

Item 1 – Cover Page

Part 2A of Form ADV: Firm Brochure

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May 15, 2015

This brochure provides information about the qualifications and business practices of Civic Capital Advisors, LLC (hereafter “Civic” or the “Adviser”). If you have any questions about the contents of this brochure, please contact us at (646) 480-7002 or [compliance@civiccapiatal.com](mailto:compliance@civiccapiatal.com).

The Adviser is registered with the Securities and Exchange Commission (“SEC”) as an investment adviser under the U.S. Investment Advisers Act of 1940 (the “Advisers Act”), as amended. Registration with the SEC or with any state securities authority does not imply a certain level of skill or training. **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. Additional information about Civic Capital Advisors, LLC also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

## **Item 2 – Material Changes**

As we had noted as an upcoming change in our March 31, 2015 annual update, Civic began providing investment advisory services, as of May 1, 2015, to three additional Clients (as defined herein, in Item 4): Civic Capital Macro Offshore Fund, Ltd., Civic Capital Macro Onshore Fund, L.P., and Civic Capital Macro Master Fund, Ltd. (each, a “Fund” (as defined herein, in Item 4), and together hereinafter, the “Macro Funds”). The Adviser’s unaudited regulatory assets under management totaled approximately \$750.6 million as of May 1, 2015. In addition, Cynthia A. Marian, Esq. became Civic’s Chief Compliance Officer, effective as of May 15, 2015.

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## **Item 4 – Advisory Business**

### ***A. General Description of the Advisory Firm***

Civic was founded by Grant Wilson in the third quarter of 2010 as a boutique macro advisory firm and began providing certain research services to fee-paying subscribers, which included hedge funds, proprietary trading desks, sovereign wealth funds, central banks, and other buy-side entities, in November 2010. In Q3 2012, the Adviser transitioned from an advisory business model to a fund manager, and no longer sells its research to market participants. Monthly reports and weekly newsletters are, however, still being produced and distributed to investors in the Adviser's Clients. Grant Wilson is Civic's principal owner and the only owner holding more than 25% of Civic.

### ***B. Description of the Advisory Services Provided***

Civic provides investment advisory services to private investment funds (each, a "Fund" and together, the "Funds") and certain managed accounts (together with the Funds, hereinafter referred to as "Clients"), based upon specific investment mandates, objectives, and strategies, in each case as set forth in each Client's confidential offering memorandum and/or investment management agreement (referred to collectively herein as "Offering Documents"). Other than those restrictions set forth in the applicable Offering Documents, Civic has broad discretionary trading authority on behalf of its Clients. While Civic may trade in a variety of asset classes on behalf of its Clients, in general, Civic's advisory services currently focus on two strategies, each of which is discussed in detail in its Clients' Offering Documents, as applicable. The first, Civic's foreign currency strategy, involves trading primarily in foreign exchange currencies (in the both spot and forward markets), derivatives thereof (including non-deliverable forwards) and gold. The second strategy, Civic's global macro strategy, is focused primarily on trading futures, rates, and foreign exchange contracts, swaps, options, equity indices and derivatives thereof (including options and futures), and other financial instruments. Positions also may be held in cash, Treasury bills, and other cash equivalents.

Civic tailors its investment advice to meet the investment objectives of each of its Clients. For each of its Fund Clients, Civic tailors its services to the strategies and conditions set forth in the Fund's Offering Documents. As Civic provides advisory services to the Funds, rather than to any individual investor in a Fund, Civic does not tailor its investment advice to take into account any specific investment conditions of any individual investor in a Fund. Civic may, however, tailor investment advice provided to each of its separately managed account Clients to conform to the relevant advisory contracts governing such Client's separately managed account.

The Funds managed by Civic are currently structured in "master-feeder" arrangements, whereby, in each case, a Delaware limited partnership (Civic Capital Currency Fund, L.P. and Civic Capital Macro Fund, L.P., together the "Domestic Feeders") and a Cayman Islands exempted limited company (Civic Capital Currency Fund, Ltd. and Civic Capital Macro Fund, Ltd. together, the "Offshore Feeders"), each typically will invest substantially all of its assets into a Cayman Islands exempted limited company (Civic Capital Currency Master Fund, Ltd. and Civic Capital Macro Master Fund, Ltd. together, the "Master Funds"). This

Brochure should not be construed as an offering of any of the Funds described herein, which offering will be made strictly on a private placement basis, pursuant to the delivery of, and terms detailed in, each Fund's Offering Documents, which include a description of the risk factors, investment objectives, conflicts of interest of, and other important information regarding, each such Fund. Civic also provides investment advisory services to certain managed accounts, and may serve as an investment adviser to other entities and/or accounts in the future. Civic Capital GP, LLC (the "General Partner"), a Delaware limited liability company, serves as the general partner of the Domestic Feeders.

All discussions of the Funds in this brochure, including, but not limited to, their investments, the strategies used in managing the Funds, the fees and other costs associated with an investment in the Funds, and any conflicts of interest faced by Civic and its affiliates in connection with the management of the Funds, are qualified in their entirety by reference to each Fund's respective Offering Documents. Moreover, the descriptions of strategies employed on behalf of certain Clients, as well as the investment advisory services provided by Civic more generally, should not be understood to limit, in any way, Civic's investment advisory activities. The Adviser may engage in any investment strategies, offer any advisory services, and make any investments, including any not described in this Brochure, that it considers appropriate, subject to each Client's investment mandate, objectives, and guidelines. The investment strategies pursued on behalf of each Client are speculative and entail substantial risk. There can be no assurance that any Client's investment objectives will be achieved. Investors in any Client should be prepared to bear a substantial loss of capital.

As of May 1, 2015, the Adviser's unaudited regulatory assets under management totaled approximately \$750.6 million.

## **Item 5 – Fees and Compensation**

Advisory fees paid to Civic vary from Client to Client.

The Funds are structured such that Civic receives a management fee for its management services (the "Management Fee"), which is deducted by the Client's custodian from the Client's account pursuant to the Adviser's instructions. The Management Fee paid by each Client is typically based on the Client's assets under management, and is determined based on an annualized rate. Investors in each Client are charged their portion of the Management Fee on an investor-by-investor basis, which is calculated based on the fees applicable to the respective Class/Series in which their investment has been made, as detailed in the Client's Offering Documents. Currently, the annualized rates of such Management Fees generally range from 0.5% to 2.0% (though, as noted below, such rates could be higher or lower for certain investors). The Funds pay these Management Fees quarterly in advance, on the first day of each quarter. The Adviser (or certain related persons of the Adviser, as applicable) may waive, reduce, or modify the Management Fee and/or the process for payment thereof, for certain Clients or investors in Clients.

