



**orinda** ASSET MANAGEMENT

Orinda Asset Management, LLC  
4 Orinda Way  
Suite 150-A  
Orinda, CA 94563

(925) 253-1300 main  
(877) 903-1313 toll free  
(925) 402-0700 fax  
[www.orindafunds.com](http://www.orindafunds.com)

## Firm Brochure | Part 2A ADV *As Amended and Restated May 22, 2015*

The previous version of the Firm's Part 2A ADV  
was last filed on March 30, 2015.

Material changes reflected in this brochure that have occurred since the Firm's previously filed annual  
amendment include:

Amendments to Item 4, Item 10, Item 12, Item 13 and Item 17

This brochure provides information about the qualifications and business practices of Orinda Asset Management. If you have any questions about the contents of this brochure, please contact us at 925.253.1300 or via email at [info@orindafunds.com](mailto:info@orindafunds.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.

Orinda Asset Management LLC is a Registered Investment Adviser with the Securities and Exchange Commission (SEC). Registration of an Investment Adviser does not imply that the Adviser possesses a certain level of skill or training. The oral and written communications of an Adviser provide you with information about the Adviser that you can use to determine to hire or retain an Adviser.

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

## Item 2 | Material Changes

Material changes reflected in this brochure that have occurred since the previously filed annual amendment include the following:

- Item 4 — Orinda Asset Management has disclosed the amount of client assets managed on a discretionary basis (Orinda does not manage any assets on a non-discretionary basis).
- Item 10 — Orinda Asset Management has disclosed additional individuals who are registered representatives.
- Item 12 — Orinda Asset Management has disclosed additional information regarding its use of soft dollars, including disclosure that addresses the incentive to select or recommend a broker-dealer based upon Orinda's interest in receiving the research or other products or services, rather than on its clients' interest in receiving most favorable execution, and disclosure that describes the types of products and services that Orinda receives with brokerage commissions.
- Item 13 — Orinda Asset Management has disclosed additional information that describes the content and indicates the frequency of regular reports that Orinda provides to clients regarding their accounts.
- Item 17 — Orinda Asset Management has disclosed how clients may obtain information about how Orinda voted the client's securities, and how clients may obtain a copy of Orinda's proxy voting policies and procedures upon request.

## Table of Contents

|   |    |
|---|----|
| INTRODUCTION .....  | 1  |
| ITEM 4   ADVISORY BUSINESS .....  | 1  |
| ITEM 5   FEES AND COMPENSATION.....   | 4  |
| ITEM 6   PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT .....                                       | 4  |
| ITEM 7   TYPES OF CLIENTS .....   | 5  |
| ITEM 8   METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS .....                              | 6  |
| ITEM 9   DISCIPLINARY INFORMATION .....   | 13 |
| ITEM 10   OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS .....                                    | 13 |
| ITEM 11   CODE OF ETHICS, PARTICIPATION OR INTEREST IN<br>CLIENT TRANSACTIONS AND PERSONAL TRADING..... | 13 |
| ITEM 12   BROKERAGE PRACTICES .....   | 14 |
| ITEM 13   REVIEW OF ACCOUNTS.....   | 17 |
| ITEM 14   CLIENT REFERRALS AND OTHER COMPENSATION .....   | 18 |
| ITEM 15   CUSTODY .....   | 18 |
| ITEM 16   INVESTMENT DISCRETION.....  | 18 |
| ITEM 17   VOTING CLIENT SECURITIES .....  | 19 |
| ITEM 18   FINANCIAL INFORMATION.....  | 19 |

The item numbers noted above, items 4-18, correspond to Part 2A of Form ADV.

## Introduction

The following brochure discloses information about Orinda Asset Management LLC. The following item numbers, items 4-18, correspond to Part 2A of Form ADV.

## Item 4 | Advisory Business

Orinda Asset Management LLC (sometimes referred to herein as the “Firm”, “Orinda” or “Adviser”) is an independent, SEC-registered investment advisory firm formed 2010 by a group of seasoned investment professionals with extensive experience in the financial services industry.

Orinda Asset Management’s business specializes in offering alternative investment strategies to the advisory community. The Firm offers strategies in both mutual fund and private fund formats.

As the Adviser to its Mutual Funds, Orinda Asset Management has overall supervisory responsibility for the general management and investment of Fund securities portfolios for its sub-advised Mutual Funds and overall responsibility for general management and investment management for its internally managed Mutual Fund. As the investment adviser to its Private Funds, Orinda has overall responsibility for the general management and investment management.

## Mutual Funds

Orinda Asset Management utilizes a sub-advisory approach for the Vivaldi Orinda Hedged Equity Fund (formerly - Orinda SkyView Multi-Manager Hedged Equity Fund) and the Vivaldi Orinda Macro Opportunities Fund (formerly - Orinda SkyView Macro Opportunities Fund). Orinda leverages its internal research effort within a global network of sophisticated industry participants to identify potential sub-advisers. The Firm believes that the best managers are passionate about their strategy and intensely focused on their investment portfolios, and selects only those managers they feel are best positioned to outperform their peers, add value on a risk-adjusted basis, and have a sustainable competitive advantage.

*The Vivaldi Orinda Hedged Equity Fund* (cusips: OHEAX and OHEIX) seeks to achieve long-term capital appreciation. In pursuing its objective, the Fund looks to emphasize risk-adjusted returns and reduced volatility compared to traditional broad-based equity market indices.

*The Vivaldi Orinda Macro Opportunities Fund* (cusips: OMOAX and OMOIX) seeks to achieve long-term capital appreciation by pursuing positive absolute returns across market cycles. In pursuing its objective, the Fund seeks to generate attractive long-term returns with low sensitivity to traditional equity and fixed-income indices.

Orinda Asset Management internally manages the Orinda Income Opportunities Fund. Orinda utilizes its internal research capabilities to identify securities that may be under followed or out-of-favor which historically have provided an above average yield when compared to the alternatives.

*The Orinda Income Opportunities Fund* (cusips: OIOAX, OIODX and OIOIX) seeks to maximize current income with the potential for modest growth of capital. In pursuing its objective, the Fund looks to identify and invest in income producing securities with the potential to offer above-average yields.

The Firm selected alternative investment strategies for its Mutual Funds that are suitable for the long-term investor to incorporate into its portfolio.

### ***Private Funds***

The firm also currently acts as the investment advisor to two private funds – Preferred Yield Plus LP and Condor Partners LP. Paul Gray, Chief Investment Officer for Orinda, is the portfolio manager for the Firm’s Private Funds.

