vehicles will typically invest in energy-related, real estate-related, and entertainment-related Projects. Investments in each Project entails a high degree of risk. Each Project is a highly speculative and untested project and, as such, may not be financially successful.

The energy sector is susceptible to significant price volatility as a result of a variety of factors, which may include, among others, (i) the unpredictability of success in locating and producing natural resources in an economically viable manner, (ii) the malfunctioning or unavailability of facilities necessary to produce, transport, store and deliver energy-related resources, (iii) rate and tariff regulation, (iv) drops or spikes in energy prices and (v) environmental risk.

The real estate sector is also susceptible to significant price volatility as a result of factors such as, among others, (1) interest rates, (2) economic factors that affect the demand for real estate, such as changes in employment rates and incomes, (3) real estate-related trends such as vacancies in the rental market, (4) changes and trends in the construction and building industry and (5) environmental risk.

The entertainment sector is susceptible to significant price volatility as a result of factors such as, among others, (i) the possibility of a project or type of project becoming obsolete quickly, (ii) cyclicity of revenues and earnings, (iii) a decrease in the discretionary income of consumers, (iv) changing consumer tastes and interests, and (v) dependence on advertising spending. Each sector is affected by factors including, but not limited to, (a) government ownership, government intervention, or operation of major market participants, (b) consumer advocacy, (c) weather-related events, (d) changes in law, (e) international political events and other unforeseen events and (f) other factors such as market illiquidity or disruption, the inability or refusal of a counterparty to perform, or the insolvency or bankruptcy of a significant market participant. These events are, by their nature, unpredictable, and can cause extreme and sudden price reversals and market disruptions.

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***Item 9: Disciplinary Information***

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On March 10, 2014, the Securities Commissioner of South Carolina issued an Order to Cease and Desist directed to Robert Couch, on the basis that Robert Couch, the Chief Technology Officer of AltsDirect, sold “shares” of a financial product through an unregistered financial expert or promoter that were marketed by general solicitation and by misrepresentations during Mr. Couch’s employment by Couch Financial Services, Inc. Mr. Couch believes that the Securities Commissioner of South Carolina entered the Order to Cease and Desist without proper notice or service. Mr. Couch disputes the allegations contained in the Order to Cease and Desist and is requesting a hearing on the notice and the merits. Accordingly, AltsDirect is currently treating this matter as a proceeding.

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***Item 10: Other Financial Industry Activities and Affiliations***

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AltsDirect is an affiliate of AltsDirect Investments, LLC, which was granted registration with the SEC as a Registered Investment Adviser on May 6, 2014.

Generally, AltsDirect will manage the Investor Funds, while AltsDirect Investments, LLC will manage the Operating Vehicles, and their affiliates, members, managers, officers and/or employees will manage other businesses, including, without limitation, those associated with Alternatives Direct Group, LLC. Each of AltsDirect and AltsDirect Investments, LLC, along with the Investor Funds and Operating Vehicles, are affiliated and related parties. Certain inherent conflicts of interest arise from the activities of AltsDirect and AltsDirect Investments, LLC, and their affiliates.

AltsDirect will devote the time reasonably required to manage the Investor Funds. AltsDirect and its affiliates, members, managers, officers and/or employees may be engaged in other businesses and activities, including exercising investment advisory and management responsibility and buying, selling or otherwise dealing with investments for their own accounts, for the accounts of family members, and for the accounts of other clients, including with respect to some of the types of investments that AltsDirect will purchase or sell on behalf of an Investor Fund.

Similarly, AltsDirect Investments, LLC will devote the time reasonably required to manage the Operating Vehicles. AltsDirect Investments, LLC and their affiliates, members, managers, officers and/or employees may be engaged in other businesses and activities, including exercising investment management responsibility and buying, selling or otherwise dealing with investments for their own accounts, for the accounts of family members, and for the accounts of other clients, including with

respect to some of the types of investments that AltsDirect Investments, LLC will purchase or sell on behalf of an Operating Vehicle.

Each of these persons may give advice and take action in the performance of their duties to their other clients that could differ from the timing and nature of action taken with respect to an Investor Fund or Operating Vehicle, as applicable

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***Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading***

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AltsDirect has adopted a Code of Ethics for all supervised persons of the firm describing its high standard of business conduct and fiduciary duty to its clients. The Code of Ethics, which was amended and restated in April 2014, includes provisions relating to a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All supervised persons at AltsDirect must acknowledge the terms of the Code of Ethics annually, or as amended. A copy of AltsDirect's Code of Ethics will be provided to any client or prospective client upon request.

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***Item 12: Brokerage Practices***

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AltsDirect currently does not engage in trading transaction on behalf of its clients or utilize the services of broker-dealers for transaction related services. In the event it chooses to use a broker-dealer, AltsDirect will seek to obtain best execution of transactions. To the extent they aggregate orders for purchase and sale, AltsDirect will aggregate such orders as it deems appropriate and in accordance with each Fund's organizational documents and in the best interests of each Fund.

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***Item 13: Review of Accounts***

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Neither AltsDirect nor any of its affiliates review Investor Funds with respect to the client investor individual OV holdings and the appropriateness of those holdings to clients overall financial plans.

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

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AltsDirect does not receive economic benefit from anyone but the investors in the Advisory Clients for providing investment advice or other advisory services to the Advisory Clients.

AltsDirect does not currently use services of a solicitor to offer interests in the Investor Funds. However, AltsDirect may enter into arrangements with solicitors where in return for a referral AltsDirect would pay the solicitor a one-time or ongoing fee based upon the value of the referral's investment into the Investor Funds. Any such arrangement with a solicitor will be disclosed to every investor.

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***Item 15: Custody***

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The assets of each Fund are held at unaffiliated qualified custodians as required by the rules adopted under the Investment Advisers Act of 1940, as amended, who issues account statements to investors on

an at least quarterly basis. We will provide Fund investors with the Fund's annual audited financial statements prepared by an independent public accountant.

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***Item 16: Investment Discretion***

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The assets of each Fund are held at unaffiliated qualified custodians as required by the rules adopted under the Investment Advisers Act of 1940, as amended. We provide Fund investors with the Fund's annual audited financial statements prepared by an independent public accountant.

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***Item 17: Voting Client Securities***

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Based on the anticipated investments for the Investor Funds, AltsDirect does not anticipate that the Investor Funds will hold securities for which proxy voting will occur. However, to the extent AltsDirect has been delegated proxy voting authority on behalf of its clients, AltsDirect complies with its proxy voting policies and procedures. Such policies and procedures are designed to ensure that such proxies are voted in the best interest of the client. The investors in a Fund may not direct voting of proxies. Upon request, we will provide clients with a copy of our proxy voting policies and procedures and/or a record of all proxy votes cast by AltsDirect on behalf of the respective Client Account.

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***Item 18: Financial Information***

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AltsDirect believes that it has no financial condition that is reasonably likely to impair its ability to meet contractual commitments to its clients, and AltsDirect has not been the subject of any bankruptcy proceeding.

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***Item 19: Requirements for State Registered Advisers***

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Not Applicable.