In addition, as described in more detail in Item 6 – Performance-Based Fees and Side-by-Side Management, and as may be subject to a "high watermark" pursuant to each Client's Offering Documents, the Adviser (or certain related persons of Civic, as applicable) may receive a performance-based incentive allocation, which shall generally be at a rate of up to

20% of each Client's net profits, if any, for the applicable fiscal quarter or year; however, in certain cases, the performance-based compensation that the Adviser receives from a Client may exceed or may be lower than 20% on an annualized basis. This allocation would occur at the end of each Client's fiscal quarter or year, as applicable, at which time each Client's custodian (or administrator, as applicable) would make deductions accordingly from the capital account of each investor in each such Client, pursuant to instructions from the Adviser. Each of these fees and the terms thereof are more fully described in the Offering Documents for each Client. Investors in any Client managed by Civic should review the applicable Offering Documents for full details as to how the management fees and incentive allocations are calculated.

Investors in certain Funds may be required to pay a redemption charge to withdraw an investment, depending upon the amount and timing of the redemption and other factors. Such charges, where applicable, are paid to the Fund, not to Civic.

In addition to paying investment management fees and performance-based compensation to the Adviser (or a related person to the Adviser), certain other operating, transaction, brokerage, and other investment-related expenses are paid by each Client. These expenses are described more fully in each Client's respective Offering Documents. Please see Item 12 of this Brochure for further discussion of the Adviser's brokerage practices.

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

As discussed in Item 5 – Fees and Compensation, each of Civic's Clients may be charged an incentive allocation.

In accordance with Section 205 of the Advisers Act, and Rule 205-3 thereunder, Civic or one of its related persons may receive a performance-based incentive allocation, which shall generally be at a rate of up to 20% of net profits, if any, for the applicable fiscal quarter or year, subject to a loss carry-forward, from each Fund Client. In certain cases, the performance-based compensation that the Adviser receives from a Client may exceed or may be lower than 20% on an annualized basis. The incentive allocation is based on a share of each such Fund's net profits during such year, if any, subject to certain adjustments, such as loss recovery mechanisms (sometimes referred to as "high watermark" measures), where applicable, and certain other provisions, as described more fully in each Fund's Offering Documents, and which may result in a modification to the incentive allocation for certain periods. Generally, an incentive allocation is only received on gains and appreciation in the net asset value of the Fund in excess of the highest net asset value used in a prior determination of an incentive allocation, as adjusted for redemptions of capital from such Fund; however, a modified incentive allocation arrangement may apply to certain Clients under certain circumstances, as detailed in the applicable Client's Offering Documents.

Civic or one of its related persons may receive similar incentive-based fees from its managed account Clients. However, such fees may be individually-negotiated based upon any restrictions placed on Civic, the business relationship between such Client and Civic, and any other factors that Civic deems appropriate.

Civic (or certain related persons of the Adviser, as applicable) may waive, reduce, or modify either Management Fees or performance-based incentive allocations, or both, for certain Clients and/or certain investors in Clients. Differing fee structures present the possibility for conflicts of interest to arise. Within each strategy employed, the Adviser executes trades on behalf of all Clients *pari-passu* and would treat any allocation that inadvertently favored one Client account over another as a trade error. Accordingly, the Adviser believes that the likelihood for any such conflict to arise is remote, and that no Client account will be favored over any other Client account. Nonetheless, because the Adviser has multiple Clients, each of which may pay the Adviser Management Fees and performance-based compensation at different rates, the potential exists for one Client account to be favored over another Client account. In addition, the Adviser may compensate certain personnel on a basis that includes, as one factor, a performance-based component. Accordingly, the Adviser and its personnel may have a greater incentive to favor Clients that pay the Adviser (and, indirectly, its personnel) higher fees when making investment allocation decisions.

Civic addresses the potential conflict arising from investment allocation by allocating investment opportunities among those Client accounts for which it considers participation in the respective opportunity to be appropriate, taking into account, among other considerations, (a) whether the risk-return profile of the proposed investment is consistent with the Client's objectives and whether such objectives are considered (i) solely in light of the specific investment under consideration or (ii) in the context of the portfolio of such Client's holdings managed by Civic; (b) the potential for the proposed investment to create an imbalance in such portfolio; (c) liquidity requirements of the Client; (d) potentially adverse tax consequences for the Client; (e) regulatory restrictions that would or could limit a Client's ability to participate in a proposed investment; and (f) the need to re-size risk in the portfolio managed by Civic. Such considerations may result in unequal allocations of certain investment opportunities among its Clients.

Additionally, by virtue of compensation programs that may consider, amongst other factors, investment returns generated for Clients, employees of Civic may indirectly share in fees generated by Civic. As a result, although the Adviser executes trades on behalf of all Clients *pari-passu* within a given strategy and would treat any allocation that inadvertently favored one Client account over another as a trade error, the Adviser and its personnel may nonetheless have an incentive to favor Clients that use a higher degree of leverage and/or Clients that pay the Adviser higher fees. While this may present a potential conflict of interest, activity of personnel who may be partially compensated based upon investment returns is monitored. For example, trading activity is periodically reviewed by compliance and accounting personnel to ensure compliance with risk, allocation, and investment guidelines. Transactions on behalf of Civic's Clients are conducted pursuant to a written trade allocation policy, and trading activity is also periodically reviewed to ensure compliance therewith. Civic's trade allocation policy was designed in an effort to meet the following objectives: (i) ensure compliance with appropriate regulatory requirements, (ii) provide a fair allocation of transactions in financial instruments across the Adviser's various Clients, and (iii) do not systematically advantage any one Client account over another. Despite the Adviser's best efforts, it is possible that a number of preferential allocations may occur, as trade execution responsibilities are shared by a single team responsible for trade execution across all Client accounts. The Adviser will review, monitor, and may periodically modify, its trade allocation policy in an effort to minimize the occurrence of preferential allocations;

however, it is possible that a de minimis number of such events may nonetheless occur. When appropriate, the Adviser may, but it is not required to, aggregate Clients' trade orders made by the trade execution team, in an attempt to achieve more efficient execution and/or more equitable treatment across Client accounts.

It should be noted that Civic serves as investment manager to all of the Funds and the General Partner of the Domestic Feeders is under common control with Civic. The Funds may have investment objectives or may implement investment strategies similar or different to those of other Clients. To the extent that a particular investment is determined by Civic to be suitable for both a Fund and other Clients, such investments will be allocated between the Fund and the other Clients pro-rata based on assets under management, or in some other manner that Civic determines is fair and equitable under the circumstances to all Clients.

### **Item 7 – Types of Clients**

Civic provides investment advisory services to the Funds, and to certain managed accounts, as described above in Item 4. The underlying investors in the Funds, while not Clients of Civic under the Advisers Act, are persons that are both “accredited investors” within the meaning of Regulation D of the Securities Act of 1933 (the “Securities Act”), as amended, and “qualified purchasers” as defined in Section 2(a)(51)(a) of the Investment Company Act of 1940, as amended, subject to certain exceptions provided for under the securities laws. The Funds have minimum investment amounts and various other eligibility requirements, as detailed in their respective Offering Documents. The Funds' investors may include, but are not limited to, fund of funds, institutions, businesses, pensions, trusts, government entities, and individuals meeting certain net worth requirements. The interests or shares in the Funds are offered privately pursuant to applicable exemptions from registration under Regulation D. Accordingly, interests or shares in the Funds are offered and sold only to those investors that meet the eligibility requirements for private placements and/or offshore transactions. Investors in the Funds are generally required to make minimum initial investments of at least \$1,000,000 to 20,000,000, but the minimum investment restrictions may be waived by Civic (or one of its related persons, as applicable), in some instances subject to ratification by the board of directors of offshore Fund entities.