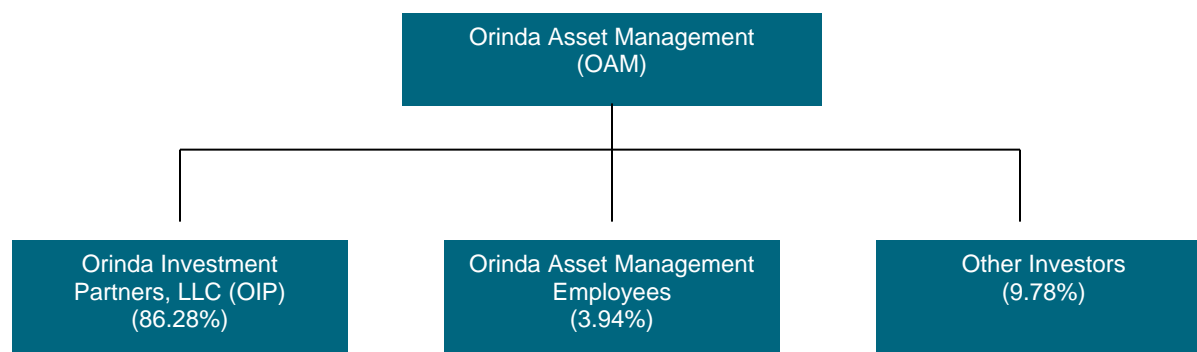
- Preferred Yield Plus LP seeks current income and capital preservation.
- Condor Partners LP seeks to provide maximum long-term capital growth.

### ***Assets Under Management***

As of March 31, 2015, Orinda provided advice on approximately \$377 million of financial assets on a discretionary basis for three mutual funds and two private funds. Orinda does not manage any assets on a non-discretionary basis.

### ***Principal Ownership***

The Adviser is governed by the following ownership structure with 86.28% of ownership shares held by its affiliate, Orinda Investment Partners, LLC. (“OIP”), 2.94% held by employees of Orinda Asset Management and the remaining 9.78% of ownership shares held by a group of other investors.



The principals of Orinda Asset Management LLC own their interest through a separately formed entity, Orinda Investment Partners LLC. Orinda Investment Partners LLC is wholly-owned by the founders and current principals of Orinda Asset Management LLC, and their respective ownership and control are detailed in the following table.

| Full Legal Name                 | Title or Status             | Date Title Acquired | Level of Ownership OIP | Level of Ownership in OAM | Control Person Of OAM |
|---------------------------------|-----------------------------|---------------------|------------------------|---------------------------|-----------------------|
| Craig Martin Kirkpatrick        | President                   | 06/2010             | 25% but less than 50%  | Less than 5%              | Yes                   |
| Cynthia Mui Yee                 | Chief Financial Officer     | 06/2010             | 10% but less than 25%  | Less than 5%              | Yes                   |
| Brian Joseph Pawlowicz          | Director of Capital Markets | 06/2010             | 10% but less than 25%  | Less than 5%              | Yes                   |
| Paul Gray                       | Chief Investment Officer    | 03/2013             | 25% but less than 50%  | Less than 5%              | Yes                   |
| Lawrence Epstein                | Shareholder                 | 2/28/13             | Less than 10%          | Less than 5%              | No                    |
| Orinda Investment Partners, LLC | Affiliate                   | 06/2010             | n/a                    | Greater than 75%          | Yes                   |

### *Types of Services*

Orinda Asset Management specializes in alternative investment strategies for the investment advisory community. As such, the firm's investment advisory services focus on alternative investment products including mutual and private funds.

As an Adviser to its Sub-Advised Mutual Funds, Orinda Asset Management has overall supervisory responsibility for the general management and investment of the Funds' securities portfolios, (subject to review and approval by its Board): (i) sets the Fund's overall investment strategies; (ii) evaluates, selects and recommends the Sub-Advisers; (iii) when appropriate, allocates and reallocates the Fund's assets among the sub-advisers; (iv) monitors and evaluates the performance of the sub-advisers, including their compliance with the investment objectives, policies and restrictions of the Fund; and (v) implements procedures to ensure that the sub-advisers comply with the Fund's investment objectives, policies and restrictions. The Adviser has ultimate responsibility (subject to oversight by the Board) to oversee the sub-advisers and recommends their hiring, termination and replacement.

For Orinda's internally managed Mutual Fund and the Private Funds, Orinda also has overall responsibility for the general management and investment management of the Funds.

## Item 5 | Fees and Compensation

Orinda Asset Management receives management fees, and for certain products, a performance fee for investment advisory services provided. The investment advisory fees described below do not include brokerage commissions, transactions fees or other related costs and expenses that may be incurred in connection with an investment advisory account. Brokers, custodians and other third parties may charge our clients for items such as commissions, custodial fees, wire transfer and electronic fund fees and taxes. Please refer to Item 12 in this brochure for further discussion of our brokerage practices.

### Mutual Fund Fees

Effective October 20, 2014, the management fees were reduced for the Vivaldi Orinda Hedged Equity Fund and the Vivaldi Orinda Macro Opportunities Fund. Management fees of 1.75% are received for both these Funds and are pursuant to an investment advisory agreement from which sub-advisors are paid for management of their respective Fund allocations. Management fees are expressed as a percentage and are calculated based upon the Fund's average daily net assets. The management fees are computed daily and paid monthly. The fees are disclosed in the Funds' Prospectus and Statement of Additional Information.

Management fees of 1.00% are received for the Orinda Income Opportunities Fund. Management fees are expressed as a percentage and are calculated based upon the Fund's average daily net assets. The management fees are computed daily and paid monthly. The fees are disclosed in the Fund's Prospectus and Statement of Additional Information.

The firm will receive only management fees as compensation for its investment advisory services. Orinda Asset Management and each Fund will be responsible for its own operating expenses.

For the Vivaldi Orinda Hedged Equity Fund and the Vivaldi Orinda Macro Opportunities Fund, the Adviser has contractually agreed to waive a portion or all of its management fees and/or pay Fund expenses through October 20, 2015. The Expense Cap excludes acquired fund fees and expenses, interest, taxes and dividend expenses on securities sold short and extraordinary expenses.

For the Orinda Income Opportunities Fund, The Adviser has contractually agreed to waive a portion or all of its management fees and/or pay Fund expenses through June 27, 2015. The Expense Cap excludes acquired fund fees and expenses, interest, taxes and dividend expenses on securities sold short and extraordinary expenses.

Complete information regarding the fees and expenses of the Mutual Funds may be obtained at [www.orindafunds.com](http://www.orindafunds.com) which will link you to the current Prospectus and Statement of Additional Information for each respective Fund.

