

PART 2A OF FORM ADV  
FIRM BROCHURE

ROW Asset Management, LLC

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This brochure provides information about the qualifications and business practices of ROW Asset Management (“ROW”). If you have any questions about the contents of this brochure, please contact the Chief Compliance Officer at 949-478-8300 or via e-mail at [compliance@rowam.com](mailto:compliance@rowam.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.

Any reference to or use of the terms “registered investment adviser” or “registered,” does not imply that ROW or any person associated with ROW has achieved a certain level of skill or training.

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

## **ITEM 2 - MATERIAL CHANGES**

This Brochure dated March 10, 2015 does not contain any material changes since the updated version of ROW's Brochure, filed on March 26, 2014.

ROW has updated certain information in other sections of this Brochure but no material changes have been made to any of the responses in the Brochure.

- Item 4. Advisory Business – Updated asset under management.
- Item 14. Client Referrals – Updated to disclose ROW's solicitor arrangement.

### **Item 3 – Table of Contents**

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## **Item 4 – Advisory Business**

### **Overview of ROW Assets Management**

ROW Asset Management, LLC was formed in Delaware in July 2010. ROW provides discretionary investment advice to a number of pooled investment vehicles (“Funds”) and separately managed accounts (“Managed Accounts” and together with the Funds, “Clients”). The principal owners of ROW are Ryan O’Grady and Jeffrey Weiser.

#### **Funds**

ROW currently advises the following funds:

- the ROW Currency Fund, LLC, a Delaware Limited Liability Company (“Currency Fund”); and
- the “Diversified Fund” which is organized as a “mini-master” structure whereby ROW Diversified, Ltd., a British Virgin Islands Business Company (“Offshore Fund”) invests substantially all of its assets in ROW Diversified, LP, a Delaware limited partnership (“Onshore Fund” and together with the Offshore Fund the “Diversified Funds”).

Each Fund is governed by a governing document (each, a “Fund Agreement”) that specifies the investment guidelines and investment restrictions applicable to each Fund. In addition, investors in each Fund (“Investors”) were provided with offering documents prior to their investment, which contain information regarding the intended investment program for such Fund. As applicable, ROW acts as the managing member, General Partner, and/or investment manager to the Funds and provides investment management and administrative services to the Funds in accordance with the applicable Fund Agreements and offering materials.

In the future, ROW may provide investment advisory services to additional private funds.

#### **Managed Accounts**

ROW has established Managed Accounts for certain large or strategic investors. Each such Managed Account is managed pursuant to an investment management agreement between the Managed Account and ROW. To the extent appropriate for a large or strategic investor, ROW may establish additional separately managed accounts in the future.

#### **Sub-advisor**

In addition ROW also serves as a Sub-Advisor to a private fund.

### **Advisory Services Offered**

Please see Item 8 of this Brochure for a more detailed description of ROW’s investment strategy, methods of analysis, the types of securities ROW will generally invest in, and the material risks of loss.

#### **Funds**

The Currency Fund seeks consistent long-term appreciation through active leveraged investing in global currency markets.

The Diversified Fund seeks consistent long term appreciation through active leveraged investing in global forward, futures and options market.

ROW generally has broad and flexible investment authority with respect to the Funds. Each Fund's investment objective and strategy is set forth in the relevant Fund Agreement and offering documents. All Investors are provided with a confidential private placement memorandum and are urged to carefully review those documents. ROW does not tailor its advisory services to the individual needs of Investors and does not accept Investor-imposed investment restrictions in the Funds. ROW has full discretionary authority to manage the Funds. Among other things, this means that ROW is authorized to make purchase and sale decisions for the Funds, subject to the Fund's investment objectives and guidelines set forth in its offering documents.

Notwithstanding the above, ROW or the Funds may enter into side letter arrangements ("Side Letters") with certain Investors prior to investment. Such Side Letters may include increased liquidity, heightened transparency, heightened reporting and reduced management fees and incentive fees. As a result of such Side Letters, certain Investors may receive rights, terms and other benefits that other Investors will not receive.

As noted above ROW acts as sub-advisor to a Fund pursuant to a sub-advisory agreement.

### **Managed Accounts**

ROW advises the Managed Accounts on a discretionary basis. Typically, Managed Accounts will be managed according to strategies that are similar to those of the Funds. However, ROW has, and may in the future, tailor its investment advisory services to the investment objectives and/or restrictions established by the underlying investor in the Managed Account. As such, the investment strategies of the Managed Accounts may differ from those of the Funds.

