

**Item 1 – Cover Page**

**Part 2A of Form ADV  
Brochure for:**

**MANIFOLD PARTNERS LLC**

885 Third Avenue, Suite 3180  
New York, NY 10022  
Phone: (212) 916-7422  
[www.manifoldpartners.com](http://www.manifoldpartners.com)

**March 31, 2015**

**This Brochure provides information about the qualifications and business practices of Manifold Partners LLC (“Manifold” or the “Firm”). If you have any questions about the contents of this Brochure, please contact the Firm at the address listed above. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.**

**Manifold is a registered investment adviser with the SEC. Registration of an investment adviser does not imply any certain level of skill or training.**

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

## **Item 2 – Material Changes**

This Brochure was prepared for Manifold’s Annual Updating Amendment for its fiscal year ending December 31, 2014. Manifold is currently registered as an investment adviser with the SEC. There are no material changes to this Brochure since the prior filing on April 2, 2014.

Item 10 is revised to reflect that Manifold no longer has employees that are also registered representatives of a broker-dealer.

The only other change is to update Manifold’s assets under management in Item 4.E.

In the future, this Item will discuss only specific material changes that are made to the Brochure and provide clients with a summary of such changes.

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## Item 4 – Advisory Business

### A. Description of the Advisory Firm

Manifold is a Delaware limited liability company formed in September 2012. Its principal owner is The Chalice Fund LLC, which is owned by Grail Partners LLC. Donald Putnam is the ultimate owner of Grail Partners; he serves as Manifold’s Executive Chairman and oversees all of Manifold’s business operations.

### B. Types of Advisory Services

Manifold serves as investment adviser to private investment funds, formed as Delaware limited liability companies (“Onshore Funds”) or offshore corporations (“Offshore Funds,” any or all of which may be referred to herein as a “Fund” the “Funds”). Manifold or a related person may serve as a member or managing member, as applicable, of such Funds (referred to as “Manifold-Sponsored Funds”). Manifold also provides sub-advisory services to Funds and other entities managed by other investment advisers (“Other Advisers;” these Funds are referred to as “Sub-Advisory Clients”). Manifold may decide in the future to sponsor, manage or advise additional private investment funds, engage in other sub-advisory arrangements or manage separate account clients (collectively with the Funds, the Firm’s “Clients”).

Each Client’s offering memorandum, limited liability company agreement, subscription documents, and any investment management or advisory agreements (“Constituent Documents”), set forth the Client’s strategy and scope of Manifold’s advisory services.

The Funds offer membership interests or shares (“Interests”), as applicable, to certain qualified investors (“Investors”) as described in response to Item 7, below.

### C. Client Tailored Services and Client Imposed Restrictions

Advisory services are tailored to achieve the Clients’ investment objectives. With respect to Manifold-Sponsored Funds, Manifold has the authority to select which and how many securities and other instruments to buy or sell without consultation with the Clients or their Investors. Sub-Advisory Clients may have different arrangements.

### D. Wrap Fee Programs

Manifold does not participate in wrap fee programs.

### E. Amounts Under Management

Manifold manages the assets of the Clients and has the following regulatory assets under management:

Discretionary Amounts:	Non-Discretionary Amounts:	Date Calculated:
\$36,066,000	\$0	March 11, 2015

## Item 5 – Fees and Compensation

### A. Fee Schedule

The fees and compensation payable to Manifold are negotiable and vary among its Clients. Sub-Advisory Clients, in particular, may negotiate fees that differ from Manifold-Sponsored Funds. However, the range of compensation is generally as follows:

#### 1. Management Fee

Manifold generally receives a monthly asset-based management fee calculated as a percentage of each Investor's capital account, payable monthly in advance. The management fee is typically 1%. In rare instances, Manifold will accept a Client account that is not subject to a Management Fee.

#### 2. Incentive Allocation

Manifold generally receives an incentive allocation equal to a percentage of the net income allocated to each Investor for the year, but only to the extent net income allocated to that Investor exceeds any cumulative losses that were allocated to that Investor for earlier periods and that have not been recovered (a "high water mark"). This incentive allocation is typically 15% to 20% and is made at the end of each calendar quarter. When Manifold does not receive a Management Fee as to a particular Client it will usually receive an Incentive Allocation of 30% to 50%.

The incentive allocation will only be charged to accounts of those Investors who are "qualified clients" as defined in Rule 205-3 of the Investment Advisers Act of 1940, as amended ("Advisers Act").