### Private Fund Fees

As the investment adviser, Orinda receives a management fee for investment services rendered to the Private Funds. The General Partner (as defined herein) to the Firm's Private Funds, Usher GP LLC, is an affiliate of Orinda Asset Management and receives a performance fee for the Private Funds.

- Preferred Yield Plus LP has a 2% management fee and a 10% performance fee.

- Condor Partners LP has a 1.5% management fee and a 20% performance fee.

Current investors may receive complete information regarding fees and expenses of the respective private fund by request to [info@orindafunds.com](mailto:info@orindafunds.com).

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

Orinda seeks to (i) identify all potential conflicts of interest applicable to its business that may affect its clients (or investors in such clients) and (ii) treat all clients and accounts fairly and equitably in resolving potential and actual conflicts of interest relating to investments made on behalf of, and trading strategies relating to, its clients.

Certain Portfolio Managers may provide investment related services to multiple accounts. In particular, a Portfolio Manager may manage both mutual funds or other “traditional” accounts and private funds or other accounts which (i) may pay performance fees, (ii) may be beneficially owned, in whole or in part by Orinda or its personnel, and/or (iii) may be able to utilize certain strategies (e.g., short selling) not available to mutual funds and other traditional accounts. In those circumstances, Orinda’s and that employee’s economic interests may conflict with our fiduciary duty to all accounts based on the fees and compensation paid by, or differential ownership interests in, such accounts. While Orinda expects that it and its employees will perform their responsibilities in accordance with our fiduciary duties and not allow such conflicts to influence that performance, Orinda recognizes the potential conflicts of interest associated with managing private funds and other accounts on one hand, and more traditional accounts, such as mutual funds, on the other. In order to identify and mitigate such conflicts, Orinda has adopted and maintains compliance policies, including “Side-by-Side Policies and Procedures”, and believes that these policies are, for the most part, sufficient to reasonably address such conflicts that may arise from side-by-side management.

The Side-by-Side Policies and Procedures seek to (i) identify practices that may potentially favor accounts in which Orinda or its personnel have a greater ownership and/or pecuniary interest over accounts in which Orinda and its personnel have a lesser (or no) ownership and/or pecuniary interest, (ii) prevent Orinda and its personnel from inappropriately favoring some accounts over others, (iii) detect potential violations, (iv) provide a process to review requests for waivers when a particular compliance requirement may conflict with proper and appropriate management of client accounts, and (v) promptly resolve any violations detected. Orinda’s personnel whose activities render them subject to the Side-by-Side Policies and Procedures remain subject to Orinda’s other relevant compliance programs (including that of the Trust to its mutual fund clients). It is critical to the success of Orinda’s compliance program that all portfolio management personnel recognize that compliance with the Side-by-Side Policies and Procedures does not relieve them from compliance with other relevant policies and procedures nor evidence compliance with such other policies and procedures.

## **Item 7 | Types of Clients**

Orinda Asset Management provides investment advisory services on a discretionary basis to its clients which include both Mutual and Private Funds. The Firm’s Mutual Funds are registered as an investment company under the Investment Company Act of 1940, as amended (the “1940 Act”).



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

Orinda Asset Management believes that alternative investment strategies create the potential for producing enhanced risk-adjusted returns and diversification benefits when incorporated as part of a long-term investment program.

### ***Mutual Funds***

Orinda Asset Management believes that alternative investment strategies create the potential for producing enhanced risk-adjusted returns and diversification benefits when incorporated as part of a long-term investment program. For a discussion of the Mutual Funds' respective investment strategies and principal risks please see their prospectus and statement of additional information, as most recently filed with the SEC, which are incorporated herein by reference and may also be found on Orinda's website at [www.orindafunds.com](http://www.orindafunds.com).

### ***Private Funds***

The Private Funds managed by Orinda Asset Management seek maximum long term capital growth and current income and capital preservation.

### **Real Estate Companies - Condor Partners LP**

To achieve maximum long term capital growth Orinda invests in and actively manages a portfolio comprised primarily of interests in securities issued by companies in the business of owning, buying, selling, managing, developing, or otherwise investing in real estate (referred to as "real estate companies" or "RECs"). Orinda may also invest in securities related to RECs such as warrants, options and futures contracts whose values are tied to certain RECs or REC indexes.

Orinda uses investment strategies that may include (but may not be limited to) long and short strategies, the use of margin debt, the purchase of restricted securities and the assembly of concentrated or controlling positions. Orinda may also invest its cash in money market funds or other short term instruments pending investment in accordance with the investment policies of the Private Fund.

The Private Fund's ability to achieve its investment objective may be affected by, among other things, (i) the risks attendant to any investment, including those posed by changes in the overall market; (ii) certain risks specific to the Fund's investment policies and practices; and (iii) certain risks specific to the broad-ranging investment techniques that may be used, including the risks involved with various investment strategies and techniques such as leverage, derivatives, futures and option investing, and short sales.

In addition, the Fund is expected to be heavily concentrated in RECs and related real estate investments (which are subject to their own unique risks) and is not expected to be diversified among companies, industries, regions, types of securities or other asset classes. Each of these types of concentration may magnify the risk of investing in the Fund and potentially create unlimited losses for the Fund.

Principal risks include the following:

**Investment and Trading Risks in General.** All securities and financial instrument investments present a risk of loss of capital. The use of such investment techniques as option margin, short sales, futures, and leverage may, in certain circumstances, increase losses in the Private Fund.

**Equity Securities.** The Private Fund is subject to risks associated with investing in equity securities, including market risk, issuer risk, price volatility risk and market trends risk. The Fund's ability to achieve its investment objective may be affected by the risks attendant to any investment in equity securities. The Fund may invest in equity securities without regard to market capitalization, and the Fund may invest a substantial portion of its assets in securities for which there is no market.

**Illiquid Securities.** The Private Fund's assets may from time to time be invested in securities and other financial instruments or obligations for which no market exists and/or which are restricted as to their transferability under federal or state securities laws. The sale of any such investments may be subject to delays and additional costs and may be possible only at substantial discounts. The valuation of such securities may be difficult.

**Short Sales.** The Private Fund may engage in short sale transactions, both as a hedge against long investments and as a stand-alone investment. A short sale involves the sale of a security that a fund does not own with the expectation of purchasing the same security (or a security exchangeable for it) at a later date at a lower price. A short sale involves a theoretically unlimited risk of increase in the market price of the security sold short. Absent contractual arrangements, securities that are borrowed and sold short generally must be returned to the lender on short notice. If that were to happen, a fund could be required to purchase the security at a higher market price in order to close out the short position, which could result in realized losses to that fund.