### **Wrap Fee Programs**

ROW does not participate in wrap fee programs.

### **Assets Under Management**

As of December 31, 2014 ROW manages \$267,538,595 of Client assets on a discretionary basis. ROW does not manage any Client assets on a non-discretionary basis.

## **Item 5 – Fees and Compensation**

The Funds offer interests/shares only to certain qualified investors and admission to the Funds is not open to the general public. The Investors and all Managed Accounts clients are “qualified eligible persons” as defined in the U.S. Commodities and Futures Trading Commission (“CFTC”) Rule 4.7(a)(2) and “qualified purchasers” as defined under the 1940 Act. Investors may include, without limitation, high net worth individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations, limited partnerships and limited liability companies. The Funds are not registered under the Investment Company Act, and the securities of the Funds are not registered under the Securities Act of 1933, as amended (the “Securities Act”).

Investors and prospective Investors should refer to the applicable confidential offering memorandum for the appropriate Fund for a detailed description of the fees.

### **Management Fees and Incentive-based fees**

#### **Funds**

ROW receives a management fee, based on a fixed percentage (1% per annum in the case of the Currency Fund and 2% per annum in the case of the Diversified Fund) of the net asset value of the relevant Fund (“Management Fee”) and incentive based fee of 20% per annum, based on a percentage of net profits and calculated on a high-watermark basis (“Incentive Compensation”). The Management Fee is payable monthly in advance at the beginning of each month. Incentive Compensation is generally paid to as of the end of each year on a high-watermark basis. Generally, ROW deducts the Management Fee and Incentive Compensation directly from each Investor’s account.

Fees for the Funds generally are not negotiable. However, ROW has broad discretion to waive or reduce fees. In addition ROW typically waives the Management Fee and Incentive Compensation for employees or other affiliates of ROW who invest in the Funds.

Fee arrangements and terms for the sub-advised Fund are individually negotiated. Accordingly the sub-advised Fund is subject to different terms and fees than those of the other Clients and future sub-advised Funds. Generally, ROW bills the sub-advised Fund for the Management Fee and Incentive Compensation.

#### **Managed Accounts**

Fee arrangements and terms for each Managed Account will be individually negotiated. Accordingly each Managed Account may be subject to different terms and fees than those of the Funds and other future Managed Accounts. Generally, ROW bills the applicable Managed Account for the Management Fee and Incentive Compensation.

### **Fund Fees Payable in Advance**

As noted above, Management Fees with respect to the Funds are payable monthly in advance. However, Investors are typically not able to withdraw or redeem from a Fund during the middle of the month. If an Investor were required or otherwise permitted to redeem or withdraw from a Fund during the middle of a month, the Investor would generally not be eligible for a refund on any Management Fees paid in advance for that month.

## **Expenses**

### **Funds**

The Funds advised and sub advised by ROW will generally bear their own expenses as detailed in the Fund Agreements. ROW will bear all of its separate expenses arising out of its services to the Funds. The Funds' expenses include, without limitation: management fees, investment expenses, legal expenses, professional fees (including, without limitation, expenses of consultants and experts) relating to investments, accounting expenses, auditing and tax preparation expenses, administrative fees, costs of printing and mailing reports and notices, taxes, corporate licensing, regulatory expenses (including filing fees), organizational expenses, and extraordinary expenses.

### **Managed Accounts**

All fees and expenses are separately negotiated for the Managed Accounts and therefore may vary from client to client. Generally, each Managed Account will also bear all fees and expenses incurred in relation to the maintenance and operation of the Managed Account and the purchase and sale of assets in the Managed Account. However, in certain cases ROW has agreed to bear the cost of expenses incurred in relation to the maintenance and operation of the Managed Account and the purchase and sale of assets in the Managed Account. It should be noted that ROW has agreed to reimburse trader errors for one Managed Account.

*Please refer to Item 12 of this Brochure for a description of ROW's brokerage practices.*

**It is critical that Investors and clients refer to the relevant offering materials for a complete understanding of how ROW is compensated for its advisory services and the associated fees and expenses. The information contained in this Brochure is a summary only and is qualified in its entirety by those documents.**

## **Item 6 – Incentive-Based Fees and Side-by-Side Management**

As described in Item 5, ROW may receive incentive-based fees from each of the Clients.

