

**LIZARD**investors



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June 2, 2015

This brochure provides information about the qualifications and business practices of Lizard Investors LLC. If you have any questions about the contents of this brochure, please contact us at 312-803-7300 or [info@lizardinvestors.com](mailto:info@lizardinvestors.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.

Lizard Investors LLC is a registered investment adviser. Registration with the SEC does not imply any level of skill or training. Additional information about Lizard Investors LLC also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## Item 2 – Material Changes

Lizard Investors LLC has no material changes to report since its last brochure dated March 12, 2014.

Our brochure is also available on Lizard’s password protected web site, for *qualified investors* who are clients of the firm, and via the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

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#### Item 4 – Advisory Business

Lizard Investors LLC (“Lizard”), a Delaware limited liability company, was incorporated in October 2007 and has been registered with the SEC since July 11, 2008. Leah Joy Zell is the owner and principal.

Lizard, together with its affiliates, provides discretionary investment advisory services to qualified high net worth individuals, family and multi-family offices, foundations and institutions, through pooled investment vehicles that are exempt from registration under the Investment Company Act of 1940, as amended and are primarily structured as a master feeder (each a “Fund” or collectively the “Funds”) and to a proprietary fund outside of the master feeder structure described above. Lizard invests mainly in common stocks of companies of any size domiciled and generally doing business outside the United States. Lizard does not tailor its services to the needs of individual investors.

Effective April 1, 2015, Lizard will be providing investment advisory services pursuant to a sub-advisory agreement with Pengana Capital, an Australian based asset manager. The assets will be held in an Australian Unit Trust (the “Trust”) and the fund is called the Pengana Global Small Companies Fund (“PGSCF”). PGSCF will invest in global small- and mid-cap equities. Initially, only Australian residents will be permitted to invest in PGSCF. Lizard will be responsible for investment advisory services; Pengana will be responsible for operations, custody, reporting, and marketing of PGSCF.

Lizard’s gross assets under management as of February 28, 2015 were \$303,712,284.

The Funds do not employ leverage or engage in borrowings to enhance the return on investments and therefore do not expect to generate unrelated business taxable income (UBTI) on tax-exempt organizations. However, because the question of what constitutes UBTI may be unclear and subject to developing interpretation by the Internal Revenue Service, there can be no assurance that investment in the Funds will not result in UBTI. To the extent that a Fund becomes aware that it has entered into transactions that result in UBTI, Lizard will provide tax-exempt investors with notice.

*Investors should refer to the Funds’ Confidential Private Offering Memorandum (“Offering Memorandum”) for a complete description, including investment strategies, risks and expenses before investing in the Funds.*

## **Item 5 – Fees and Compensation**

Lizard receives a management fee for serving as investment manager to the Funds. Lizard may, in its sole discretion, waive, rebate or calculate differently all or a portion of the management fee applicable to its investors, or reimburse other expenses of its investors in the Funds, based on such criteria as the size of the investor's capital commitment, an existing relationship with Lizard and the potential for additional investment.

The management fee is payable monthly in arrears to Lizard.

In addition to paying the management fee and a performance-allocation (please see *Item 6*) to Lizard, the Funds shall bear all of their operating expenses, including brokerage commissions, other charges for transactions in securities and other instruments, custodial fees and expenses, administrative fees and expenses, reporting expenses, taxes, interest, legal and accounting fees, expenses associated with mailing and communications with investors, as well as litigation and other extraordinary and non-recurring expenses, if any. Lizard shall pay all ordinary and recurring expenses of providing its services to the Funds, including, without limitation, general overhead, travel and salary expenses.

Lizard will receive a management fee for its sub-advisory services to PGSCF.

Please refer to *Item 12* of this brochure for a discussion of Lizard's brokerage practices.

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

Lizard receives a performance allocation with respect to the Funds, made at the end of the performance period, which is December 31<sup>st</sup> of each year for each investor's capital account, equal to a percentage of net appreciation in the account, subject to an adjusted high water mark (the "AHWM"). The AHWM is applied to investor accounts if a Fund has incurred a loss for any performance period. If the AHWM is applicable, the performance allocation made to Lizard is reduced to one half of the applicable full performance allocation during times of appreciation, but before 200% of the prior losses are recouped. The amount of the performance allocation varies with the period that the investor has agreed to commit its capital. No performance allocation is made during a performance period in which a member's capital account loses value. Therefore, the reduced performance allocation applies to all appreciation until 200% of a Fund's losses have been recouped, at which time the full performance allocation will apply to any additional appreciation.