**Concentration of Investments; Issuer Non-Diversification Risk.** The Private Fund may target or concentrate its investments in particular markets, sectors or industries. As a result of such concentration, the Fund may be subject to greater short-term volatility than the broader market indexes than if it were to make investments diversified by markets, sectors or industries as those indexes do. By concentrating in a specific industry or targeting a specific sector that it considers mispriced, the Fund will be subject to the risks of that industry or sector, such as rapid obsolescence of technology, sensitivity to regulatory changes, minimal barriers to entry and sensitivity to overall market swings. The Fund may invest a significant percentage of its assets in the securities of a small number of issuers. As a result, the Fund's portfolio may be more susceptible to risks associated with a single economic, political or regulatory circumstance or event than a more diversified portfolio might be.

**Options.** The Private Fund may purchase and sell, or "write," options on securities and futures on a variety of futures and securities exchanges and over-the-counter markets. The seller, or "writer," of a put or call option which is uncovered (*i.e.*, the writer has effectively a long or a short position in the underlying security, currency or instrument) assumes a theoretically unlimited risk of a decline or increase in the market price of the underlying security, currency or instrument below or above the sale or purchase price. Trading in futures and options is a highly specialized activity, and, although it may increase total return, it may also entail significantly greater than ordinary investment risks.

**Warrants.** The Private Fund may purchase and sell warrants. Warrants are generally long-term options or contractual rights to purchase a particular security to be issued by the issuer of the warrants. The Fund may use warrants in substantially the same manner as purchased call options. If a warrant is not sold or exercised prior to its expiration date, it becomes valueless. The risks associated with the practice

of investing in warrants vary depending on the kind of investments, but include unlimited potential losses, the surrender of potential for capital appreciation, increased transaction costs and inactive markets.

**Derivative Instruments.** The Private Fund may invest in derivative instruments. Generally, derivatives can be characterized as financial instruments the performance of which is derived in part from the performance of an underlying asset or assets. Derivatives, which include swaps, options, futures contracts, options on futures and forward contracts, may be used for a variety of reasons, including the enhancement of return, hedging certain market risks, providing leverage, or as a substitute for purchasing or selling particular securities outright. Derivatives may offer the Fund a less expensive, quicker or more specifically focused way for the Fund to invest than “traditional” securities would offer. Derivatives can be volatile and involve various types and degrees of risk, depending upon the characteristics of the particular derivative and the portfolio as a whole.

Other risks presented by derivative instruments include imperfect correlation between the value of such instruments and the underlying assets, the possible default of the other party, or “counterparty,” to a derivative transaction, and the illiquidity of derivative instruments themselves. Additionally, the ability to use successfully derivative instruments may be more dependent on the Fund’s ability to predict pertinent market movements. As a consequence, the use of derivative instruments may result in greater losses to the Fund than would be the case if they were not used, may require the Fund to sell or purchase portfolio securities at inopportune times or for prices other than current market values, may limit the amount of appreciation the Fund can realize on an investment, or may cause the Fund to hold a security that it might otherwise sell. Additionally, amounts paid by a fund as premiums and cash or other assets held in margin accounts with respect to derivative instruments are not otherwise available to the Fund for investment purposes.

**Exchange-Traded Futures Contracts and Options on Futures Contracts.** The Private Fund may use financial futures contracts and related options to hedge against changes in the market value of its portfolio securities or securities that it intends to purchase. The Fund’s use of futures contracts and options on futures contracts will present the same types of volatility and leverage risks associated with transactions in derivative instruments generally.

In addition, such transactions present a number of risks which might not be associated with the purchase and sale of other types of investments. Because the instrument underlying a futures contract or option traded by the Fund will often be different from the instrument or market being hedged or to which exposure is sought, the correlation risk could be significant and could result in substantial losses to the Fund. The use of futures and options involves the risk that changes in the value of the underlying instrument will not be fully reflected in the value of the futures contract or option.

**Leverage.** The Private Fund may enter into various types of trading strategies and techniques, including the use of margin debt, which would have the effect of leveraging its portfolio. Consequently, the level of interest rates at which the Fund can borrow will affect the operating results of the Fund. In addition, the Fund may in effect borrow funds through entry into repurchase agreements and may “leverage” its investment return with such instruments as forwards, futures, options and other derivative contracts. The Fund may be leveraged by utilizing a variety of transactions including options, futures, swaps, forwards and reverse repurchase transactions. The use of these investment techniques has the potential to magnify the gains or the losses on the Fund’s portfolio. Leverage may be limited by regulatory restraints.

**Risk of Real Estate Investment.** There are certain risks and uncertainties inherent in RECs. RECs in which the Fund invests may experience unanticipated problems arising out of the risks and

uncertainties associated with investing in real estate. These risks and uncertainties include, but are not limited to:

- change of governmental policy with regard to property taxes, income taxes, rent control, credit policy, environmental regulation, or other government action, which could adversely affect the value of the underlying real properties;
- energy shortages and allocations in the areas where the real properties are located, which could adversely affect the operation of such real properties;
- inability of RECs to obtain liability and casualty insurance coverage for losses and environmental claims, which are not and cannot be economically insured;
- difficult capital financing environments, wherein there is a shortage of economically available debt or equity for real estate investments, which could adversely affect the ability of buyers and sellers of such properties to finance or sell the properties on favorable terms;
- inability of the RECs to obtain or collect the rental or lease payments or interest due to them, impairing the RECs' cash flow necessary to meet fixed obligations or increases in operating expenses;
- adverse changes in local market conditions due to adverse changes in national or local economic conditions;
- economic and functional obsolescence of real estate properties owned by the RECs, putting them at a disadvantage in the market when competing for tenants, financing or purchasers; and
- increased supply of competing real estate properties, putting the RECs at a disadvantage when competing for such users and purchasers.

#### Real Estate Securities - Preferred Yield Plus LP

To achieve current income and capital preservation Orinda invests in and actively manages a portfolio comprised primarily of real estate securities. "Real estate securities" are defined as the securities of companies principally engaged in the real estate industry, including, but not limited to: (i) common stocks (including shares or units in real estate investment trusts ("REITs")), (ii) preferred stocks, (iii) rights, warrants or options to purchase or sell real estate securities or real estate indices, (iv) limited partnership interests in master limited partnerships, (v) securities convertible into common stock, (vi) debt securities, and (vii) securities which represent mortgage debt on real properties. A significant portion of the real estate companies in which the Private Fund invests will own assets that are subject to secured debt mortgages and deeds of trust.

Orinda may also engage in transactions designed to hedge the Private Fund's portfolio against changes in the prices of its underlying securities. These hedging transactions will include (but may not be limited to) selling covered call options or buying put options on shares of certain real estate companies or real estate indexes, as well as engaging in short sales.