It should be noted that the potential to receive incentive based fees, creates a potential conflict of interest in that ROW has incentive to make investments that are riskier or more speculative than they would make in the absence of incentive based fees. And because the incentive based fee is calculated on a basis that includes unrealized appreciation of the Client's assets, the incentive based fee may be greater than if it were based solely on realized gains. Investors and/or Managed Accounts are provided with clear disclosure in the relevant agreement and/or private placement memorandum as to how incentive based fees are charged with respect to a particular Client and the risks associated with such incentive based fees prior to making an investment.

**It is critical that Investors refer to the relevant agreement and/or private placement memorandum for a complete understanding of expenses they may pay through an investment in the Fund, and any conflicts that result from such fees. The information contained herein is a summary only and is qualified in its entirety by such documents.**



**Item 7 – Types of Clients**

ROW provides discretionary investment advisory and sub-advisory services to two types of Clients, pooled investment vehicles operating as private investment funds (i.e., hedge funds), and Managed Accounts.

Admission to the Funds is not open to the general public, and each Investor must meet the eligibility provisions (as detailed in Item 5) and minimum contribution amounts described in each Fund's private placement memorandum. Generally, Investors in the Funds are subject to a minimum investment of \$1,000,000 subject to waiver by ROW.

The Managed Accounts are each subject to a significant account minimum.

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

### **Investment Strategy:**

#### **Currency Fund**

The investment objective of the Currency Fund is to seek consistent long-term appreciation through active leveraged investing in global currency markets. The Fund will invest in a portfolio of forwards contracts and options in both developed and emerging market currencies.

#### **Diversified Fund**

The investment objective of the Diversified Fund is to seek consistent long-term appreciation through active leveraged investing in global forward, futures, and options markets. The Diversified Fund will generally invest in a portfolio of futures, forward contracts and options in: developed and emerging market currencies, sovereign interest rates, energy, precious metals, agriculture/softs, and equity indices.

#### **Managed Accounts**

Generally, the Managed Accounts have similar strategies to those of the Funds. However, as each investment management agreement is individually negotiated with each Managed Account client certain Managed Account clients may have an investment strategy that is narrower, or broader than that of the Funds.

#### **Sub-advised Private Fund**

Generally, the sub-advised Fund has similar strategies to those of the Funds. However, as each sub-advisory agreement is individually negotiated with each sub-advised Fund client certain sub-advised Fund clients may have an investment strategy that is narrower, or broader than that of the Funds.

### **Risk of Loss:**

**There can be no assurance that the Clients will achieve their investment objective. An investment in the Funds or the establishment of a Managed Account may be deemed speculative and is not intended as a complete investment program. Investments in the Funds are designed only for experienced and sophisticated persons who are able to bear the risk of substantial impairment or total loss of their investment. For a complete explanation of all relevant risks, Investors and potential Investors should review the applicable Fund's private placement memorandum, which discusses the factors below as well as other risk factors.**

The following is a summary of some of the risks that Investors and Clients should consider:

*Unregulated Markets.* The Clients will trade in markets not directly regulated by any governmental authority. The imposition of credit or currency controls by government authorities might limit trading to less than that which ROW would otherwise recommend, to the possible detriment of the Clients.

*No Assurance of Adequate Trading Lines.* There is no guarantee that established trading lines will be sufficient to permit the Clients to trade at the level at which they otherwise would have engaged.

*Emerging Markets Risk.* Investments in emerging markets may subject the Clients to a greater risk of loss than investments in developed markets.

*System Risks.* The Clients rely extensively on computer programs and systems to trade, clear and settle transactions, to evaluate certain financial instruments based on real-time trading information, to monitor its portfolios and net capital, and to generate risk management and other reports that are critical to the oversight of the Clients' activities. These programs or systems may be subject to certain defects, failures or interruptions, including, but not limited to, those caused by computer "worms," viruses and power failures.

*Operational Risk.* The Clients depend on ROW to develop the appropriate systems and procedures to control operational risk. The Clients' business is highly dependent on its ability to process, on a daily basis, a large number of transactions across numerous and diverse markets.

*Currency Trading.* Currency trading is volatile, highly leveraged and may be illiquid.