Lizard also will receive a performance fee for its investment sub-advisory services to PGSCF. The performance fee is applicable to returns generated in excess of the MSCI SMID Index.

Lizard's investment personnel are compensated on a basis that includes a performance-based component. After reaching a prescribed hurdle amount, a mandatory percentage of the investment team's after-tax bonus is invested in the Funds and locked-up until 24 months after employment terminates.

## **Item 7 – Types of Clients**

Lizard provides advice directly to the Funds and to a proprietary fund and as a subadviser to PGSCF (as of April 1, 2015) and not to individual investors. Eligibility to invest in a Fund is limited to investors who meet specified minimum criteria relating to such items as financial holdings and investment experience, which are further detailed in a Funds' subscription agreement. The Funds, as well as the proprietary fund, are considered Lizard's clients.

Details concerning minimum initial and additional subscription amounts, as well as a description of the investment objectives and risk factors, are found in each Fund's Offering Memorandum which is provided to prospective investors. Lizard may, in its sole discretion, permit investments below the minimum amounts set forth in a Funds' Offering Memorandum.

PGSCF will also be a client of Lizard when it is launched on April 1, 2015.

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

### Investment Strategy/Methods of Analysis

The Funds' investment objective is to generate exceptional returns while protecting capital over the market cycle. The Funds almost exclusively invest in companies domiciled outside of the United States or having substantial operations outside the United States. Securities will be identified using bottom-up analysis and independent research. The investment team intends to purchase reasonably priced securities of companies with 1. sustainable business models and high barriers to entry; 2. conservative balance sheets; 3. management that understands capital allocation; 4. good corporate governance; and 5. a compelling valuation. Other characteristics may include beneficial macro-economic or trends, pricing

anomalies, insider buying, strong free cash flow, and management incentives designed to deliver superior returns to shareholders. Companies with local- or low-profile institutional ownership are preferred. Although the Funds can invest in securities of companies of any size, the portfolio has historically been weighted toward small- and mid-cap names.

Strategies that may be used to protect capital or enhance returns include out-of-the-money puts, hedging of currencies, ETFs, selling market indices, and holding cash. Lizard may use selective shorts in certain market conditions as an opportunistic investment tool. The firm may short individual securities based on the inverse characteristics listed above. Selling securities short is based on fundamental analysis, and will typically only be done when the investment team perceives that taking short positions will contribute to the portfolio's goals of income generation and capital preservation.

Lizard monitors Fund holdings to limit correlations across geographies, industries and sectors. The Funds have not used leverage to date.

Lizard typically sells a security when it reaches a target price (the intrinsic value as determined by the investment team), fails to perform as expected, or when companies with better risk/return characteristics are available. Lizard may also sell securities to fund redemptions.

Although the Funds will invest primarily in common and preferred stocks, they may, for temporary defensive purposes or to manage cash pending investment, place up to 100% of the assets in short-term foreign and U.S. instruments such as cash or cash equivalents, short-term bank obligations, commercial paper, fixed time deposits and obligations of foreign governments, their subdivisions, agencies and instrumentalities. The Funds may also invest in shares of a money market fund or an unregistered fund to manage uninvested cash.

A Fund will limit its total investments in restricted securities, if any, and in other securities for which there is no ready market, including repurchase agreements maturing in more than seven days, to 10% of its total assets (valued at the time of acquisition). The Funds may invest their assets in "new issues" as defined in Financial Industry Regulatory Authority ("FINRA") Rules 5130 and 5131. Under those rules, new issues may be allocated only to investors eligible for participation under Rules 5130 and 5131.