Civic may also provide advisory services directly to institutional investors, sovereign wealth funds, and other global market participants.

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

Civic has broad discretionary trading authority on behalf of its Clients. While Civic may trade in a variety of asset classes on behalf of its Clients, in general, Civic's advisory services currently focus on two strategies, each of which is discussed in detail in its Clients' Offering Documents, as applicable. The first, Civic's foreign currency strategy, involves trading primarily in foreign currencies (in the both spot and forward markets), derivatives thereof (including non-deliverable forwards) and gold. The second strategy, Civic's global macro strategy, is focused primarily on trading futures, rates, and foreign exchange contracts, swaps, options, equity indices and derivatives thereof (including options and futures), and



other financial instruments. Positions also may be held in cash, Treasury bills, and other cash equivalents.

With respect to both strategies, position initiation is preceded by a rigorous, research-intensive process, which prioritizes accountability, consistency, and transparency. Position scaling and risk management protocols are standardized, and operate within strict portfolio constraints.

Civic believes that investment research should be accountable, rigorous, and transparent.

### ***A. Markets and Instruments***

The Civic Capital Currency Fund, L.P., Civic Capital Currency Fund, Ltd., and Civic Capital Currency Master Fund, Ltd. (hereinafter, together, the “FX Funds”) and related managed accounts pursue an actively managed strategy in global currency markets, inclusive of gold. Positions are typically held in spot, forward, and options markets. The FX Funds and related managed accounts transact in both deliverable and non-deliverable currencies which satisfy internal measures of liquidity, based on bid-offer spreads and operating hours. Gold is transacted using forwards and options, without physical delivery. Exotic options, defined as any option including a barrier, are not currently used. Forward positions are typically less than 3 months in tenor, with a maximum tenor of 2 years. For cash management purposes, the FX Funds and related managed accounts may invest their excess cash in U.S. fixed income securities including U.S. government bills, notes and bonds, and USD deposits. These purchases are not a primary part of the investment strategy.

As of May 1, 2015, the Adviser began trading on behalf of Civic Capital Macro Fund, L.P., Civic Capital Macro Fund, Ltd., and Civic Capital Macro Master Fund, Ltd. (hereinafter, together, the “Macro Funds”). The investment advisory services provided to the Macro Funds focus primarily on trading futures, rates, and foreign exchange contracts, swaps, options, equity indices and derivatives thereof (including options and futures), and other financial instruments. Positions also may be held in cash, Treasury bills, and other cash equivalents.

### ***B. Leverage***

Civic may use leverage to generate desired exposures in order to achieve its investment objectives for Clients. The leverage employed is embedded in the investment instruments in which Civic invests Client assets. Civic currently does not make use of the borrowing of cash or securities to increase the exposure of Client accounts.

Civic may use leverage in any circumstances which are deemed appropriate by Civic in the implementation of a Client’s investment strategy and objectives, as limited only by each Client’s Offering Documents, and the Adviser’s ability to contractually arrange for leverage with other market participants. Client Offering Documents generally do not set any maximum permitted level of leverage; accordingly, Civic may have wide discretion with respect to the amount of leverage employed in its management of each Client’s portfolio. Moreover, the amount of leverage permitted by a Client’s Offering Documents may differ

from one Client to another Client, and Civic may elect to employ different amounts of leverage in executing trades pursuant to different strategies. Currently, the Adviser has set a self-imposed cap on the use of leverage for the portfolios of the FX Funds and certain other Clients, based in large part upon the ISDA Agreements that Civic has executed; however, such limits may be modified or removed entirely at any time in Civic's discretion. Leverage increases the exposure of Clients to both gains and losses.

### ***C. Risk Factors***

Because an investment managed by Civic carries substantial risk, it is suitable only for sophisticated investors who can assume the risks of losing their entire investment. Prospective investors should carefully evaluate the foregoing considerations, which set forth some, but not all, of the risks before making an investment. The following is a description of the principal risks involved in these investment strategies, generally. Not all of these risks will be equally relevant to a Client at any given time. The discussion of risks below is a brief summary of the risks involved. As previously stated, for a complete discussion of the risks involved, investors in Funds are urged to consult the appropriate Fund's Offering Documents. The following summary is not a substitute for a thorough review of each Client's Offering Documents prior to investment.

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

The regulatory environment for hedge funds is evolving, and changes in the regulation of hedge funds may adversely affect the value of investments held by Funds managed by Civic and the ability of each of these Funds to obtain the leverage it might otherwise obtain or to pursue its trading strategies. In addition, securities and futures markets are subject to comprehensive statutes, regulations, and margin requirements. Regulators and self-regulatory organizations and exchanges are authorized to take extraordinary actions in the event of market emergencies. The regulation of derivative transactions and investment funds that engage in such transactions is an evolving area of law and is subject to modification by government and judicial actions. The effect of any future regulatory change on Clients could be substantial and adverse.

#### ***Absence of Regulatory Oversight***

While the Funds may be considered similar to investment companies, they do not intend to register as such under the U.S. Investment Company Act of 1940, as amended (the "Investment Company Act"), in reliance upon an exemption available to privately offered investment companies, and, accordingly, the provisions of the Investment Company Act (which, among other matters, require investment companies to have disinterested directors, require securities held in custody to at all times be individually segregated from the securities of any other person and marked to clearly identify such securities as the property of such investment company, and regulate the relationship between the adviser and the investment company) will not be afforded to the Funds or investors therein. However, Civic is registered as an investment adviser with the SEC and as both a Commodity Pool Operator and Commodity Trading Advisor with the CFTC. Consequently, Civic is governed by the regulations of the SEC and the CFTC and subject to the oversight of such agencies.

Furthermore, registration under the Cayman Islands Mutual Funds Law (2013 Revision) does not involve a detailed examination of the merits of the Funds or substantive supervision of the investment performance of the Fund by the Cayman Islands Government or the Cayman Islands Monetary Authority (the “Monetary Authority”). There is no financial obligation or compensation scheme imposed on or by the government of the Cayman Islands in favor of, or available to, the investors in any Fund.

### ***Future Regulation***

Growing concern about the lack of regulation of private investment partnerships and hedge funds has led to the proposal of various state and federal laws and regulations regarding investment partnerships and hedge funds and may in the future lead to additional such proposals. Such regulatory proposals, or any future proposals, if adopted could adversely affect the Adviser and each of its Clients, including Civic’s business, and each Client’s financial condition and prospects. Further, governments can ban or restrict the use of certain instruments in any Client’s portfolio and may even attempt to do this on a retroactive basis. This could adversely affect any Client’s ability to terminate existing positions or to realize amounts to be received and may result in significant losses to any Client’s portfolio.