Orinda actively manages the Private Fund's investments using investment strategies that may include (but may not be limited to) maintaining short-term or long-term positions in securities, the use of margin debt, and the purchase of restricted securities. Orinda may also invest its cash in money market funds or other short term instruments pending investment in accordance with the investment policies of the Private Fund.

The Private Fund's ability to achieve its investment objective may be affected by, among other things, (i) the risks attendant to any investment, including those posed by changes in the overall market; (ii) certain risks specific to the Fund's investment policies and practices; and (iii) certain risks specific to the broad-ranging investment techniques that may be used, including the risks involved with various investment strategies and techniques such as leverage, derivatives, futures and option investing, and short sales.

In addition, the Private Fund is expected to be heavily concentrated in real estate securities (which are subject to their own unique risks) and is not expected to be diversified among companies, industries, regions, types of securities or other asset classes. Each of these types of concentration may magnify the risk of investing in the Private Fund and potentially create unlimited losses for the Fund.

Principal risks include the following:

**Investment and Trading Risks in General.** All securities and financial instrument investments present a risk of loss of capital. The use of such investment techniques as option margin, short sales, futures, and leverage may, in certain circumstances, increase losses in the Private Fund.

**Equity Securities.** The Private Fund is subject to risks associated with investing in equity securities, including market risk, issuer risk, price volatility risk and market trends risk. The Fund's ability to achieve its investment objective may be affected by the risks attendant to any investment in equity securities. The Fund may invest in equity securities without regard to market capitalization, and the Fund may invest a substantial portion of its assets in securities for which there is no market.

**Illiquid Securities.** The Private Fund's assets may from time to time be invested in securities and other financial instruments or obligations for which no market exists and/or which are restricted as to their transferability under federal or state securities laws. The sale of any such investments may be subject to delays and additional costs and may be possible only at substantial discounts. The valuation of such securities may be difficult.

**Short Sales.** The Private Fund may engage in short sale transactions, but only as a hedge against long investments and where arbitrage opportunity exists. A short sale involves the sale of a security that a fund does not own with the expectation of purchasing the same security (or a security exchangeable for it) at a later date at a lower price. A short sale involves a theoretically unlimited risk of increase in the market price of the security sold short. Absent contractual arrangements, securities that are borrowed and sold short generally must be returned to the lender on short notice. If that were to happen, the Fund could be required to purchase the security at a higher market price in order to close out the short position, which could result in realized losses to the Fund.

**Concentration of Investments; Issuer Non-Diversification Risk.** The Private Fund may target or concentrate its investments in particular markets, sectors or industries. As a result of such concentration, the Fund may be subject to greater short-term volatility than the broader market indexes than if it were to make investments diversified by markets, sectors or industries as those indexes do. By concentrating in a specific industry or targeting a specific sector that it considers mispriced, the Fund will be subject to the risks of that industry or sector, such as rapid obsolescence of technology, sensitivity to regulatory changes, minimal barriers to entry and sensitivity to overall market swings. The Fund may

invest a significant percentage of its assets in the securities of a small number of issuers. As a result, the Fund's portfolio may be more susceptible to risks associated with a single economic, political or regulatory circumstance or event than a more diversified portfolio might be.

**Options.** The Private Fund may purchase and sell, or "write," options on securities and futures on a variety of futures and securities exchanges and over-the-counter markets. The seller, or "writer," of a put or call option which is uncovered (*i.e.*, the writer has effectively a long or a short position in the underlying security, currency or instrument) assumes a theoretically unlimited risk of a decline or increase in the market price of the underlying security, currency or instrument below or above the sale or purchase price. Trading in futures and options is a highly specialized activity, and, although it may increase total return, it may also entail significantly greater than ordinary investment risks.

**Warrants.** The Private Fund may purchase and sell warrants. Warrants are generally long-term options or contractual rights to purchase a particular security to be issued by the issuer of the warrants. The Fund may use warrants in substantially the same manner as purchased call options. If a warrant is not sold or exercised prior to its expiration date, it becomes valueless. The risks associated with the practice of investing in warrants vary depending on the kind of investments, but include unlimited potential losses, the surrender of potential for capital appreciation, increased transaction costs and inactive markets.

**Derivative Instruments.** The Private Fund may invest in derivative instruments. Generally, derivatives can be characterized as financial instruments the performance of which is derived in part from the performance of an underlying asset or assets. Derivatives, which include swaps, options, futures contracts, options on futures and forward contracts, may be used for a variety of reasons, including the enhancement of return, hedging certain market risks, providing leverage, or as a substitute for purchasing or selling particular securities outright. Derivatives may offer the Fund a less expensive, quicker or more specifically focused way for the Fund to invest than "traditional" securities would offer. Derivatives can be volatile and involve various types and degrees of risk, depending upon the characteristics of the particular derivative and the portfolio as a whole.

Other risks presented by derivative instruments include imperfect correlation between the value of such instruments and the underlying assets, the possible default of the other party, or "counterparty," to a derivative transaction, and the illiquidity of derivative instruments themselves. Additionally, the ability to use successfully derivative instruments may be more dependent on the Fund's ability to predict pertinent market movements. As a consequence, the use of derivative instruments may result in greater losses to the Fund than would be the case if they were not used, may require the Fund to sell or purchase portfolio securities at inopportune times or for prices other than current market values, may limit the amount of appreciation the Fund can realize on an investment, or may cause the Fund to hold a security that it might otherwise sell. Additionally, amounts paid by a fund as premiums and cash or other assets held in margin accounts with respect to derivative instruments are not otherwise available to the Fund for investment purposes.

**Exchange-Traded Futures Contracts and Options on Futures Contracts.** The Private Fund may use financial futures contracts and related options to hedge against changes in the market value of its portfolio securities or securities that it intends to purchase. The Fund's use of futures contracts and options on futures contracts will present the same types of volatility and leverage risks associated with transactions in derivative instruments generally.

In addition, such transactions present a number of risks which might not be associated with the purchase and sale of other types of investments. Because the instrument underlying a futures contract or option traded by the Fund will often be different from the instrument or market being hedged or to which exposure is sought, the correlation risk could be significant and could result in substantial losses to the

Fund. The use of futures and options involves the risk that changes in the value of the underlying instrument will not be fully reflected in the value of the futures contract or option.

**Leverage.** The Private Fund may enter into various types of trading strategies and techniques, including the use of margin debt, which would have the effect of leveraging its portfolio. Consequently, the level of interest rates at which the Fund can borrow will affect the operating results of the Fund. In addition, the Fund may in effect borrow funds through entry into repurchase agreements and may “leverage” its investment return with such instruments as forwards, futures, options and other derivative contracts. The Fund may be leveraged by utilizing a variety of transactions including options, futures, swaps, forwards and reverse repurchase transactions. The use of these investment techniques has the potential to magnify the gains or the losses on the Fund’s portfolio. Leverage may be limited by regulatory restraints.