*Trading is Speculative.* A principal risk in the trading contemplated by the Clients is the rapid fluctuation in the market prices of currency contracts.

*Concentrated Portfolio.* The Currency Fund's trading is primarily in currencies. A number of currencies may be affected by similar factors at or about the same time. Trading a concentrated portfolio may involve greater risks than more broadly diversified trading.

*Failure of Dealers and other Counterparties.* The Clients trade in markets which operate without the benefit of any clearinghouse system which guarantees traders receive margins or profits due to them on their positions. Consequently, the Clients are subject to the risk of dealer failure or the inability of, or refusal by, a dealer to perform with respect to contracts traded by it. The Clients attempt to control this risk by trading with dealers that are internationally recognized financial institutions.

*Forward Contracts.* The Clients will enter into forward contracts and options thereon, including nondeliverable forwards, which are not traded on exchanges and are generally not regulated. There are no limitations on daily price moves of forward contracts. The Clients' counterparties will not be required to continue to make markets in such contracts. There may be periods during which certain counterparties will refuse to continue to quote prices for forward contracts or will quote prices with an unusually wide spread. Arrangements to trade forward contracts may be made with only one or a few counterparties, and liquidity problems therefore may occur. The imposition of credit controls by governmental authorities might limit such forward trading to less than that which would otherwise be optimal, to the possible detriment of the Clients.

*Options Trading.* There are risks associated with the sale and purchase of put and call options. The seller (writer) of a call or put option assumes the risk of varying market prices of the underlying financial instrument above the sales price or below the purchase price of the underlying financial instrument plus or less the premium received on the option and gives up the opportunity for gain on the underlying financial instrument below or above the exercise price of the option. The financial instruments necessary to satisfy the exercise of the call option may be unavailable for purchase except at much higher prices. Purchasing financial instruments can itself cause the price of the financial instruments to rise further, sometimes by a significant amount, thereby exacerbating the loss. The buy of a call or put option assumes the risk of losing its entire investment in the call or put option.

*Options on Commodity Futures.* The Clients may elect to write (sell or "go short") options on commodity futures and may elect to buy ("go long") options on future contracts. Although an option buyer's risk is

limited to the amount of the option's purchase price, an option may be subject to greater fluctuation than an investment in the underlying investment. The use of leverage available in trading options may yield greater profits or greater losses than trading in the underlying investments would.

*Collateral.* The Clients will have significant credit and operational risk exposure to its counterparties, which will require the Clients to post collateral to support their obligations in connection with transactions involving forwards, swaps, options, and other derivative instruments. Generally, counterparties will have the right to sell, pledge, rehypothecate, assign, use or otherwise dispose of the collateral posted by the Clients in connection with such transactions. This could increase the Clients' exposure to the risk of a counterparty default since, under such circumstances, such collateral of the Clients could be lost or the Clients may be unable to recover such collateral promptly.

*General Economic Conditions.* General economic conditions may affect the Clients' activities. Interest rates, currency rates, the price of securities and participation by other investors in the financial markets may affect the value of investments made by the Clients or considered for prospective investment.

*Commodity Futures Contracts.* Trading in commodity interests may involve substantial risk. The low margin or premiums normally required in such trading may provide a large amount of leverage, and a relatively small change in the price of a security or contract can produce a disproportionately larger profit or loss. There is no assurance that a liquid secondary market will exist for commodity futures contracts or options purchased or sold, and the Clients may be required to maintain a position until exercise or expiration, which could result in losses.

*Futures Trading is Volatile and Speculative.* Futures markets are highly volatile. Futures contracts are influenced by, among other things, changing supply and demand relationships, governmental actions, agricultural and commercial trade programs and policies, national and international political and economic events, weather and other natural occurring phenomena, and prevailing psychological characteristics of the marketplace.

*Futures Trading May Be Highly Leveraged.* Combined with the volatility of futures prices, the leveraged nature of futures trading can cause futures traders to sustain large and sudden losses of their capital.

*Failure of Futures Commission Merchants ("FCM").* Under the U.S. Commodity Exchange Act, futures commission merchants are required to maintain customers' assets in a segregated account. To the extent that the Clients engage in Commodity Futures and Options trading and the futures commission merchants with which the Clients maintain accounts fail to so segregate the Clients' assets, the Clients will be subject to a risk of loss in the event of the bankruptcy of any of its futures commission merchants. If another customer of the FCM or the FCM itself fails to satisfy deficiencies in such other customer accounts, the Clients will be subject to a risk of loss.