#### 3. Fee Comparison

The expenses of the Clients, including the management fee and incentive allocation may constitute a higher percentage of average net assets than may be found in other investment vehicles.

### B. Payment of Fees

Management fees, incentive allocations, and third-party fees (discussed below) are deducted from Client assets. Management fees, which are paid in advance, are withdrawn at the beginning of the month. Incentive allocations are allocated as of the last business day of the calendar quarter and as of any date on which an Investor makes a withdrawal or receives a distribution from such Investor's capital account(s).

### C. Third-Party Fees

Clients shall pay such costs and expenses as Manifold shall reasonably determine to be necessary, appropriate, advisable or convenient to carry on its business and realize its objective, including but not limited to: (i) management fees; (ii) all general investment expenses (i.e., expenses which Manifold reasonably determines to be directly related to the investment of the Client's assets); (iii) all administrative, legal, accounting, auditing, record-keeping, tax form preparation, compliance and consulting costs and expenses; (iv) fees, costs

and expenses of third-party service providers that provide such services; and, (v) any extraordinary expenses, among other expenses.

Manifold's fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the Clients. Such charges, fees and commissions are exclusive of and in addition to Manifold's management fee, and Manifold shall not receive any portion of these commissions, fees, and costs.

Please see Item 12 of this Brochure regarding brokerage.

D. Prepayment of Fees

Manifold generally accepts new investments at the beginning of a calendar month and permits withdrawals from capital accounts only on the last business day of a calendar month. In the event that it makes exceptions to these policies, Manifold will pro rate the management fee for Interests held for less than a full month. Prepaid but unearned fees are refunded to the Clients and/or Investors, as the case may be.

E. Outside Compensation for the Sale of Securities

Manifold does not accept compensation for the sale of securities or other investment products.

**The foregoing discussion in Items 5 represents Manifold's basic compensation arrangements. The management fees and incentive allocations described above are structured to comply with Rule 205-3 under the Advisers Act and applicable state laws. Fees and other compensation are negotiable in certain circumstances and arrangements with any particular Investor may vary. Although Manifold believes its fees are competitive, lower fees for comparable services may be available from other investment advisers.**

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

As discussed in Item 5.A., Manifold generally receives an incentive allocation equal to a percentage of the net income allocated to each Investor for the quarter. Because its Clients are private investment funds, Manifold allocates investment opportunities among its Clients, and not to individual Investor accounts.

Differences in Manifold's compensation arrangements with its Clients, particularly if some Clients were to pay higher performance-based compensation, could create incentives for Manifold to manage Client portfolios so as to favor those portfolios of Clients paying higher performance-based compensation, as could Manifold's ownership interest (e.g., as the manager or managing member) in some Client accounts. Notwithstanding these conflicts, Manifold will allocate transactions and opportunities among the various Client accounts it manages in a manner it believes to be as equitable as possible, considering each account's objectives, programs, limitations and capital available for investment, but even accounts with similar objectives may have different investment portfolios.

The incentive allocation may provide a possible incentive for Manifold to make riskier or more speculative investments on behalf of a Client than it might make otherwise. Notwithstanding this potential incentive, Manifold will evaluate investments in a manner that it considers to be in the best interest of its Clients, given those Clients' investment objectives, investment strategies, suitability of the investment, and risk profile.

### **Item 7 – Types of Clients**

Manifold provides investment advice and management to private investment Funds that it or an affiliate sponsors, as well as to funds managed by the Other Advisers, pursuant to sub-advisory agreements.

Manifold may in the future provide the same or similar services to other privately placed investment funds and/or separately managed accounts.

Manifold intends to restrict the number of Investors and will offer Interests only through non-public transactions in order to maintain the Client's exclusion from "investment company" status under the Investment Company Act of 1940, as amended (the "Investment Company Act").

Prospective Investors in the Funds must meet eligibility criteria, and are subject to certain withdrawal requirements and limitations. Prospective Investors are encouraged to thoroughly review a Fund's Constituent Documents, which set forth all of the terms in detail. Though the Clients generally pursue the same strategy, offering terms may differ. Terms for Separate Accounts are generally similar to the Funds, but can be negotiated on a case by case basis and may differ from those of the Funds.