**Risk of Real Estate Investment.** There are certain risks and uncertainties inherent in REITs and other real estate-related securities. Real estate companies in which the Private Fund invests may experience unanticipated problems arising out of the risks and uncertainties associated with investing in real estate. These risks and uncertainties include, but are not limited to:

- change of governmental policy with regard to property taxes, income taxes, rent control, credit policy, environmental regulation, or other government action, which could adversely affect the value of the underlying real properties;
- energy shortages and allocations in the areas where the real properties are located, which could adversely affect the operation of such real properties;
- inability to obtain liability and casualty insurance coverage for losses and environmental claims, which are not and cannot be economically insured;
- difficult capital financing environments, wherein there is a shortage of economically available debt or equity for real estate investments, which could adversely affect the ability of buyers and sellers of such properties to finance or sell the properties on favorable terms;
- inability to obtain or collect the rental or lease payments or interest due to them, impairing cash flow necessary to meet fixed obligations or increases in operating expenses;
- adverse changes in local market conditions due to adverse changes in national or local economic conditions;
- economic and functional obsolescence of real estate properties owned by the entities, putting them at a disadvantage in the market when competing for tenants, financing or purchasers; and
- increased supply of competing real estate properties, putting the entities at a disadvantage when competing for such users and purchasers.

## **Item 9 | Disciplinary Information**

As of March 30, 2015 there are no legal or disciplinary events that would be considered material to a client or prospective client's evaluation of Orinda Asset Management's advisory business or the integrity of the Firm's management.

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

### ***Mutual Funds***

As of this filing, the following *Management Persons* are registered representatives of Quasar Distributors, LLC, Distributor to the Vivaldi Orinda Hedged Equity Fund, Vivaldi Orinda Macro Opportunities Fund and the Orinda Income Opportunities Fund.

- Craig Kirkpatrick, President
- Brian Pawlowicz, Director of Capital Markets

As of this filing, the following employees are registered representatives of Quasar Distributors, LLC, Distributor to the Vivaldi Orinda Hedged Equity Fund, Vivaldi Orinda Macro Opportunities Fund and the Orinda Income Opportunities Fund. The employees have a job title of "Vice President of Capital Markets" but are not considered management persons with any influence or control over operations of Orinda. Rather, they supervise their respective sales territories and as such, their titles are reflective of this position.

- Eugene Huang – Vice President of Capital Markets
- Anne Peterson – Vice President of Capital Markets

### ***Private Funds***

The General Partner for the Private Funds, Usher GP, LLC, a Delaware limited liability company (the "General Partner") has full and exclusive discretionary authority and responsibility to manage the day-to-day operations of the Private Funds and to invest and reinvest its assets. The General Partner has delegated its authority to manage the day-to-day operations of the Funds and to invest and reinvest its assets to Orinda Asset Management LLC, a Delaware limited liability company and a registered investment adviser (the "Investment Manager") pursuant to an Investment Management Agreement dated March 1, 2013, among the Funds, the General Partner and the Investment Manager.

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

Orinda Asset Management has adopted a Code of Ethics pursuant to Rule 17j-1 of the 1940 Act and Rule 204A-1 of the Advisers Act, to govern personal securities transactions by personnel and to ensure that the interests of personnel do not conflict with the interest of the Funds and their shareholders. As such, Orinda Asset Management's Code of Ethics treats all the Officers of the firm as "Access Persons" and includes: (1) standards of business conduct expected of Access Persons; (2) personal securities transactions policies and procedures governing the personal investment activities of Access Persons and requiring that Access Persons submit certain reports regarding their personal securities accounts and activities; and (3) a "Policy Statement on Insider Trading", adopted pursuant to Section 204A of the Advisers Act.

Orinda Asset Management will provide a copy of the Code of Ethics to any current or prospective shareholder of the Funds upon request.



## Item 12 | Brokerage Practices

The objective in selecting brokers and dealers and in effecting portfolio transactions is to seek to obtain the best combination of price and execution with respect to a Fund's portfolio transactions even though such execution may involve higher costs than might be available elsewhere. The best net price, giving effect to brokerage commissions, spreads and other costs, is normally an important factor in this decision, but a number of other judgmental factors are considered as they are deemed relevant.

The factors may include, but are not limited to:

- Knowledge of negotiated commission rates and spreads currently available.
- The nature of the security being traded.
- The size and type of the transaction.
- The nature and character of the markets for the security to be purchased or sold.
- The desired timing of the trade.
- The activity existing and expected in the market for the particular security.
- Confidentiality.
- The execution, clearance and settlement capabilities of the broker-dealer.
- Broker-dealer's access to order flow and ability to place difficult trades.
- Broker-dealer's access to Initial Public Offerings ("IPO's") and secondary stock offerings.
- The reputation and perceived soundness of the broker-dealer selected.
- Knowledge of actual or apparent operational problems of any broker-dealer.
- The broker-dealer's execution services rendered on a continuing basis and in other transactions.
- The reasonableness of the spreads and commissions.
- Provision of research or other information.

### *Soft Dollar Arrangements*

When appropriate under its discretionary authority and consistent with its duty to obtain best execution, Orinda may direct brokerage transactions for client accounts to broker-dealers who provide Orinda with research and brokerage products and services. The brokerage commissions used to acquire research in these arrangements are known as "soft dollars."

Orinda uses soft dollars to acquire research and brokerage services that fall within the safe harbor of Section 28(e) of the Securities Exchange Act of 1934. Section 28(e) provides a "safe harbor" which allows an investment adviser to pay for research and brokerage services with the commission dollars generated by client account transactions. The safe harbor allows the Adviser to negotiate with and assign to a broker a commission which may exceed the commission which another broker would have charged if the Adviser determines in good faith that the amount of commission charged was reasonable in relation to the value of brokerage, and/or research services provided by such broker. The Adviser evaluates the value of a broker's services and the reasonableness of a broker's commissions taking into account the following types of research services which the broker may provide: online and paper databases and subscriptions furnishing fundamental and technical data about particular companies and industries in which the Adviser has an interest. As a result of using brokers who offer soft dollar services, the Adviser may be more likely to recommend the use of those brokers to execute client transactions. However, the research services obtained from brokers in this manner are used for the benefit of all clients of the Adviser. Clients of the

Adviser may not be allocated soft dollar benefits in direct proportion to the soft dollar credits generated by each respective client.