*There can be no assurance that the Funds will achieve their investment objective.*

## Risks

**Lizard's specialized investment program involves risk of loss that investors should be prepared to bear. Investors should be able to withstand the loss of their entire investment. Investment results may vary substantially on a quarterly or annual basis. For the purposes of the General Risks below, "Funds" includes the Lizard International Fund LLC, the proprietary fund and PGSCF, unless stated otherwise. For a complete discussion of these risks, prospective investors should refer to "Risk Factors" in a Fund's Offering Memorandum.**

### **General Risks**

#### No Assurance of Investment Return; Risk of Loss

Identifying and evaluating investment opportunities, managing such investments and realizing a significant return is difficult. Many organizations operated by persons of competence and integrity have been unable to make, manage and realize such investments successfully. There is no assurance that the Funds will be able to invest their capital on attractive terms or generate returns for their members.

#### Broad Investment Discretion; Unspecified Investments; Insufficient Investment Opportunities

The investment manager will have broad discretion in making investments. Investments will generally consist of securities and other assets that may be affected by business, financial, market or legal uncertainties. There can be no assurance that the investment manager will correctly evaluate the nature and magnitude of the various factors that could affect the value of and return on investments. There can be no guarantee that the investment manager will be able to identify a sufficient number of investment opportunities to enable it to fully invest its capital in opportunities that satisfy investment objectives, or that such investment opportunities will lead to successful investments.

#### Changes in Trading Approach

The investment manager may alter the trading approach used including, without limitation, the type of securities traded and/or any money management principles, without prior approval or notice.

#### Dependence on the Investment Manager and Key Personnel

All business, investment and asset allocation decisions will be made by the investment manager. The members will have no authority to make decisions or to exercise business



discretion on behalf of the Funds. The success of the Funds depends significantly upon the skill, judgment and expertise of the investment manager to develop and implement investment strategies that achieve the investment objectives. In addition, if the Funds were to lose the services of Ms. Zell, the Funds' portfolio manager, the consequences could be material and adverse and could lead to the termination of the Funds.

#### Highly Volatile Markets

The prices of securities and other investments that the Funds may hold or in which the Funds may invest, can be highly volatile. Price movements of securities in which assets may be invested will be influenced by interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of government, and national and international political and economic events and policies. Moreover, war, political or economic crisis or other events may occur which can be highly disruptive to the markets, regardless of the strategies being employed.

#### Non-Public Information

In the event the investment manager and/or any of its affiliates have access to or are in possession of material, non-public information concerning a company in which the Funds have invested or may invest, the investment manager may be restricted from effecting purchases and/or sales of securities.

#### Status of Financial Markets

The U.S. and worldwide financial markets have experienced severe credit dislocations and liquidity disruptions, which reached crisis proportion in the U.S. in the recent past and still negatively impact financial markets worldwide. In such an environment, market forces may negatively impact the ability to achieve investment objectives, including causing portfolio investments to underperform relative to the expectations of the investment manager.

#### Terrorist Action

There is a risk of terrorist attacks on the United States and elsewhere causing significant loss of life and property damage and disruptions in global markets. Economic and diplomatic sanctions may be in place or imposed on certain states and military action may be commenced. The impact of such events is unclear, but could have a material effect on general economic conditions, market liquidity and instruments or other securities.

## **Investment and Related Risks**

### **General Investment Risks**

All securities investments risk the loss of capital. No guarantee or representation is made that the Funds' program will be successful. The investment program may involve, without limitation, risks associated with limited diversification, leverage, interest rates, currencies (including securities denominated in currencies other than the U.S. dollar), volatility, tracking risks in hedged positions, security borrowing risks in short sales, credit deterioration or default risks, systems risks and other risks inherent in the Funds' activities.

### **Equity and Equity-Related Instruments**

The Funds invest in equities and equity-related instruments in the investment programs. Stocks and other equity-related instruments may be subject to various types of risk, including market risk, liquidity risk, counterparty credit risk, legal risk and operations risk. In addition, equity related instruments can involve significant economic leverage and may, in some cases, involve significant risk of loss. "**Equity securities**" may include common stocks, preferred stocks, interests in real estate investment trusts, convertible debt obligations, convertible preferred stocks, equity interests in trusts, funds, joint ventures or limited liability companies and similar enterprises, warrants and stock purchase rights. Equity securities fluctuate in value and such fluctuations can be pronounced. The stock markets tend to be cyclical, with periods when stock prices generally rise and periods when stock prices generally decline.