### ***Potential Limited Investment Opportunities***

Availability of investment opportunities is subject to changes in economic and market conditions, and there can be no assurance that Civic will be able to identify opportunities that are sufficient to achieve each Client’s investment objectives.

### ***Non-Disclosure of Positions***

In an effort to protect the confidentiality of its positions, Civic may not disclose all of its positions to Clients on an ongoing basis, although the directors of the Offshore Feeders, in their sole discretion, may permit such disclosure on a select basis to certain investors in such Funds.

### ***Convergence Risk***

Civic may pursue relative value strategies by taking long positions in instruments believed to be undervalued and short positions in instruments believed to be overvalued. In the event that the perceived mispricings underlying a Client’s trading positions were to fail to converge toward, or were to diverge further from, Civic’s expectations, the Client may incur a loss.

### ***Portfolio Turnover***

Certain investment strategies may require Civic to actively trade a Client’s portfolio, and as a result, turnover and brokerage commission expenses of the Client may significantly exceed those of other investments.

### ***Limited Operating History***

While Grant Wilson and Civic have experience investing on behalf of clients, several of the Funds are newly-formed entities and have no operating histories upon which investors can evaluate their likely performance. An investment managed by Civic entails

a significant degree of risk and investors in any Client should be prepared to bear a substantial loss of capital, up to the entire amount of their investments.

### ***Lack of Diversification***

Portfolios managed by Civic may be narrowly concentrated in several asset classes. Accordingly, portfolios managed by Civic may be subject to more rapid change in value than would be the case if Civic were required to maintain a wide diversification.

### ***Systems and Operations Risk***

Clients depend on Civic to develop and implement appropriate systems for each Client's activities. Civic relies extensively on models, algorithms, and analogs, which it has developed in a certain programming language and which, in the aggregate, forms its research platform, which it deploys and updates with data on an ongoing basis as part of its process for analyzing, making, and evaluating investment decisions. Civic also relies on technological systems to trade, clear, and settle transactions, to evaluate certain investments based on real-time trading information, to monitor its portfolio and net capital, and to generate risk management and other reports that are critical to the oversight of Client activities. In addition, certain of Civic's operations interface with, or depend on, systems operated by third parties, including its prime brokers and market counterparties and their sub-custodians and other service providers, including the Administrator, and at times neither a Client nor Civic may be in a position to verify the risks or reliability of such third-party systems. These programs or systems may be subject to certain defects, failures, or interruptions, including, but not limited to, those caused by worms, viruses, and power failures. Any such defect or failure could have a material adverse effect on a Client. For example, such failures could cause settlement of trades to fail, lead to inaccurate accounting, recording, or processing of trades, and cause inaccurate reports, which may affect a Client's ability to monitor its investment portfolio and its risks.

A Client's investment strategy depends on its ability to establish and maintain an overall market position in a combination of financial instruments. A Client's trade orders may not be executed in a timely and efficient manner due to various circumstances, including, without limitation, systems failures or human error attributable to Civic, a Client, its brokers, agents, or other service providers, or financial intermediaries. In such event, a Client might only be able to acquire some, but not all, of the components of such position, or if the overall position were to need adjustment, a Client might not be able to make such adjustment. As a result, a Client would not be able to achieve the desired market position, and might incur a loss in liquidating its position.

A Client depends on Civic to develop the appropriate systems and procedures to control operational risk arising from mistakes made in the confirmation or settlement of transactions, from transactions not being properly booked, evaluated, or accounted for, or other similar disruption in a Client's operations. Such operational risks may cause a Client to suffer financial loss, the disruption of its business, liability to clients or third parties, regulatory intervention, and/or reputational damage. A Client's business is highly dependent on its ability to process, on a daily basis, a number of transactions across numerous and diverse markets. Consequently, a Client relies heavily on the

Adviser's financial, accounting, and other data processing systems, and those of the third parties whom the Adviser has engaged to provide such services. The ability of these systems to accommodate an increasing volume of transactions could also constrain a Civic's ability to properly manage the portfolio.

### ***Cybersecurity Risk***

With the increased use of the internet to conduct business, each Client is susceptible to operational and information security risks. In general, cyber incidents can result from deliberate attacks or unintentional events. Cyber-attacks include, but are not limited to, infection by computer viruses or other malicious software code, gaining unauthorized access to Civic's or a Client's digital systems through system-wide "hacking" or other means for the purpose of misappropriating assets or sensitive information, corrupting data, or causing operational disruption. Cyber-attacks may also be carried out in a manner that does not require gaining unauthorized access, such as causing denial-of-service attacks on Civic's or a Client's website. In addition, authorized persons could inadvertently or intentionally release confidential or proprietary information stored on the Adviser's or a Client's systems.

Cybersecurity failures of, and/or breaches of systems or information belonging to, third party service providers (including, but not limited to, a Client's custodians and financial intermediaries), counterparties with which a Client transacts, and the issuers of securities in which a Client invests, may cause disruptions and impact financial market participants, including the Adviser, the service providers, and Clients, as well as either or both the Adviser's and a Client's business operations, potentially resulting in financial losses, the inability of a Client to transact business or process transactions, inability to calculate a Client's net asset value, violations of applicable privacy and other laws, regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, and/or additional compliance costs.

A Client may incur incremental costs to prevent cyber incidents in the future. A Client could be negatively impacted as a result. While Civic has established business continuity and cybersecurity plans and risk management systems designed to prevent or reduce the impact of such cyber-attacks, there are inherent limitations in such plans and systems, including the possibility that certain risks have not been adequately identified or prepared for. Furthermore, a Client cannot directly control any cybersecurity plans and systems put in place by third party service providers, the Adviser, or by the counterparties with which it transacts or issuers in whose securities it invests.

### ***Accounting for Uncertainty in Income Taxes***

The Financial Accounting Standards Board has released Accounting Standards Codification Topic 740 ("ASC 740") (formerly known as "FIN 48"), to provide consistent guidance on the recognition of uncertain tax positions. ASC 740 prescribes, among other things, the minimum recognition threshold that a tax position is required to meet before being recognized in an entity's financial statements. Prospective investors in any Client should be aware that, among other things, ASC 740 could have a material adverse effect on the periodic calculations of the net asset value of a Fund or other Client account, including reducing the net asset value of a Fund to reflect reserves for

income taxes that may be payable in respect of prior periods. This could adversely affect certain investors in Clients, depending upon the timing of their purchase and redemption.