*Manifold-Sponsored Funds.* Each Investor in a Manifold-sponsored Fund generally must be an "accredited investor" (as defined in Regulation D under the Securities Act of 1933), a "qualified purchaser" (as defined in Section 2(a)(51) of the U.S. Investment Company Act of 1940, as amended), an Investor who is eligible to enter into a performance fee arrangement under federal law, and must meet other criteria as specified in the Constituent Documents. The minimum initial investment is \$1,000,000 for individual investors or \$5,000,000 for institutional investors, and the minimum additional investment is \$100,000 for individual investors or \$500,000 for institutional investors, subject to waiver at the discretion of Manifold.

*Sub-Advisory Clients.* Generally, similar considerations will apply to Clients in sub-advisory arrangements, though the specific investor qualifications, investment amounts and other terms will vary and depend on the terms of the Fund, which are determined by Other Advisers.

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

### **A. Methods of Analysis**

Manifold's primary method security analysis is statistical in nature.

Expected returns for each security in the eligible markets are calculated using a proprietary algorithm developed over the past number of years. This algorithm is statistical in nature and describes in a very general way the probable returns on individual equities given the properties of their return distributions relative to the market in which they trade. These analytical methods have been developed and tested over a period of years. In general, the approach is to compute statistical and fundamental factors describing a security's price movements and to relate the values of these factors to future returns using past data. The relationships established between factor values and future returns using past data are then used to forecast future returns for securities using the current values of the statistical factors for each security.

We believe these statistical methods of security analysis are related to, but more detailed than, charting or technical analysis as a method for related past security return patterns to expected future returns. This expected return information is used in combination with risk management and portfolio construction algorithms to create highly diversified portfolios with the desired risk characteristics.

### **B. Investment Strategies**

The investment objective of Manifold-Sponsored Funds is to produce superior risk adjusted returns from investment in equities, Exchange Traded Products, American Depositary Receipts, futures contracts and other derivative instruments traded on the global developed markets (and, incidentally, in cash, U.S. treasury bills, money market funds, short-term fixed-income securities, or mutual funds that invest primarily in short-term fixed-income securities).

Manifold will seek to diversify these Funds' portfolios and the Funds may use margin debt and enter into long positions as well as short positions. Additional screens will be used to exclude issuers considered too small in capitalization or securities with a trading volume too low for the Funds' portfolio. Manifold expects to change the target level of realized risk of the Funds' portfolios depending upon its assessment of risk across the country markets in which the Funds are invested.

Depending on the specific arrangement, Sub-Advisory Clients may employ other strategies, which are determined by Other Advisers.

Funds are generally not limited with respect to the types of investment strategies they may employ, the markets or instruments in which they may invest or the percentage of its capital that may be invested in a single security. Depending on the condition of securities markets, the U.S. economy or international economies, Manifold may alter its investment strategy and/or employ different techniques that it considers to be appropriate and in the best



interest of the Fund. The Constituent Documents do not impose any limits on the types of investments in which the Funds may invest, the types of positions they may take, the concentration of investments by sector, industry, issuer, counterparty, servicer, country, asset class or otherwise. Depending on conditions and trends in securities, credit and other markets, the Funds may pursue any strategies or employ any techniques that Manifold or Other Advisers consider appropriate and in the Funds' best interests.

Certain Onshore Funds may serve as investment vehicles for Offshore Funds utilizing the same investment strategies; such Offshore Funds invest substantially all of their assets in Onshore Funds, commonly referred to as a "Mini-Master" structure.

C. Risks of Investments and Strategies Utilized

**Investing in securities involves risk of loss that Clients and Investors should be prepared to bear.**

Investment and trading risk factors may include:

**General Investment and Trading Risks.** Clients may invest in securities and other financial instruments using strategies and investment techniques with significant risk characteristics. The investment program utilizes such investment techniques as option transactions, margin transactions, short sales, forwards, leverage and derivatives trading, the use of which can, in certain circumstances, maximize the adverse impact to which a Client may be subject.

**Equity Investments.** Equity investments may be subject to wide and sudden fluctuations in market value, with a resulting fluctuation in the amount of profits and losses. Equity prices are directly affected by issuer specific events, as well as general market conditions. In addition, in many countries investing in common stocks is subject to heightened regulatory and self-regulatory scrutiny as compared to investing in debt or other financial instruments.

**Small- and Mid-Cap Risks.** These securities generally have greater volatility and less liquidity than securities of large-cap issuers.