### **Non-U.S. Investments**

The Funds primarily invest in securities of non-U.S. issuers and the governments of non-U.S. countries. These investments involve special risks not usually associated with investing in securities of U.S. companies or the U.S. government, including political and economic considerations, such as greater risks of expropriation and nationalization, confiscatory taxation, the potential difficulty of repatriating funds, social, political and economic instability and adverse diplomatic developments; the possibility of the imposition of withholding or other taxes on dividends, interest, capital gain or other income; the small size of the securities markets in such countries and the low volume of trading, resulting in potential lack of liquidity and in price volatility; fluctuations in the rate of exchange between currencies and costs associated with currency conversion; and certain government policies that may restrict the Funds' investment opportunities. In addition, there may be different types of, and lower quality, information available about a non-U.S. company than a U.S. company. There is also less regulation, generally, of the securities

markets in many countries than there is in the United States, and such markets may not provide the same protections available in the United States. With respect to certain countries there may be the possibility of political, economic or social instability, the imposition of trading controls, import duties or other protectionist measures, various laws enacted for the protection of creditors, greater risks of nationalization or diplomatic developments which could materially adversely affect the Funds' investments in those countries. Investment in non-U.S. countries may also be subject to withholding or other taxes, which may be significant and may reduce returns.

Investment in sovereign debt obligations of non-U.S. governments involve additional risks not present in debt obligations of corporate issuers and the U.S. government. The issuer of the debt or the governmental authorities that control the repayment of the debt may be unable or unwilling to repay principal or pay interest when due in accordance with the terms of such debt, and there may be limited recourse to compel payment in the event of a default.

#### Investment in Emerging Markets

The Funds may invest in securities of companies based in emerging markets or issued by the governments of such countries. Securities traded in certain emerging markets may be subject to risks due to the inexperience of financial intermediaries, the lack of modern technology, the lack of a sufficient capital base to expand business operations, and the possibility of temporary or permanent termination of trading. Political and economic structures in many emerging markets may be undergoing significant evolution and rapid development, and emerging markets may lack the social, political and economic stability characteristics of more developed countries. As a result, the risks relating to investments in non-U.S. securities described above, including the possibility of nationalization or expropriation may be heightened. In addition, certain countries may restrict or prohibit investment opportunities in issuers or industries deemed important to national interests. Such restrictions may affect the market price, liquidity and rights of securities that may be purchased by the Funds. Settlement mechanisms in emerging securities markets may be less efficient and less reliable than in more developed markets. The small size of securities markets in such countries and the low volume of trading may result in a lack of liquidity and in substantially greater price volatility.

#### Smaller Company Securities Risk

Securities of small- or mid-capitalization companies can, in certain circumstances, have a higher potential for gains than securities of large-capitalization companies but also may have more risk. For example, smaller companies may be more vulnerable to market downturns and adverse business or economic events than larger, more established

companies because they may have more limited financial resources and business operations. Their securities may trade less frequently and in smaller volumes and may be less liquid and fluctuate more sharply in value than securities of larger companies.

### Currency Risks

The Funds frequently invest in securities denominated in foreign currencies as part of the core investment strategy, but will, however, value the Funds' assets in U.S. dollars. To the extent unhedged, the value of the Funds' assets will fluctuate with U.S. dollar exchange rates. The Funds may also invest in foreign currencies for hedging and non-hedging purposes. The value of a particular currency may change in relation to one or more other currencies. Among the factors that may affect currency values are trade balances, the level of short-term interest rates, differences in relative values of similar assets in different currencies, long-term opportunities for investment and capital appreciation and political developments.

### Real Estate Investment Trusts (REITs)

The Funds may invest in shares of REITs, which are pooled investment vehicles that invest in real estate or real estate loans or interests. Investing in REITs involves risks similar to those associated with investing in equity securities of small capitalization companies. REITs are dependent upon management skills, are not diversified, and are subject to risks of project financing, default by borrowers, self-liquidation, and the possibility of failing to qualify for the exemption from taxation on distributed amounts under the Internal Revenue Code.

### Liquidity and Valuation

The Funds may invest in securities that are subject to legal or other restrictions on transfer or for which no liquid market exists. The market prices, if any, for such securities tend to be more volatile, and the Funds may not be able to sell them when it desires to do so or to realize what it perceives to be their fair value in the event of a sale. As a result, calculating the fair market value of the holdings may be difficult.