### ***Nature of Investments***

Civic has broad and flexible discretion in making investments for Clients. Investments will generally consist of derivative securities and other financial instruments and other assets that may be affected by business, financial market, or legal uncertainties. There can be no assurance that Civic will correctly evaluate the nature and magnitude of the various factors that could affect the value of and return on any actual or potential Client investments. Prices of investments may be volatile, and a variety of factors that are inherently difficult to predict, such as domestic or international economic and political developments, may significantly affect the results of a Client's activities and the value of its investments. In addition, the value of a Client's portfolio may fluctuate as the general level of interest and currency rates fluctuate. No guarantee or representation is made that a Client's investment objectives can or will be achieved.

### ***Counterparty Risk***

To the extent that a Client invests in swaps, "synthetic" or derivative instruments, repurchase agreements, forward exchange contracts, futures, certain types of options or other customized financial instruments, or, in certain circumstances, non-U.S. securities, a Client takes the risk of non-performance by the other party to the contract. This risk may include credit risk of the counterparty and the risk of settlement default. This risk may differ materially from those entailed in exchange-traded transactions that generally are supported by guarantees of clearing organizations, daily marking-to-markets and settlement, and segregation and minimum capital requirements applicable to intermediaries. Transactions entered into directly between two counterparties generally do not benefit from such protections and expose the parties to the risk of counterparty default.

### ***Lack of Liquidity of Fund Investments***

Client assets may, at any given time, include securities and other financial instruments or obligations that are thinly-traded or for which no market exists and/or which are restricted as to their transferability under applicable securities laws. The sale of any such investments may be possible only at substantial discounts, and it may be extremely difficult to accurately value any such investments.

### ***Forward Contracts***

Clients may trade forward contracts in the interbank market. Such forward contracts are not traded on exchanges; rather banks and dealers act as principals in these markets. As a result, Clients will be subject to the risk of the inability or refusal to perform with respect to such contracts on the part of the counterparties with which Clients trade. A Client's credit risk for foreign exchange currency transactions resides directly with its Prime Brokers, as a result of "give-up" relationships between executing brokers and the Client's Prime Brokers.

Governmental authorities do not regulate trading in certain forward contracts. In addition, there is no limitation on the daily price movements of forward contracts. Speculative position limits are not applicable to forward transactions, although the counterparties and Prime Brokers with which Clients will deal may limit the size or duration of positions available to Clients as a consequence of credit considerations. Principals in the forward markets have no obligation to continue to make markets in the forward contracts previously traded.

### ***Futures***

The use of futures is a specialized activity that involves investment strategies and risks different from those associated with ordinary portfolio securities transactions, and there can be no guarantee that their use will increase a Client's return or not cause a Client to sustain large losses. While the use of these instruments by a Client may reduce certain risks associated with portfolio positions, these techniques themselves entail certain other risks. A Client could experience losses if the values of its futures positions were poorly correlated with its other investments. In addition, a Client will incur transaction costs, including trading commissions, in connection with its futures transactions and these transactions could significantly increase a Client's investment turnover rate. There is no assurance that a liquid secondary market will exist for futures contracts or options purchased or sold, and a Client may be required to maintain a position until exercise or expiration, which could result in losses. Many futures exchanges limit the amount of fluctuation permitted in contract prices during a single trading day. Once the daily limit has been reached in a particular contract, no further trades may be made that day at a price beyond that limit. Contract prices could move to the daily limit for several consecutive trading days, thus permitting little or no trading and thereby preventing prompt liquidation of futures and options positions and potentially subjecting a Client to substantial losses.

### ***Swap Agreements***

A Client may enter into swap agreements. Swap agreements are two-party contracts entered into primarily by institutional investors for periods ranging from a few weeks to more than a year. In a standard "swap" transaction, two parties agree to exchange the returns (or differentials in rates of return) earned or realized on particular pre-determined investments or instruments. The gross returns to be exchanged or "swapped" between the parties are calculated with respect to a "notional amount," (i.e., the return on or increase in value of a particular dollar amount invested at a particular interest rate, in a particular foreign currency or security, or in a "basket" of securities representing a particular index). The "notional amount" of the swap agreement is only a fictive basis on which to calculate the obligations that the parties to a swap agreement have agreed to exchange. Most swap agreements entered into by a Client would calculate the obligations of the parties to the agreement on a "net" basis. Consequently, a Client's obligations (or rights) under a swap agreement will generally be equal only to the net amount to be paid or received under the agreement based on the relative values of the positions held by each party to the agreement (the "net amount"). Credit default swaps involve greater risks than if a Client had invested in the underlying reference obligation directly. In addition to general market risks, credit default swaps are subject to liquidity

risk and credit risk, and a buyer of credit protection may also lose its investment and recover nothing should no credit event occur. In the case where a credit event does occur, the value of the reference obligation received by the seller, coupled with the periodic payments previously received, may be less than the full notional value it pays to the buyer, resulting in loss of value to a Client. Further, in certain circumstances, the buyer can receive the notional value of a credit default swap only by delivering a physical security to the seller, and is at risk if such deliverable security is unavailable or illiquid.

Whether a Client's use of swap agreements, if any, will be successful in furthering its investment objectives will depend on the Adviser's ability to correctly predict whether certain types of investments are likely to produce greater returns than other investments, which outcome may be influenced by a wide range of events and factors beyond the Adviser's control. A Client bears the risk of loss of the amount expected to be received under a swap agreement in the event of the default or bankruptcy of a swap agreement counterparty. The swaps market is a relatively new market and certain types of swaps remain largely unregulated. It is possible that developments in the swaps market, including potential government regulation, could adversely affect a Client's ability to terminate existing swap agreements or to realize amounts to be received under such agreements.

### ***Options***

A Client may utilize options in its investment strategy. The purchase or sale of an option involves the payment or receipt of a premium by the investor and the corresponding right or obligation, as the case may be, to either purchase or sell the underlying security, commodity, or other instrument for a specific price at a certain time or during a certain period. Purchasing options involves the risk that the underlying instrument will not change price in the manner expected, in which case the Client loses its premium. Selling options involves potentially greater risk because the Client is exposed to the extent of the actual price movement in the underlying security rather than only the premium payment received (which could result in a potentially unlimited loss). Over-the-counter options also involve counterparty solvency risk.

### ***Interest Rate Risk***

Clients will be subject to interest rate risk. Generally, the value of fixed income securities will change inversely with changes in interest rates. As interest rates rise, the market value of fixed income securities tends to decrease. Conversely, as interest rates fall, the market value of fixed income securities tends to increase. This risk will be greater for long-term securities than for short-term securities. Civic may attempt to minimize each Client's exposure to interest rate risk through the use of FX swaps and forwards. However, there can be no guarantee that Civic will be successful in fully mitigating the impact of interest rate changes on the portfolios.

### ***Brokerage and Custodial Risk***

There are risks involved in dealing with the custodians or prime brokers who settle Client trades. A Client will maintain custody accounts with its prime brokers and primary custodians, Credit Suisse AG, Goldman Sachs & Co., JP Morgan Chase Bank, and Citibank (collectively, the "Prime Brokers"). Although Civic will monitor the Prime



Brokers and believes that they are appropriate custodians, there is no guarantee that the Prime Brokers, or any other custodian, that a Client may use from time to time, will not become bankrupt or insolvent. While both the U.S. Bankruptcy Code and the Securities Investor Protection Act of 1970 seek to protect customer property in the event of a bankruptcy, insolvency, failure, or liquidation of a broker-dealer, there is no certainty that, in the event of a failure of a broker-dealer that has custody of Client assets, a Client would not incur losses due to its assets being unavailable for a period of time, the Client would ultimately realize less than a full recovery of its assets, or both.