**Exchange Traded Funds.** Exchange-traded funds ("ETFs") are a type of index fund bought and sold on a securities exchange. The risks of owning an ETF generally reflect the risks of owning the underlying securities they are designed to track, although lack of liquidity in an ETF could result in it being more volatile and ETFs have management fees that increase their costs. ETFs are also subject to other risks, including: (i) the risk that their prices may not correlate perfectly with changes in the underlying index; and (ii) the risk of possible trading halts due to market conditions or other reasons that, in the view of the exchange upon which an ETF trades, would make trading in the ETF inadvisable. An exchange-traded sector fund may also be adversely affected by the performance of that specific sector or group of industries on which it is based.

**Commodities and Derivative Investments.** The prices of commodities contracts and derivative instruments, including futures and options, are highly volatile. Payments made pursuant to swap agreements may also be highly volatile. Price movements of commodities,

futures and options contracts and payments pursuant to swap agreements are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies. The value of futures, options and swap agreements also depends upon the price of the commodities underlying them. In addition, Client assets are also subject to the risk of the failure of any of the exchanges on which its positions trade or of its clearinghouses or counterparties.

**Use of Leverage and Financing.** A Client may pledge its securities in order to borrow additional funds for investment purposes. Any event which adversely affects the value of an investment by the Client would be magnified to the extent the Client is leveraged. The cumulative effect of the use of leverage by a Client in a market that moves adversely to the Client's investments could result in a substantial loss that would be greater than if the Client were not leveraged.

**Highly Volatile Markets.** The prices of financial instruments can be highly volatile. Price movements of forward and other derivative contracts are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies. Clients are also subject to the risk of failure of any of the exchanges on which their positions trade or of its clearinghouses.

**High Risk Investments.** While investments in companies in certain industries offer the opportunity for significant capital gains, such investments involve a high degree of business, financial, technological and regulatory risk, which can result in substantial losses.

**Hedging Transactions.** While a Client may enter into hedging transactions to seek to reduce risk, such transactions may result in a poorer overall performance for the Client than if it had not engaged in any such hedging transactions. For a variety of reasons, Manifold may not seek to establish a perfect correlation between such hedging instruments and the portfolio holdings being hedged. Such imperfect correlation may prevent a Client from achieving the intended hedge or expose the Client to risk of loss.

**Derivatives and Hedging.** Derivatives are financial instruments or arrangements in which the risk and return are related to changes in the value of other assets, reference rates or indices. A Client's ability to profit or avoid risk through investment or trading in derivatives will depend on Manifold's ability to anticipate changes in the underlying assets, reference rates or indices.

**Brokerage Commissions/Transaction Costs.** During some periods, a Client's activities may involve a high level of trading, and the turnover of its portfolio may generate substantial transaction costs. These costs will be borne by the Client regardless of its profitability.

**Short Selling.** Short selling involves selling securities which are not owned and borrowing them for delivery to the purchaser, with an obligation to replace the borrowed securities at a later date. Short selling allows the investor to profit from declines in market prices to the

extent such decline exceeds the transaction costs and the costs of borrowing the securities. A short sale creates the risk of a theoretically unlimited loss, in that the price of the underlying security could theoretically increase without limit, thus increasing the cost to the Client of buying those securities to cover the short position. There can be no assurance that the securities necessary to cover a short position are available for purchase at or near prices quoted in the market. Purchasing securities to close out the short position can itself cause the price of the securities to rise further, thereby exacerbating the loss.

**Limited Diversification.** Clients are not limited in the amount of the capital that may be committed to any single investment, industry or sector. Limited diversity could expose the a Client to losses disproportionate to market movements in general if there are disproportionately greater adverse price movements in those investments.

**Non-U.S. Securities.** Investments in securities of non-U.S. issuers pose a range of potential risks which could include expropriation, confiscatory taxation, imposition of withholding or other taxes on dividends, interest, capital gains or other income, political or social instability, illiquidity, price volatility and market manipulation. In addition, less information may be available regarding securities of non-U.S. issuers, and non-U.S. issuers may not be subject to accounting, auditing and financial reporting standards and requirements comparable to or as uniform as those of U.S. issuers.

**Systems and Operational Risk.** The Fund's investment strategy relies on computer programs and systems to trade, clear and settle securities transactions, to monitor its portfolio and net capital, and to generate risk management and other reports that are critical to oversight of account activities. In addition, certain 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, and the Manager may not 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 the Fund portfolio.