### Concentration

The Funds may at times concentrate investments by investing a significant portion of the assets in the securities of a single issuer, industry, sector, country or region, although this concentration will not occur under normal market conditions. To the extent it does concentrate in any of these ways, the overall adverse impact of adverse developments in the business of such issuer, such industry or such government could be considerably greater than if it did not concentrate its investments to such an extent.

### The Funds Will Incur Fees and Expenses Regardless of Whether There Are Profits

The Funds will incur obligations to pay brokerage commissions and other transactional costs to brokers and dealers and will incur obligations to pay its operating, legal, accounting and auditing fees. The foregoing expenses are payable by the Funds regardless of whether there are any profits. Incurring such expenses by the Funds will reduce the net asset value.

### Swaps

Investments in swaps involve the exchange by the Funds with another party of all or a portion of their respective interests or commitments. The Funds may enter into currency, interest rate, total return or other swaps that may be surrogates for other instruments such as currency forwards and interest rate options. The value of such instruments generally depends upon price movements in the underlying assets as well as counterparty risk.

### Short Selling

The investment manager's investment program includes short selling. Short selling transactions expose the investment manager to the risk of loss in an amount greater than the initial investment and such losses can increase rapidly without effective limit. There is a risk that the securities borrowed by the investment manager in connection with a short sale would need to be returned to the securities lender on short notice. If such request for return of securities occurs at a time when other short sellers of the subject security are receiving similar requests, a "short squeeze" can occur, wherein the Funds might be compelled, at the most disadvantageous time, to replace the borrowed securities previously sold short with purchases on the open market, possibly at prices significantly in excess of the proceeds received earlier.

### Turnover

The Funds' activities may involve investment on the basis of various short-term market considerations. As a result, the turnover rate of the investment portfolio may be significant, potentially involving substantial brokerage commissions and fees and other transactions costs.

### Hedging Transactions

The Funds may utilize financial instruments, both for investment purposes and for risk management purposes, in order to (i) protect against possible changes in the market value of the investment portfolios resulting from fluctuations in the securities markets and changes in interest rates; (ii) protect unrealized gains; (iii) facilitate the sale of any such

investments; (iv) enhance or preserve returns, spreads or gains on any investment in the portfolio; (v) hedge the interest rate or currency exchange rate on any of the liabilities or assets; (vi) protect against any increase in the price of any securities the Funds anticipate purchasing at a later date; or (vii) for any other reason that the investment manager may deem appropriate.

#### Reliance on Corporate Management and Financial Reporting

Many of the investment strategies rely on the financial information made available by the issuers in which it invests. The investment manager may not have the ability to independently verify the financial information disseminated by the issuers and will consequently be dependent upon the integrity of both the management of these issuers and the financial reporting process in general. Recent events have demonstrated the material losses can incur as a result of corporate mismanagement, fraud and accounting irregularities.

#### **Regulatory Risks**

##### Absence of Regulatory Oversight

The Funds are not required and do not intend to register as such under the Investment Company Act of 1940, as amended, in reliance upon an exemption available to privately offered investment companies and, accordingly, members will not be afforded the protections of the Investment Company Act (which, among other things, require investment companies to have a majority of disinterested directors, require securities held in custody to at all times be individually segregated from the securities of any other person and regulate the relationship between the adviser and the investment company).

##### Business and Regulatory Risks of Hedge Funds

Legal, tax and regulatory changes could and likely will occur during the term of the Funds that may have adverse effects. The regulatory environment for hedge funds is evolving, and changes in the regulation of hedge funds may adversely affect the value of investments and the ability to obtain leverage or to pursue their trading strategies. In addition, there has been an increase in governmental, as well as self-regulatory, scrutiny of the hedge fund industry in general.

**The foregoing list of risk factors does not purport to be a complete enumeration or explanation of the risks involved in an investment in the Funds. Prospective investors should read the entire offering memorandum and consult with their own advisers before deciding whether to invest in the Funds.**

**Because the investment manager's strategies are proprietary and confidential, only the most general description of the risks involved in the operation of the Funds is possible. No such description can fully convey the risks of the strategies that the investment manager may implement.**

### **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 a prospective investor's evaluation of the Funds or the integrity of Lizard's management.