In determining whether a service or product qualifies as research or brokerage, Orinda evaluates whether the service or product provides lawful and appropriate assistance to Orinda in carrying out its investment decision-making responsibilities.

### ***Brokerage for Client Referrals***

Orinda Asset Management does not direct brokerage to any broker-dealer in return for client referrals.

### ***Directed Brokerage***

Orinda Asset Management does not accept direction as to which broker-dealer(s) should or must be used.

### ***Trade Aggregation & Allocation Policy***

Consistent with each participating client's investment advisory agreement, Orinda may aggregate orders for more than one client account to facilitate best execution, including negotiating more favorable prices, obtaining more timely or equitable execution or reducing overall commission charges. Orinda may include proprietary accounts in such aggregate trades subject to its duty to seek best execution and to its Code of Ethics. When decisions are made to purchase or sell the same securities simultaneously for more than one client account, Orinda may aggregate several contemporaneous client trade orders for a specific security into a "block order".

*Pro rata* allocation will be used when a block order seeks liquid, actively traded securities and cannot be fully executed in a single day, unless a client has expressly directed otherwise. The partial fill is generally allocated among the participating client accounts based on any or all of the following factors: (1) the size and investment objective of each participating client account, (2) the client's current holdings of that security, (3) the proportion that the size of the order for each client bears to the total amount desired by all clients, (4) round-lot considerations, (5) the desirability of filling near-complete orders for particular client accounts, (6) cash flow changes (including available cash, redemptions, exchanges, capital additions and capital withdrawals) may provide a basis to deviate from a pre-established allocation as long as it does not result in an unfair advantage to specific client accounts over time, (7) client accounts with specialized investment objectives or restrictions emphasizing investment in a specific category of securities may be given priority over other client accounts in allocating such securities, and (8) for bond trades, street convention and good delivery may dictate the minimum size and par amounts. All clients receive the average price obtained for the day. Unexecuted orders will continue until the block order is completed or until all component orders have been cancelled. New orders for the same security will be aggregated with any remaining unexecuted orders and will continue in the same manner. The orders will be updated to reflect partial executions until the block order is completed or to reflect that outstanding orders have been cancelled. Orinda will generally apply a minimum order allocation amount of 100 shares, which may be adjusted based on market convention associated with the particular security. If remaining positions are too small to satisfy the minimum order amount, Orinda may decide to allocate the remaining shares to those accounts seeking large positions that were unfilled. Orinda may also decide to allocate remaining shares to those accounts whose orders would be completed as a result of the allocation where *pro rata* allocation would result in accounts with large allocation requests receiving a *de minimis* allocation in relation to the overall account value. Where this *de minimis* exception applies, clients with relatively smaller accounts or initial allocations may be fully satisfied before larger client accounts are given their *pro rata* amount, in order to minimize the transaction costs involved with a series of small allocations. Should there be any departure from this *de minimis* exception or the allocation method

adopted by Orinda, documentation will be prepared by the responsible personnel or the portfolio manager, and provided to the CCO for approval.

While Orinda will always try to allocate *pro rata* in the first instance, Orinda may invest in limited availability or thinly traded securities in which it may be unable to acquire substantial positions. Because block orders for such securities are rarely completed in a single trade, and because allocating tiny blocks of such securities may increase settlement and transaction costs, Orinda may use Random Allocation to fill the total amount for one client before randomly selecting the next client. On its own, a Random Allocation would usually result in a partial fill for the last account selected. To avoid a partial fill, Orinda may manually seek to identify a client account with a pre-allocation request that matches the remaining shares. If such a client account were identified, Orinda would fill that client account and place the client account that would have received only a partial fill back in the group of client accounts eligible for a fill on the next trading day. Random Allocation should ensure that all eligible client accounts have an opportunity to participate in such transactions over time. Random Allocation is especially appropriate when the transaction size is too limited to be effectively allocated *pro rata* among all eligible managed client accounts.

Orinda generally allocates all trades at the time the order is submitted for execution. To the extent that post-trade allocations occur, all clients whose orders are allocated will receive fair and equitable treatment. The allocation will be consistent with Orinda's fiduciary duties of best execution. Orinda retains discretion to select alternative methods of allocation. Should a trade be allocated in a manner other than as described above, Orinda will ensure that the chosen method of allocation is documented prior to completion of the order and that this allocation method is consistent with these policies and procedures. Any alternative method of allocation chosen must be pre-approved by the CCO. Alternative means of allocation may be particularly appropriate when dealing with thinly traded securities or where an order is entered for the purpose to rebalance two or more client accounts.

Re-allocation of trades may occur due to trade errors or other situations. Orinda will not re-allocate any trade without a valid reason. Should a revised allocation of a trade occur, proper documentation will be prepared by the responsible personnel stating the reason for the re-allocation. This documentation will then be provided to the CCO for review and approval.

Although there are no specific rules in ERISA dealing with allocation of trades, when dealing with a client account that has plan assets, the portfolio manager should allocate securities acquired for all participating investment accounts on a fair and equitable basis and in a manner that does not disadvantage ERISA client accounts or favor non-ERISA client accounts over ERISA client accounts.

Orinda utilizes a sub-advisory approach for the investment management of certain Funds. Orinda serves as the Adviser to these sub-advised Funds and maintains overall supervisory responsibility for the general management and investment management of these sub-advised Funds. The Sub-Advisers, as delegated by Orinda, are responsible for all of the day-to-day duties of trading, portfolio, and investment management. Orinda's Trading Policies and Procedures together with the Sub-Adviser's Trading Policies and Procedures must at all times be consistent with their fiduciary duties to the sub-advised Funds. The Sub-Advisers must seek, when aggregating and allocating securities transactions amongst their participating clients (including the Orinda sub-advised Funds), to treat all their clients in a fair and equitable manner.

The Investment Sub-Advisory Agreement as executed between Orinda, the Sub-Adviser(s), and the Advisors Series Trust (Section 9) permits the combination of orders for the sale or purchase of portfolio securities of the Fund with those for other accounts managed by the Sub-Adviser or its affiliates, if orders are allocated in a manner deemed equitable by the Sub-Adviser among accounts and at a price

approximately averaged. The Sub-Adviser agrees that (i) it will not aggregate transactions unless aggregation is consistent with its duty to seek best execution; (ii) no account will be favored over any other account; each account participating in an aggregated order will participate at the average share price for all transactions in that security or a given business day, with transaction costs shared pro-rata based on each account's participation in the transaction; and (iii) allocations will be made in accordance with the Sub-Adviser's compliance policies and procedures.

## **Item 13 | Review of Accounts**

### **Periodic Reviews**

Orinda's CIOs will ensure that all portfolio management decisions comply with the relevant portfolio trading policies.