**Possibility of Losses Associated with Proprietary Investment Activities.** The Manager utilizes a proprietary investment process, and the Fund will make or maintain proprietary investment positions in securities. Market fluctuations and other factors may result in losses due to the proprietary process. Although the Manager believes such investment screening process is proprietary, it cannot guarantee that the confidentiality of such process will be maintained, that it gives the Manager a competitive advantage or that other investment managers do not employ the same or similar practices in their investment programs.

**Currency.** Clients may invest in instruments denominated in currencies other than the U.S. dollar, the price of which is determined with reference to currencies other than the U.S. dollar. Client accounts will, however, be valued in U.S. dollars. To the extent unhedged, the value of the assets will fluctuate with U.S. dollar exchange rates as well as the price changes of investments in the various local markets and currencies. Thus, an increase in the value of the

U.S. dollar compared to the other currencies will reduce, all other economic factors being constant, the effect of increases and magnify the effect of decreases in the prices of the account's securities in their local markets. Conversely, a decrease in the value of the U.S. dollar will have the opposite effect on non-U.S. dollar securities. To the extent permitted, Clients also may, but does not expect to regularly do so, utilize options and forward contracts to hedge against currency fluctuations, but there can be no assurance that such hedging transactions will be effective.

**Information Sources.** Manifold selects investments based in part on information and data that the issuers of securities file with various government agencies or make directly available to Manifold or that Manifold obtains from other sources. Manifold is not in a position to confirm the completeness, genuineness or accuracy of such information and data, and in some cases, complete and accurate information is not readily available.

**Stock Index Futures.** Price movement in the stock index and price movements in the securities that are the subject of a hedge do not always correlate. Positions in futures contracts may be closed out only on the exchange on which they were entered into or through a linked exchange, and there is no secondary market for those contracts. In addition, there may be no active market for the contracts at any particular time. Some exchanges do not permit trading in particular contracts at prices that fluctuate more than a set limit in any day. If prices fluctuate during a single day beyond those limits, a Client may not be able to liquidate unfavorable positions promptly and may lose money.

**Counterparty Risk.** Transactions may be affected in "over-the-counter" or "interdealer" markets. The participants in such markets are typically not subject to credit evaluation and regulatory oversight as are members of "exchange-based" markets. This exposes Clients to the risk that a counterparty will not settle a transaction in accordance with its terms and conditions because of a dispute over the terms of the contract (whether or not bona fide) or because of a credit or liquidity problem, thus causing Clients to suffer a loss.

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

**Reliance on Quantitative Models.** Although quantitative models have been tested, no assurance can be made that such models will perform the same in the future. Model-driven strategies employed by others have resulted in substantial losses in a short period of time.

**Mini Master-Feeder Structure.** The "mini-master" fund structure presents certain unique risks to investors. For example, a smaller feeder fund investing in a mini-master fund may be materially affected by the actions of a larger feeder fund investing in such mini-master fund. If a larger feeder fund redeems its shares of a mini-master fund, a remaining feeder fund may experience higher pro rata operating expenses, thereby producing lower returns. A mini-

master fund may become less diverse due to a redemption by a larger feeder fund, resulting in increased portfolio risk. A mini-master fund is a single entity and creditors of such master fund may enforce claims against all assets of such mini-master fund.

More information about a Client's investments and the associated risk factors is available in the applicable Constituent Documents.

**The foregoing list of risk factors does not purport to be a complete enumeration or explanation of the risks involved in an investment with Manifold. Prospective Investors and Clients should read the entire Brochure as well the Constituent Documents, other materials that may be provided by Manifold and consult with their own advisers prior to engaging Manifold's services.**

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

While employed by Putnam Lovell NBF Securities Inc. in 2004, Donald Putnam, Manifold's CEO allegedly permitted two subordinates to act in supervisory capacities that required registration as equity traders; these two employees were not registered as equity traders at the time. Another employee was allowed to perform supervisory functions when not registered as a general securities principal. Without admitting or denying the allegations, Mr. Putnam consented to a fine of \$5,000 and the entry of these findings. The matter was resolved in October 2004.

Other than as described above, neither Manifold nor its management persons have been a party to any legal or disciplinary events that would be material to a Client's or prospective Client's evaluation of its investment advisory business or the integrity of its management.

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

#### **A. Registration as a Broker-Dealer or Broker-Dealer Representative**

Neither Manifold nor its management persons are registered representatives of broker-dealers, nor is Manifold concurrently registered as a broker-dealer. Grail Securities LLC ("Grail Securities") is a registered broker-dealer that is affiliated with and a vendor to Manifold.