Lizard has not been the subject of any legal or disciplinary events applicable to this Item.

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

Lizard's affiliates include several entities, including one that serves as the general partner to the Funds it advises.

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

Lizard has adopted a Code of Ethics (the "Code") for all employees that describes high standards of business conduct, and fiduciary duty to its clients. The Code includes provisions relating to the confidentiality of investor information, restrictions and reporting of personal securities trading, a prohibition on insider trading and restrictions and reporting on the acceptance of significant gifts and business entertainment. All employees at Lizard must acknowledge annually that they agree to abide by the terms of the Code.

The Code is designed to assure that the personal securities transactions, activities and interests of the employees of Lizard will not interfere with (i) making decisions in the best interest of the Funds and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Lizard's investors or prospective investors may request a copy of the firm's Code by contacting Lizard Investors, 401 North Michigan Avenue, Suite 1700, Chicago, IL 60611 or [info@lizardinvestors.com](mailto:info@lizardinvestors.com).

### Participation or Interest in Client Transactions

Under the Code, Lizard and/or individuals associated with the firm may buy or sell – for their personal account(s) – investments *other than securities purchased for Lizard's Funds, the proprietary fund or PGSCF*. Lizard's employees have agreed not to own securities in common with any advised entities in their personal accounts.

### Conflicts of Interest

Lizard, as the investment manager, may from time to time act as the investment manager or investment adviser or be otherwise involved in, other funds or accounts which have similar objectives to those of the Funds. It is, therefore, possible that the investment manager may, in the course of business, have potential conflicts of interest with the Funds. Lizard will, at all times, honor its obligations to the Funds and will endeavor to ensure that such conflicts are resolved fairly.

Conflicts of interest exist in the structure and operation of the Funds' business. Because of the affiliation between the Funds and Lizard, the management fee that the investment manager receives has not been set by "arm's-length" negotiations and may be higher than the fees that another investment adviser might have charged. Lizard believes such fees are justified in light of the structure of the Funds the investment program and its intention to limit assets under management.

The investment management agreement between Lizard and the Funds does not require Lizard or its affiliates to devote all or any specified portion of their time to managing the Funds' affairs, but only to devote so much of their time as they reasonably believe necessary. It also does not prohibit Lizard or any of its affiliates from engaging in any other existing or future business, and providing investment management services to other clients, including those which follow an investment program substantially similar to that of the Funds. The Funds will have no interest in such other investment activities. Lizard may determine that an investment strategy is appropriate for a particular client but not for the Funds or that the allocation to a particular investment strategy by the Funds should be of a different proportion than that of another account, but will endeavor to allocate such opportunities on an equitable basis between the Funds and Lizard's other clients.

From time to time, Lizard may use its own capital to fund proprietary funds that are intended to incubate certain investment strategies in order to determine the feasibility of such investment strategy and/or to generate a marketable performance history. In general, any such proprietary fund would be small relative to the size of the Funds. Overlap between transactions executed for such a proprietary fund, the Funds, PGSCF or other entities for which Lizard serves as a sub-advisor, may pose conflicts of



interest for Lizard's personnel. Lizard's written policies and procedures, including personal securities transaction policies and trade allocation policies, extend to proprietary funds and sub-advised entities and serve to mitigate such conflicts. Among other things, the standards of business conduct in Lizard's Code of Ethics as described in Item 11 above require all personnel to put the interests of clients ahead of their own personal interests.

## **Item 12 – Brokerage Practices**

Lizard has authority over the selection and amount of securities to be bought or sold, the broker or dealer to be used and the commission rates to be paid. When making decisions for the Funds, Lizard attempts to obtain best execution. "Best execution" means obtaining for a Fund a combination of "best price" and execution, taking into account the circumstances of the transaction and the reputation and reliability of the executing broker or dealer. In choosing a broker to execute a transaction, Lizard may consider all relevant factors including execution capabilities required by the transaction, speed, efficiency, confidentiality, and familiarity with the sources from whom and to whom particular securities might be purchased or sold. Lizard may also consider the products or services provided by executing brokers such as research services and access to new issues (meaning securities issues in an initial public offering that trade at a premium in the secondary market). Such products and services generally may be of benefit to the Funds but may not directly relate to transaction executed on its behalf. If Lizard determines in good faith that the amount of transaction costs imposed by a broker-dealer is reasonable in relation to the value of the products or services it provides, Lizard may incur transactions costs in an amount greater than the amount that might be incurred if another firm were used.