A Client and/or the Prime Brokers may appoint sub-custodians in certain non-U.S. jurisdictions to hold the assets of a Client. The Prime Brokers may not be responsible for cash or assets which are held by sub-custodians in certain non-U.S. jurisdictions, or for any losses suffered by a Client as a result of the bankruptcy or insolvency of any such sub-custodian. A Client may therefore have a potential exposure on the default of any sub-custodian and, as a result, many of the protections that would normally be provided to by a custodian may not be available to a Client. Under certain circumstances, including certain transactions where a Client's assets are pledged as collateral for leverage from a non-broker-dealer custodian or a non-broker-dealer affiliate of the Prime Brokers, or where a Client's assets are held at a non-U.S. custodian, the securities and other assets deposited with the custodian or broker may not be clearly identified as being assets of a Client and a Client could be exposed to a credit risk with regard to such parties. Custody services in certain non-U.S. jurisdictions remain undeveloped and, accordingly, there is a transaction and custody risk of dealing in certain non-U.S. jurisdictions. Given the undeveloped state of regulations on custodial activities and bankruptcy, insolvency, or mismanagement in certain non-U.S. jurisdictions, the ability of a Client to recover assets held by a sub-custodian in the event of the sub-custodian's bankruptcy or insolvency could be in doubt, as a Client may be subject to significantly less favorable laws than many of the protections that would be available under U.S. laws. In addition, there may be practical or time problems associated with enforcing a Client's rights to its assets in the case of a bankruptcy or insolvency of any such party.

It is possible that in the course of business, there may be potential conflicts of interest between a Client and the Prime Brokers. Each Prime Broker will, at all times, be bound by its obligations to each Client for or to which it provides brokerage services, and will endeavor to ensure that such conflicts are resolved fairly. Further, subject to applicable law, any of the foregoing service providers may deal, as principal or agent, with a Client, provided that such dealings are carried out as if effected on normal commercial terms negotiated on an arm's length basis.

Additionally, Civic is not required to ensure that a Client appoints, and a Client has not appointed, a depositary for the purposes of AIFMD. While the Prime Brokers and the custodians perform some of the functions of a depositary as contemplated in the AIFMD in respect of a Client, and may delegate the performance of such functions to sub-custodians, the Prime Brokers and the custodians are not acting as depositaries for these purposes and references to the Prime Brokers and the custodians should not be read as references to a depositary or to any entity that would otherwise be responsible for performing the duties of a depositary.

### ***Hedging***

There can be no assurances that a particular hedge is appropriate, or that certain risk is measured properly. Further, while Civic may enter into hedging transactions to seek to reduce risk, such transactions may result in poorer overall performance and increased (rather than reduced) risk for Civic's investment portfolios than if Civic did not engage in any such hedging transactions.

### ***Relative Value Risk***

In the event that the perceived mispricings underlying a Client's relative value trading positions were to fail to converge toward, or were to diverge further from, relationships expected by Civic, Client accounts may incur a loss.

### ***Leverage***

Performance may be more volatile if a Client's account employs leverage.

### ***Emerging Markets***

The risks of foreign investments typically are greater in less developed countries, sometimes referred to as emerging markets. For example, political, governmental, and economic structures in these countries may be less established and may change rapidly. These countries also are more likely to experience high levels of inflation, deflation, or currency devaluation, which can harm their economies and securities markets and increase volatility. Restrictions on currency trading that may be imposed by emerging market countries will have an adverse effect on the value of these countries' currencies.

### ***Non-U.S. Securities***

Foreign securities, foreign currencies, and securities issued by U.S. entities with substantial foreign operations can involve additional risks relating to political, economic, or regulatory conditions in foreign countries. These risks include fluctuations in foreign currencies; withholding or other taxes; trading, settlement, custodial, and other operational risks; and the less stringent investor protection and disclosure standards of some foreign markets. All of these factors can make foreign investments, especially those in emerging markets, more volatile and potentially less liquid than U.S. investments. In addition, foreign markets can perform differently from the U.S. market.

### ***Derivatives, and Regulation of Derivatives***

Swaps, certain options, and other custom derivative or synthetic instruments are subject to the risk of non-performance by the counterparty to such instrument, including risks relating to the financial soundness and creditworthiness of the counterparty. In addition, investments in derivative instruments may require a high degree of leverage, meaning the overall contract value (and, accordingly, the potential for profits or losses in that value) is much greater than the modest deposit used to buy the position in the derivative contract. Derivative securities can also be highly volatile. The prices of derivative instruments and the investments underlying the derivative instruments may fluctuate rapidly and over wide ranges and may reflect unforeseeable events or changes in conditions, none of which can be controlled by the Client or Civic. Further, transactions in derivative instruments often are not undertaken on recognized exchanges, and will expose the Client's account to greater risks than regulated exchange transactions that provide greater

liquidity and more accurate valuation of securities.

The Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Dodd-Frank Act”) has begun to impose mandatory clearing, exchange-trading, and margin requirements on many derivatives transactions, including formerly unregulated over-the-counter (“OTC”) derivatives, which may be executed on behalf of Clients. As part of its comprehensive new regulatory regime for derivatives, the Dodd-Frank Act also creates new categories of regulated market participants, such as “security-based swap dealers,” “major swap participants,” “swap dealers,” and “major security-based swap participants,” which are subject to significant new capital, registration, recordkeeping, reporting, disclosure, business conduct, and other regulatory requirements. The details of many of these requirements remain to be clarified through rulemaking, and subject to interpretations, by the SEC, the CFTC, the Board of Governors of the Federal Reserve System, and other regulators in a regulatory implementation process that remains far from complete. Based on information available as of the date hereof, the likely effect of the Dodd-Frank Act is to increase each Client’s overall costs of entering into derivatives transactions. In particular, even where not directly applicable to a Client, new margin requirements, position limits, and capital charges may cause an increase in the pricing of derivatives transactions entered into with or conducted by market participants to which such requirements apply. Administrative costs, such as those relating to new recordkeeping, registration, reporting, and compliance requirements, even if not directly applicable to a particular Client, may also increase, or may be reflected in higher pricing of derivatives. In parallel with the Dodd-Frank Act and other U.S.-based regulatory initiatives, regulators in the European Union are also taking steps to regulate OTC derivatives transactions. European Union Regulation No. 648/2012 (also known as European Market Infrastructure Regulation or “EMIR”), which went into effect on August 16, 2012, requires certain “eligible” OTC derivatives contracts to be submitted for clearing to regulated central clearing counterparties, and mandates the reporting of certain details of such transactions to trade repositories. In addition, EMIR imposes requirements for appropriate procedures and arrangements to measure, monitor, and mitigate operational counterparty credit risk in respect of OTC derivatives contracts that are not subject to mandatory clearing. These requirements are likely to include the posting and segregation of collateral. Many provisions of EMIR require the formal adoption of delegated acts by the European Commission before becoming fully effective, not all of which have been proposed or finalized as of the date hereof. Accordingly, it is difficult to predict the impact of EMIR on Civic’s Clients; however, regulatory changes arising from EMIR may in due course adversely affect the Adviser’s ability to achieve a Client’s investment objectives.