#### **B. Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor**

Neither Manifold nor its management persons are registered as futures commission merchant, commodity pool operator, or a commodity trading advisor. Manifold, a Fund, or other related person may claim applicable exceptions from registration as a CPO or CTA, as applicable and as may be warranted due to a particular Fund's investment strategy.

C. Relationships Material to this Advisory Business and Possible Conflicts of Interest

As described in ADV Part 1, Item 7.A. and applicable sections of Schedule D, Manifold has the following related persons:

Grail Partners LLC (Grail Partners), an investment adviser reporting to the SEC as an Exempt Reporting Adviser, and Grail Securities, a broker-dealer registered with the SEC and a member of the Financial Industry Regulatory Authority ("FINRA"). Grail Securities does not act as a qualified custodian for any cash, securities or other assets held in Manifold Client accounts.

D. Selection of Other Advisors or Managers

Manifold does and may continue to enter into sub-advisory arrangements with Other Advisors, whereby Manifold serves as sub-adviser to a Fund (or subset of such Fund's assets) managed by such Other Advisors. However, with respect to Manifold-Sponsored Funds, it does not select other advisors or third party managers. Such assets are managed by Manifold.

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

A. Code of Ethics

Manifold has adopted a Code of Ethics (the "Code") pursuant to Rule 204A-1 under the Investment Advisers Act of 1940, as amended. The Code governs the activities of each member, officer, director and employee of Manifold (collectively, "Employees"). Manifold holds its Employees to a high standard of integrity and business practices that reflects its fiduciary duty to the Client. In serving its Client, Manifold strives to avoid conflicts of interest or the appearance of conflicts of interest in connection with the personal trading activities of its Employees and Client securities transactions. When persons covered by the Code engage in personal securities transactions, they must adhere to the following general principles as well as to the Code's specific provisions: (a) at all times the interests of Client must be paramount; (b) personal transactions must be conducted consistent with the Code in manner that avoids any actual or potential conflict of interest; and (c) no inappropriate advantage should be taken of any position of trust and responsibility. Employees covered by the Code have certain trading restrictions and reporting obligations of their personal securities transactions. Each Employee is provided with a copy of the Code and must annually certify that they have received it and have complied with its provisions. In addition, any Employee who becomes aware of any potential violation of the Code is obligated to report the potential violation to the Chief Compliance Officer.

Manifold will provide a copy of its Code of Ethics to Clients and prospective Clients upon request. Such a request may be made by submitting a written request to Manifold at the address on the cover page to this Brochure.

B. Recommendations Involving Material Financial Interests

Neither Manifold nor its related persons recommends to Clients, or buys or sells for Client accounts, securities in which Manifold or a related person has a material financial interest.

C. Investing Personal Money in the Same Securities as Clients

Although Manifold's policies and procedures generally prohibit its Employees and related persons from trading in the same instruments that Manifold buys or sells for Client accounts, there may be limited circumstances in which Manifold, its Employees and/or the related persons may also personally buy or sell the same instruments that Manifold buys or sells for Client accounts, and it or they may own securities, or options on securities, of issuers whose securities are subsequently bought for Client accounts because of Manifold's recommendations regarding a particular security. Manifold's policy as to such transactions is that neither Manifold nor any of its Employees or related persons are to benefit from price movements that may be caused by transactions for Client accounts or otherwise Manifold addresses this conflict by requiring employees to sign and adhere to Manifold's Code of Ethics and to report personal securities holdings and transactions to Manifold.

D. Trading Securities At/Around the Same Time as Clients' Securities

As discussed above, from time to time, Manifold, its Employees, or related persons of Manifold may buy or sell securities for themselves that Manifold also recommends to the Client. Manifold will always document any transactions that could be construed as conflicts of interest and will always transact Client business before the business of its Employees and/or related persons when similar securities are being bought or sold.