#### ***Mutual Funds***

The portfolio managers for the Mutual Funds supervise all portfolio management activities of the Funds, and monitors the Sub-Advisers and investment portfolios on a regular basis.

An Investment Committee meets no less frequently than quarterly to review activities of the Sub-Advisers and investment portfolios. These reviews may include evaluation information related to material changes to the Sub-Adviser's business operations, personnel, 2) evaluation of investment decisions in relation to and adherence to the Fund's investment objectives, 3) utilization of appropriate strategies 4) portfolio performance, 5) any topic pertinent to the review of the investment portfolio, 6) trading practices (including trade allocation, best execution, error correction and any other trading related policies)

#### ***Private Funds***

The CIO, as portfolio manager for the Private Funds, is responsible for all portfolio management activities of the Private Funds. An Investment Committee meets no less frequently than quarterly to review the Fund's investment portfolios.

Minutes of each of the Investment Committee meetings are maintained by each of the Fund's portfolio managers.

### **Nature and Frequency of Reports to Shareholders in the Mutual Funds and Investors in the Private Funds**

#### ***Mutual Funds***

To the extent the shareholders in our mutual fund products are invested directly with the Mutual Funds and not through a financial intermediary, the shareholder will receive in writing or electronically certain documents directly from the Transfer Agent, US Bancorp Fund Services:

- Confirmations of transactions when posted to the investor account
- Quarterly investor statement on their account which reflects the transactions for the quarter, the total shares owned, per share price and the total value of their account at quarter end
- IRS Form 1099-DIV year-end tax reporting information by February of the following year
- Annual and Semi-Annual Reports
- Summary Prospectus annual updates (and more frequently as necessary)
- 19A-1 Notices for Distributions to Shareholders (when necessary)

### ***Private Funds***

The Private Funds investors receive in writing the following documents directly from Orinda:

- Confirmations of transactions when posted to the investor account
- Quarterly investor statement on their account which reflects the transactions for the quarter, the total value of their account at quarter end and current month and year-to-date performance
- IRS Partnership Schedule K-1 year-end tax reporting information by February of the following year.
- Annual audited financial statements within 120 days of year end
- Fund documents as revised – Private Placement Memorandum and Limited Partnership Agreement
- Annual Disclosure of Orinda's Privacy Policy
- Annual Offering of Orinda's Form ADV Part II

### **Nature and Frequency of Reports to the Board of Trustees to the Mutual Funds**

- Quarterly Report of the Adviser discussing performance, sales & marketing efforts, current selling group and compliance information
- Memos to the Board when necessary or requested regarding matters that require Board approval or are required to be reported to the Board

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

Orinda Asset Management currently does not maintain any referral fee arrangement with a third party solicitor.

Certain Orinda Asset Management employees may also receive additional compensation which depends, in part, on new business entered into with Orinda Asset Management. Such additional compensation is not added to clients' fees, and management fees charged by Orinda Asset Management to clients introduced by an employee will not be any higher than those charged to similar clients or investors who were not introduced by an employee, as a result of the introduction.

### **Item 15 | Custody**

The Mutual Funds utilize a qualified custodian and transfer agent that provides shareholder servicing for the Funds. Quarterly statements are sent directly to each shareholder of the Funds from either the Fund's transfer agent or financial intermediary (if appropriate).

The Private Funds utilize a prime broker and a fund administrator that provides shareholder servicing. Quarterly statements are sent to each shareholder as prepared by the fund administrator.

Orinda Asset Management strongly recommends that each shareholder carefully review all statements.

### **Item 16 | Investment Discretion**

Orinda Asset Management accepts discretionary authority to manage assets on behalf of the Funds pursuant to the terms of authority granted in the written investment advisory agreement for the Funds.

## **Item 17 | Voting Client Securities**

Proxies are assets of Orinda's clients that must be voted with diligence, care, and loyalty. Orinda will ensure that proxies are voted in accordance with its fiduciary duty to its clients. Orinda has engaged Institutional Shareholder Services ("ISS") for managing the proxy voting process. ISS ensures that all ballots are collected from the custodians and are voted in line with guidelines intended to represent the best interests of the shareholders. ISS provides Orinda proxy voting reports to review the manner in which each proxy vote was cast. Orinda may override any vote that ISS has set up if it believes that it serves the best interests of the client by doing so. The CCO coordinates Orinda's proxy voting process.

Orinda acknowledges its responsibility for identifying material conflicts of interest related to voting proxies. In order to ensure that Orinda is aware of the facts necessary to identify conflicts, Employees are required to disclose to the CCO any personal conflicts such as officer or director positions held by them, their spouses or close relatives, in any publicly traded company. Conflicts based on business relationships with Orinda or any affiliate will be considered only to the extent that Orinda has actual knowledge of such relationships. Portfolio Managers may consult with the CCO as necessary to identify conflicts.

Orinda takes appropriate steps to address identified conflicts including: (i) votes being cast by ISS on behalf of the affected clients in line with guidelines intended to represent the best interests of the shareholders, (ii) erecting information barriers around the person(s) charged with coordinating the proxy voting process as delegated to ISS sufficient to insulate the decision from the conflict; (iii) notifying affected clients of the conflict of interest and seeking a waiver of the conflict or the consent of the client before voting the proxy; (iv) if agreed upon in writing with the client, forwarding the proxies to affected clients allowing them to vote their own proxies; (v) convening an ad hoc committee of no fewer than two senior executives and the portfolio manager to debate the conflict and to give ruling on the preferred course of action. In all instances, Orinda will seek to resolve the conflict in a manner that is acceptable to all affected parties and in the best interest of clients.

Shareholders and Investors in the funds may request in writing, a copy of Orinda's complete proxy voting policies and procedures and how votes were cast via email at [info@orindafunds.com](mailto:info@orindafunds.com). The requested information will be provided promptly within five business days.

### ***Mutual Funds***

Specific to the Sub-Advised Mutual Funds, Orinda has delegated the responsibility for voting proxies related to portfolio securities held by the Funds to Sub-Advisers retained to provide investment advisory services to the Funds. The Sub-Advisers shall assume the fiduciary duty and reporting responsibilities of the Adviser and be subject to Orinda's proxy voting policy. Orinda's proxy voting policy requires that the Sub-Advisers vote proxies received in a manner consistent with the best interests of the Funds and its shareholders and to ensure that the votes cast are not affected by any material conflict of interest.

## **Item 18 | Financial Information**

The Firm is not aware of any financial condition that would impair its ability to meet contractual and fiduciary commitments to clients and has not been the subject of a bankruptcy proceeding.