### ***Swap Trading Venues***

To address new CFTC regulations issued under the Dodd-Frank Act, Civic became a member of Tradeweb, a swap execution facility (“SEF”), in order to trade and clear certain types of swaps on SEFs or exchanges, known as designated contract markets (“DCMs”). SEF membership may subject Civic, and/or Clients, to additional regulatory and other requirements, and SEF membership may increase the costs and potential liability to Civic’s Clients associated with trading swaps. Clients may be unable to obtain more favorable terms or prices for SEF or DCM-traded swaps. SEFs and DCMs are self-regulatory organizations and, as such, are expected to regularly revise and interpret

their rules governing swap trading on their trading venues. Such periodic revisions and interpretations of these rules could adversely impact the Adviser and its Clients. SEFs have only recently become subject to CFTC regulation and many of the new trading, market surveillance, and technology requirements applicable to SEFs thereunder are based on new and untested rules and technology, which could change at any time. Moreover, SEFs could experience technological issues or regulatory lapses, which could negatively impact Clients' swap transactions. CFTC regulations and interpretations of the regulations governing SEFs and DCMs are evolving and changes and/or additions thereto could adversely impact Civic's Clients.

### ***Currency Markets***

By trading in foreign exchange currencies and investing in international securities and derivative instruments relating to such securities, a Client will have exposure to fluctuations in currency exchange rates. Foreign exchange trading risks include, but are not limited to, exchange rate risk, maturity gaps, interest rate risk and potential interference by foreign governments through regulation of local exchange markets, foreign investment, or particular transactions in foreign currencies. In addition, currencies have valuation risks, including the introduction of capital controls, changes in the nature of deliverability or the changing of market dynamics such as redenomination. These factors could cause a decrease in market liquidity or difficulties in making position valuations.

The aforementioned list of risk factors does not purport to represent all relevant risk factors applicable to Civic's Clients. Rather, for a more comprehensive list of risk factors related to a particular Client, please refer to the applicable Client's Offering Documents.

Any investment in a Client managed by Civic involves significant risks and is suitable only for those sophisticated and qualified persons who can bear the economic risk of loss of their investment and who have a limited need for liquidity in their entire investment. There can be no assurance that Civic will achieve its investment objectives on behalf of Clients. Investments managed by Civic carry the inherent risks associated with investments in foreign exchange currencies (both spot and forward), derivatives thereof, gold, sovereign debt, derivatives thereof, equity indices, and derivatives thereof (including futures) as well as other instruments, as well as the risks inherent in the use of leverage. Investors in Clients managed by Civic should carefully review the Offering Documents associated with such Clients, as applicable, prior to making an investment.

### **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 your evaluation of Civic or the integrity of Civic's management. Civic has no information applicable to this Item.

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

Pursuant to the U.S. Commodity Exchange Act, as amended, Civic is registered with the Commodity Futures Trading Commission ("CFTC") and National Futures Association

(“NFA”) as both a commodity pool operator (“CPO”) and commodity trading advisor (“CTA”). The Funds are exempt from the requirement to deliver offering documents to the CFTC, pursuant to Regulation 4.7. In connection with the Adviser’s (and certain of its affiliates’) registration as a CPO, certain of the Adviser’s personnel are registered with the NFA as Associated Persons and/or Principals of the Adviser (and/or its affiliates).

The Adviser is under common control with the General Partner, which is a related person of the Adviser and which, as the general partner or allocation shareholder of certain Clients, is eligible to receive a performance-based incentive allocation, if any, from Civic’s Clients, as discussed in Item 5 hereof.

Civic has retained Civic Capital Advisors Pty, Ltd., an Australian registered company (“CCA PTY”) that is under common control with the Adviser, to provide limited discretionary investment management (e.g. trade execution) and other non-related services, strictly on a delegated basis and subject at all times to the supervisory authority of the Adviser. The Adviser retains principal investment discretion over, and provides investment advice to, each Client. CCA PTY, located in Sydney, Australia, has an Australian financial services license, granted by the Australian Securities and Investments Commission, in order to execute trades on behalf of each Client, as so directed by Civic.

Civic’s employees do not have any other material financial industry activities or affiliations. Civic and its employees are focused exclusively on providing investment advice to Civic’s Clients.

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

Civic has adopted a Code of Ethics expressing the Adviser's commitment to ethical conduct. Civic’s Code of Ethics describes its fiduciary duties and responsibilities to Clients, and sets forth Civic’s practice of supervising the personal securities transactions of supervised persons. All of Civic’s employees, as well as the employees of CCA PTY, are treated as supervised persons and required to comply with Civic’s Code of Ethics. The Adviser’s supervised persons are permitted to trade for their own accounts, and from time to time may buy or sell securities or financial instruments that Civic may trade for its Clients, including purchases or sales occurring at or about the same time as trades for a Civic Client. To avoid any potential conflicts of interest involving personal trading activity, and to avoid the misuse of material, non-public information, Civic has adopted policies and procedures to govern the personal trading activity of its supervised persons as part of its Code of Ethics, pursuant to Rule 204A-1 under the Advisers Act. The policies and procedures in the Adviser’s Code of Ethics include those pertaining to (i) personal trading activity pre-clearance, (ii) the frequency and nature of reporting and review, (iii) managing conflicts of interest, (iv) the treatment of confidential information, (v) complying with SEC rules and regulations, and (vi) reporting misconduct. It is Civic’s general policy to prohibit employees from trading in currencies or currency derivatives for profit. It is also the expressed policy of Civic that no person employed by Civic shall prefer his or her own interest to that of an advisory Client or make personal investment decisions based on the investment decisions of advisory Clients. The Adviser provides periodic training to its supervised persons regarding its Code of Ethics and the Adviser’s other policies and procedures. Separately, the Adviser’s compliance

manual contains policies and procedures relating to, among other things, business gifts and entertainment, outside business activities, political contributions, and interactions with foreign government officials.

To supervise compliance with its Code of Ethics, Civic requires all supervised persons to provide annual securities holdings reports and quarterly transaction reports to the firm's Chief Compliance Officer. Civic also requires its supervised persons to obtain pre-approval for transactions in covered securities written approval from the Chief Compliance Officer prior to investing in any IPOs or private placements (limited offerings).