## **Item 12 – Brokerage Practices**

A. Factors Used to Select or Recommending Broker-Dealers

Manifold will always have discretion as to the placement of brokerage (and accordingly, the commission rates paid). In selecting brokers to effect portfolio transactions, Manifold considers such factors as price, quality of execution, expertise in particular markets, the ability of the brokers to effect the transactions, the brokers' facilities, reliability, reputation, experience, financial responsibility in particular markets, familiarity both with investment practices generally and techniques employed by Clients and certain brokerage or research services ("soft dollar items") provided by such brokers and clearing and settlement capabilities, subject at all times to principles of best execution, in accordance with the Manifold's policies and procedures. In selecting broker/dealers to execute transactions, Manifold need not solicit competitive bids and does not have an obligation to seek the lowest available commission cost. Manifold believes that the broker-dealers that it recommends provide competitive transaction and custody costs, helping Clients to eliminate or control costs and optimize the custodial structure to the benefit of account holders. When possible, Manifold seeks to pre-negotiate preferred terms for its Clients providing Clients with the benefits associated with the economy of scale and custodial knowledge of the firm.

Certain brokers utilized by Manifold may provide general assistance to Manifold, including, but not limited to technical support, consulting services, and consulting services related to staffing needs. In selecting a broker, Manifold may consider the broker's general assistance and consulting services. To the extent Manifold would otherwise be obligated to pay for such assistance, it has a conflict of interest in considering those services when selecting a broker.

1. Research and Other Soft Dollar Benefits

Manifold currently does not anticipate receiving research or other products or service other than execution from a broker-dealer or third-party in connection with Client securities transactions ("soft dollar benefits"). However, in the future, Manifold shall have the right if, in good faith, it considers it to be in the best interest of the Client and consistent with Manifold's obligations to do so, to enter into "soft dollar" arrangements with one or more broker-dealers. All "soft dollar" arrangements will fall within the safe harbor provided by Section 28(e) of the Securities Exchange Act, as that safe harbor is currently interpreted by the Securities and Exchange Commission. If in the future Manifold obtains "soft-dollar" benefits, this Brochure will be appropriately amended.

2. Brokerage for Client Referrals

Certain brokers utilized by Manifold may refer advisory Clients to Manifold or investors to investment vehicles managed by Manifold. In selecting a broker, Manifold may consider the broker's referrals of Clients or investors to investment funds Manifold manages, referrals of advisory Clients to Manifold, the potential for future referrals, and/or the broker's willingness to pay third-party finders' fees for such referrals. To the extent Manifold would otherwise be obligated to pay for "finding" services, it has a conflict of interest in considering those services when selecting a broker. It also faces a conflict because it benefits from increases the size of the investment funds it manages.

3. Directed Brokerage

Manifold does not accept direct brokerage arrangements with respect to the Funds it sponsors. Securities transactions are executed by brokers selected by Manifold in its discretion and without the consent of the Client or its Investors. Manifold may enter into directed brokerage arrangements in its discretion.

With respect to sub-advisory or similar arrangements, such Clients may direct brokerage, but in such cases, Manifold has not negotiated the terms and conditions of the broker's service terms (including, but not limited to, commission rates); in this case, Manifold does not have responsibility for obtaining the best prices or particular commission rates with or through any such broker, and the Client may not obtain rates as low as it might by following Manifold recommendations.

B. Aggregating Trading for Multiple Client Accounts

Manifold may (but is not required to) combine orders on behalf of one Client account with orders for other Client accounts for which it or its principals have trading authority, or in which it or its principals have an economic interest. When it does, Manifold will generally allocate the securities or proceeds arising out of those transactions (and the related



transaction expenses) on an average price basis among the various participants. Manifold believes combining orders in this way will, over time, be advantageous to all participants. However, the average price could be less advantageous to a Client than if that Client had been the only account effecting the transaction or had completed its transaction before the other participants. Because of Manifold's relationship to the Clients it manages by virtue of its position as an investment manager, there may be circumstances in which transactions for those entities may not, under certain laws, regulations and internal policies, be combined with those of some of Manifold's and its affiliates' other Clients, which may result in less advantageous execution for those Clients.

Manifold may place orders for the same security for different Clients at different times and in different relative amounts due to differences in investment objectives, cash availability, size of order and practicability of participating in "block" transactions. The level of participation by different Clients in the same security may also be dependent upon other factors relating to the suitability of the security for the particular Client.

In addition, Manifold and/or its related persons or Clients may buy or sell specific securities for its or their own account that are not deemed appropriate for Client accounts at the time, based on personal investment considerations that differ from the considerations on which decisions as to investments in Client accounts are made. Where execution opportunities for a particular security are limited, Manifold attempts in good faith to allocate such opportunities among Clients in a manner that, over time, is equitable to all Clients.