Lizard will limit the use of "soft dollars" to obtain research and brokerage services that constitute research and brokerage within the meaning of Section 28(e) of the Securities Exchange Act of 1934 ("Section 28(e)"). Research services within Section 28(e) may include, but are not limited to: research reports including market research; certain financial newsletters and trade journals; software providing analysis of securities; corporate governance research and rating services; attendance at certain seminars and conferences; discussions with research analysts; meetings with corporate executives; consultants' advice on portfolio strategy; data services (including services providing market data, company financial data and economic data); advice from broker-dealers on order execution; and certain proxy services.

The use of commissions from the Funds to obtain research and brokerage products and services raises conflicts of interest. For example, the investment manager will not have to

pay for the products and services itself. This creates an incentive for the investment manager to select or recommend a broker dealer based on its interest in receiving those products and services.

Trades for the Funds during the year are reviewed on a monthly basis to ensure adherence to best execution practices. Commissions paid to brokers are reviewed for reasonableness given the research services received from such brokers. One or more members of the investment team and the Chief Compliance Officer meet regularly to examine its criteria used in selecting brokers and to evaluate the quality and value of the types of research provided.

Lizard executes most of its transactions through Williams Trading LLC because of its international execution capabilities and foreign desk relationships. Lizard has entered a prime brokerage relationship with Goldman Sachs & Co. (“Goldman”) and executes trades through Goldman as well.

### **Item 13 – Review of Accounts**

The Lizard investment team meets regularly to discuss each portfolio holding and review its investment thesis, as well as monitor exposures to reduce correlations across geographies, industries, and sector sensitivities.

The Fund’s holdings, partner allocations of income and expense, including management and performance fees, and month-to-date performance (net and gross), are reconciled monthly for accuracy by the Funds’ administrator and Lizard’s Manager of Financial Reporting and Operations.

Lizard delivers audited financial reports to its investors annually within 120 days after the end of the Fund’s December year-end. Each investor also receives (i) a monthly statement of the estimated value of their interests during the most recent calendar month from the Funds’ administrator, (ii) quarterly performance and commentary from the investment manager, (iii) performance estimates by the fifth business day after each month-end and (iv) final monthly performance figures by the 15<sup>th</sup> business day after each month-end.

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

Lizard does not use any third-parties in connection with giving advice to investors or prospective investors and it does not pay or receive any compensation, directly or indirectly, for any investor referrals.

## **Item 15 – Custody**

Lizard may be deemed to have custody of the assets of the Funds as a result of its authority over the Funds.

With respect to assets over which Lizard is deemed to have custody, its policy states that the assets are audited annually (and upon liquidation) by a PCAOB-registered independent accounting firm in accordance with Rule 206(4)-2 under the Investment Advisers Act of 1940 and distribute those audited financial statements, prepared in accordance with U.S. generally accepted accounting principles, to investors no later than 120 days after the end of each fiscal year.

## **Item 16 – Investment Discretion**

Lizard provides discretionary investment advisory services to members in the Funds and PGSCF, including qualified high net worth individuals, family and multi-family offices, endowments and foundations and institutions. Such discretion is exercised in a manner consistent with stated investment objectives. For more information on a description of our business, please see *Item 4* on page 1 of this document.

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

Investors may obtain a copy of Lizard's complete proxy voting policies and procedures upon request. Investors may also obtain information from Lizard about how it voted any proxies on behalf of the Funds. Please contact [info@lizardinvestors.com](mailto:info@lizardinvestors.com) for more information.

Proxy voting decisions will be made in the best interest of the Funds, without regard to any other interests. As a matter of policy, Lizard will not be influenced by outside sources

whose interests conflict with the interest of the Funds. Any conflict of interest will be resolved in the best interest of the Funds and their members.

Lizard's proxy committee consists of the Portfolio Manager and the Manager of Financial Reporting and Operations. For voting purposes, the committee will include the analyst who follows the security to be voted.

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

This item is not applicable.