*Foreign Exchange (Forex) Trading.* The Forex market is very loosely regulated and there is no central marketplace for currency exchange, rather, trade is conducted over-the-counter in the "Interbank Market." Positions which are traded on the Forex market can have inherent leverage and accordingly, such positions can carry some degree of risk and can result in a loss of all or substantially all of the assets placed in the margin account.

*Failure of Forex Dealer.* Forex dealers are not required to segregate customer funds, but rather are only required to separate customer funds. In the event of bankruptcy of a Forex dealer, the Clients may be unable to recover assets held at such Forex dealer, including assets directly traceable to the Clients' accounts.

*Interbank Market Risks.* Interbank Market may create additional risks due to the lack of limitations on daily price moves in currency markets, participants potentially refusing to quote prices for Interbank trades or quoting prices with unusually wide spreads between the price at which transactions occur.

*Trading on Foreign Exchanges.* The Clients may trade on exchanges located outside the United States. As the Clients' accounts would be denominated in United States dollars, with respect to trading on foreign markets the Clients will be subject to the risk of fluctuation in the exchange rate between the local currency and dollars and to the possibility of exchange controls. Any profits the Clients might realize in such trading could be eliminated as a result of adverse changes in exchange rates and a participating customer could even incur losses as a result of any such changes.

*Derivatives.* ROW will make use of derivatives in its trading. Derivatives often carry a high degree of embedded leverage and, consequently, are highly price sensitive to changes in interest rates, government policies, economic forecasts and other factors which generally have a much less direct impact on the price levels of the underlying instruments.

***The foregoing list of risk factors does not purport to be a complete statement of the risks involved in an investment in the Funds or in the establishment of a Managed Account. Prospective Investors should read the offering materials and consult with their own advisors before deciding to invest in a Fund or establish a Managed Account.***

**Item 9 – Disciplinary Information**

ROW is required to disclose all material facts regarding any legal or disciplinary events that would be material to an Investor's evaluation of ROW or the integrity of ROW's management. ROW has no legal or disciplinary information to disclose at this time.

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

Neither ROW nor any of its directors, officers or principals is registered, or has an application pending to register, as: (i) a broker-dealer; (ii) a registered representative of a broker-dealer; (iii) a futures commission merchant; or (vi) is an associated person of any such entity.

ROW is registered as a commodity pool operator (“CPO”) and commodity trading adviser (“CTA”) with the CFTC and is a member of the National Futures Association (the “NFA”). In connection with the firm’s CFTC registration/NFA membership, certain ROW employees are listed/registered with the NFA as Principals and/or Associated Persons of ROW. ROW does not believe that this registration/membership poses any material conflict of interest with Clients or Investors.

ROW serves as the investment manager or sub-adviser to the Funds. ROW serves as the general partner to the Onshore Fund.

ROW has negotiated the investment management agreements with the Funds and Managed Accounts. While these may be interested party agreements, the material terms of the investment management arrangements are fully disclosed to all Investors prior to their investment.

ROW serves as a Sub-Advisor to a private Fund, and as such utilizes similar or different trading strategies and negotiate separate terms and conditions for such account.

It should be noted that incentive-based fees create a potential conflict of interest in that ROW may have the incentive to make investments that are riskier or more speculative than they would make in the absence of incentive-based fees.

Each of these potential conflicts of interest is disclosed in the offering documents of each Fund. See also Item 11 of this Brochure.

ROW’s affiliates, principals and employees invest directly in the Funds, but those affiliated party investments generally are not subject to the management fees or incentive-based fees described in Item 5. Further, such investors may be subject to account minimums or withdrawal/redemption limitations that differ from those of other Investors.

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

### **Code of Ethics**

ROW has adopted a Code of Ethics (the “Code”) which is designed to meet the requirements of Section 204A-1 of the U.S. Investment Advisers Act of 1940, as amended from time to time (the “Advisers Act”). The Code applies to ROW’s “Access Persons.” Access Persons include, generally, any partner, officer or director of ROW and any employee or other supervised person of ROW who, in relation to the advisory Clients, (1) has access to non-public information regarding any purchase or sale of securities, or non-public information regarding securities holdings or (2) is involved in making securities recommendations, executing securities recommendations, or has access to such recommendations that are non-public. All ROW employees are deemed to be Access Persons.