Civic requires that all individuals must act in accordance with all applicable federal, state, and local securities laws and regulations governing investment advisory practices. Civic's Code of Ethics further includes the Adviser's policy prohibiting the use of material non-public information. Any individual who fails to comply with any of the Adviser's policies and procedures, including the aforementioned expectations vis-à-vis their conduct and adherence to the Adviser's Code of Ethics, may be subject to disciplinary measures.

Civic will provide a complete copy of its Code of Ethics to any Client or prospective Client upon request to the Chief Compliance Officer, Cynthia A. Marian, Esq., at the following email address: [compliance@civiccapi.com](mailto:compliance@civiccapi.com).

It is Civic's policy that the Adviser will not engage in any principal or agency cross securities transactions for Client accounts. Civic will also not cross trades between Client accounts. Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys a security from or sells any security to any advisory Client. A principal transaction may also be deemed to have occurred if a security is crossed between an affiliated hedge fund and another Client account. An agency cross transaction is defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser, acts as broker for both the advisory Client and for another person on the other side of the transaction. Agency cross transactions may arise where an adviser is dually registered as a broker dealer or has an affiliated broker dealer.

## **Item 12 – Brokerage Practices**

Civic is authorized to determine the broker or dealer, FCM or counterparty to be used for each transaction for a Client. In selecting counterparties to execute transactions, Civic need not solicit competitive bids (other than in the case of trades conducted via a SEF, which do require a minimum of three competitive bids) and does not have an obligation to seek the lowest available commission cost. It is not Civic's practice to negotiate "execution only" commission rates, thus Clients may be deemed to be paying for research, brokerage, or other services provided by the broker, the cost of which may be included in the commission rate. In the case of OTC transactions executed on an agency basis, Clients may incur two transaction costs for a single trade: a commission paid to the executing broker-dealer, and the market maker's mark-up or mark-down.

Section 28(e) of the Securities Exchange Act of 1934, as amended, is a "safe harbor" that

permits Civic to use commissions or “soft dollars” to obtain research and brokerage services that provide lawful and appropriate assistance in the investment decision-making process. The Adviser is authorized to use “soft dollars” to pay for brokerage and research services, although it does not currently have any formal soft dollar arrangements and did not acquire any products or services with credits therefrom within the last fiscal year. Generally speaking, “soft dollar” arrangements are understood to be ones where products or services other than the execution of securities transactions are obtained by an investment adviser from a broker-dealer in exchange for the direction of client brokerage transactions to the broker-dealer. “Soft dollars” would be that portion of the brokerage commission that exceeds the lowest rate available from other broker-dealers for basic execution services. 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 portfolios; 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 brokers on order execution; and certain proxy services. Brokerage services within Section 28(e) may include, but are not limited to, services related to the execution, clearing, and settlement of securities transactions and functions incidental thereto (i.e., connectivity services between an Civic and a broker-dealer and other relevant parties such as custodians); trading software operated by a broker-dealer to route orders; software that provides trade analytics and trading strategies; software used to transmit orders; clearance and settlement in connection with a trade; electronic communication of allocation instructions; routing settlement instructions; post-trade matching of trade information; services required by the SEC or a self-regulatory organization such as comparison services, electronic confirms, or trade affirmations; and making certain Client referrals or arranging “capital introduction” meetings, in each case for which the broker-dealer or counterparty is not directly compensated. The use of commissions arising from a Client’s investment transactions for services other than research and brokerage will be limited to services that would otherwise be a Client expense. The use of commissions to obtain such other services would be outside the parameters of Section 28(e).

Although the Adviser has not entered into any formal “soft dollar” arrangements to-date, it is possible that it could do so in the future. Should such decision be made, the Adviser would only do so in compliance with the aforementioned safe harbor provided by Section 28(e).

### **Item 13 – Review of Accounts**

Mr. Wilson and the investment team review the strategy and investments of the Clients daily, performing reviews of the positions, allocations and strategy. Civic typically provides, in writing, to investors in each Fund Client, audited annual financial statements, periodic unaudited performance reports, and, for U.S Funds, all tax information relating to their investments in the applicable Fund that are necessary for U.S. federal income tax purposes.

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

Civic does not receive any economic benefit from anyone other than its Clients for

providing investment advice or other advisory services to its Clients. Additionally, other than the potential indirect benefits provided to brokers that arrange “capital introduction” events as described in detail in Item 12 – Brokerage Practices, Civic Capital Currency Fund Offshore Fund, Ltd has an agreement with a third party marketer, Park Hill Group LLC, and may pursue other third party marketing relationships over time.

### **Item 15 – Custody**

Civic (or its affiliates, as applicable) enter into agreements with qualified custodians to maintain custody of the Funds’ assets as and to the extent required by Rule 206(4)-2 under the Advisers Act. These qualified custodians generally include banks, registered broker-dealers, registered commodity futures merchants, and potentially certain foreign financial institutions. While Civic does not take physical custody of any Client assets, Civic may be deemed to have custody because of its discretionary authority, or by virtue a relationship between Civic (or one of its related persons or affiliates) and a limited partnership or limited liability company Client. The Funds are responsible for all costs of such qualified custodians. In the case of managed account Clients, the Client will choose (and execute agreements directly with) the custodian and Civic will not have custody of any such assets. These Clients will receive account statements directly from the custodian.

As Civic has arranged for delivery of audited financial statements to each Fund investor within 120 days of the end of each fiscal year, investors do not receive reports directly from the Funds’ qualified custodians.

Civic urges all Clients and underlying investors therein to carefully review all statements received from the administrator or custodian.

### **Item 16 – Investment Discretion**

Civic’s investment advisory services for Civic Funds and for separately managed accounts are provided on a discretionary basis. Civic may exercise this discretion to determine what securities to trade on behalf of each Fund, in what amount to trade such securities and the executing brokers for such transactions. This discretion is subject to any guidelines or restrictions on the investment activities set out in the agreements between Civic and such fund or separately managed account agreement.

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

Civic’s general investment mandate does not involve the trading of securities issued by individual companies and therefore does not typically result in the acceptance of proxies on behalf of Clients.

Nevertheless, Civic has developed the following proxy voting policies to account for the unlikely receipt of a proxy on behalf of a Client. First, absent definitive reasons why a proxy should not be voted, all proxies will be voted based on the Adviser’s proxy voting policy. Civic has developed a proxy voting policy which it believes is reasonably designed to insure that proxies are voted in the best interest of the Clients it manages and in accordance with its fiduciary duties and Rule 206(4)-6 under the Advisers Act. Clients may not direct



Civic as to how to vote a particular proxy. Civic's policies and procedures contain procedures designed to address potential conflicts of interest that may arise between Civic and its Clients. Clients may obtain both information about how Civic voted proxies and a copy of its Proxy Voting Policy by either calling or emailing the Adviser at (646) 480-7002 or via email at [compliance@civiccapital.com](mailto:compliance@civiccapital.com).

## **Item 18 – Financial Information**

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about their financial condition.

Civic has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to Clients, and has not been the subject of a bankruptcy proceeding.