### **Item 13 – Review of Accounts**

**A. Frequency and Nature of Periodic Review and Who Makes Those Reviews**

Each Portfolio Manager is responsible for ensuring each Client account satisfies specific risk criteria on a daily basis. The Chief Risk Officer sets these risk limits and independently verifies that the Client account satisfies these criteria. Any decision to change any of the Client account's parameters or limits must be preapproved by Manifold's Investment Committee, which would also be reviewed by Manifold's Executive Committee. The members of the Investment Committee have discretion over any investment decisions that fall within their existing guidelines. Investment committee meetings are held monthly (though can be held more frequently) and separate Executive Committees meetings are held weekly.

**B. Factors That Will Trigger a Non-Periodic Review of Client Accounts**

Reviews may take place more frequently if triggered by economic, market, or political conditions.

**C. Content and Frequency of Regular Reports**

Investors in the Funds will generally receive unaudited reports of performance monthly and annual audited financial statements and copies of Schedule K-1 to the Funds' tax return, if applicable.

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

### **A. Economic Benefits Provided by Third Parties**

Manifold does not receive any economic benefit, directly or indirectly from any third party for advice rendered to Clients.

### **B. Compensation to Non-Advisory Personnel for Client Referrals**

Manifold has an agreement with Pulse Capital Partners, LLC, through its affiliated broker-dealer, Groton Securities, LLC (together, “Pulse”), pursuant to which Pulse may refer potential Clients or Fund Investors to Manifold. As compensation for its services, Pulse receives a share of the Management Fees and Incentive Allocations paid by the Clients or Investors it successfully refers to Manifold.

## **Item 15 – Custody**

To the extent that Manifold is the general partner, managing member, or equivalent of a Fund, SEC rules deem it to have “custody” of that Fund’s assets, even though such assets are held in brokerage and/or bank accounts, as applicable. Manifold will satisfy the SEC’s custody requirements by placing Client assets with a qualified custodian and providing Investors with audited financial statements by a specified time each year.

## **Item 16 – Investment Discretion**

The Constituent Documents generally authorize Manifold to invest and trade the Clients’ assets in a broad range of investments, to be selected at Manifold’s sole discretion, with no specific limitations as to type, amount, concentration, or leverage. Further, Manifold may enter into any type of investment transaction and employ any investment methodology or strategy it deems appropriate.

Pursuant to the Clients’ governing documents, each Investor in the Clients designates Manifold as its attorney-in-fact to execute, certify, acknowledge, file, record and swear to all instruments, agreements and documents necessary or advisable to carrying out the Clients’ business and affairs, including execution of the Clients’ governing documents. An Investor’s execution of a Client’s subscription agreement constitutes its execution of the Client’s governing documents.

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

Manifold exercises voting authority over Client proxies and has adopted proxy voting policies and procedures in accordance with Rule 206(4)-6 of the Investment Advisers Act of 1940, as amended. The policies require Manifold to vote proxies received in a manner consistent with the best interests of the Client.

The policies also require Manifold to vote proxies in a prudent and diligent manner intended to enhance the economic value of the assets of the Clients. However, the policies permit Manifold to abstain from voting proxies in the event that the Clients' economic interest in the matter being voted upon is limited relative to the Clients' overall portfolio or the impact of the Clients' vote will not have an effect on its outcome or on the Clients' economic interests.

Although many proxy proposals can be voted in accordance with Manifold's proxy voting guidelines, some proposals will require special consideration, and Manifold will make a decision on a case-by-case basis in these situations.

Where a proxy proposal raises a material conflict between Manifold's interests and the interests of the Clients, Manifold will seek to resolve the conflict in the best interest of the Clients.

Clients may obtain a copy of Manifold's complete proxy voting policies and procedures upon request. Clients may also obtain information from Manifold about how Manifold voted any proxies on behalf of their account(s).

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

Manifold 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 petition.

A. Balance Sheet

Manifold does not require nor solicit prepayment of more than \$500 in fees per Client, six months or more in advance and therefore does not need to include a balance sheet with this Brochure.

B. Financial Condition

Manifold has discretionary authority over the Client's assets. At this time, neither Manifold nor its management persons have any financial conditions that are likely to reasonably impair its ability to meet contractual commitments to Clients.

C. Bankruptcy Petitions in Previous Years

Manifold has not been the subject of a bankruptcy petition in the last ten years.

### **Item 19 – Requirements for State-Registered Advisers**

Not applicable.