The Code sets forth a standard of business conduct that takes into account ROW’s status as a fiduciary to its Clients and requires Access Persons to place the interests of the Clients above their own interests. The Code requires Access Persons to comply with applicable federal securities laws. Further, Access Persons are required to promptly bring violations of the Code to the attention of ROW’s Chief Compliance Officer. Upon hire and on at least annually afterwards, all Access Persons are provided with a copy of the Code and are required to acknowledge receipt of, and agreement to abide by, the Code.

The Code also sets forth reporting and pre-clearance requirements for personal trading by Access Persons. Access Persons must provide ROW’s Chief Compliance Officer with a list of their personal accounts and an initial holdings report within 10 days of becoming an Access Person. In addition, ROW’s Access Persons must provide annual holdings reports and quarterly transaction reports in accordance with Advisers Act Rule 204A-1. The Code also seeks to ensure the protection of non-public information about the activities of the Funds.

Clients or prospective Clients may obtain a copy of the Code by contacting ROW’s Chief Compliance Officer at 949-478-8300 or at [compliance@rowam.com](mailto:compliance@rowam.com)

### **Personal Trading**

ROW manages the potential conflicts of interest inherent in Access Person personal trading by rigorous enforcement of its Code, which contains significant limitations on Access Persons’ personal investment activities and strict pre-clearance and reporting guidelines for Access Persons. Access Persons’ personal securities transactions are strictly required to be made in accordance with ROW’s Code. In addition, ROW receives transaction and holdings reports in accordance with Advisers Act Rule 204A-1. The Chief Compliance Officer or his or her designee also reviews Access Persons’ personal transaction and holdings reports to make sure each Access Person is conducting his or her personal securities transactions in a manner that is consistent with the Code.

ROW’s Access Persons generally are permitted to invest in securities that are not considered “reportable securities” under Advisers Act Rule 204A-1 and are permitted to trade in certain reportable securities subject to the limitations in the Code.

Access Persons generally are prohibited from personal trading in futures, commodity interests or currencies (“Prohibited Securities”). However, if upon hire an Access Person holds any Prohibited Securities (“Legacy Positions”), the Access Person may retain them indefinitely or, close out such Legacy Positions, subject to preapproval by the Chief Compliance Officer. Access Persons may not make new investments in such Prohibited Securities while they are an Access Person of ROW. The Code of Ethics is available upon request.



We believe that these personal trading restrictions effectively address the material potential conflict of interest with our Clients that may arise as a result of personal trading activities.

**Participation or Interest in Client Transactions**

As explained in Item 10, ROW, acts as investment manager to the Funds, has financial interests in certain of the Funds (and may in the future have financial interest in all of the Funds) and receives a management fee and/or incentive-based fees for its services to the Clients.

Also as explained in Item 10 and elsewhere in this Brochure, certain affiliated investors invest in the Funds, but such investments generally are not subject to the management fees or incentive-based fees described in Item 5.

The fact that ROW's principals and employees have financial ownership interests in the Funds creates a potential conflict in that it could cause ROW to make different investment decisions than if such parties did not have such financial ownership interests. Further, ROW receives management fees and/or incentive-based fees. The management fees are payable without regard to the overall success or income earned by the Clients and therefore may create an incentive on the part of ROW to raise or otherwise increase assets under management to a higher level than would be the case if ROW were receiving no management fee. Incentive based fees may create an incentive for ROW to make investments that are riskier or more speculative than in the absence of such incentive-based fees. Such potential conflicts are addressed by the personal securities transaction pre-clearance and holding requirements described in this Item 11.

ROW addresses these potential conflicts through regular monitoring of the Clients' portfolios as described in Item 13 of this Brochure. Further, in their respective offering documents the Funds provide to Investors and potential Investors extensive disclosure regarding the potential risks relating to an investment in the Funds, including material conflicts of interest. The Code notes that Access Persons are required to place the interests of the Clients over their own, and all Access Persons are required to acknowledge their receipt of, and agreement to abide by, the Code upon hire and on at least annually afterwards.

Complete fee disclosures are provided to Investors in each Fund's confidential offering memorandum, and prospective Investors should review such disclosures carefully.

## **Item 12 – Brokerage Practices**

ROW has sole authority to select the broker-dealer used in each transaction for the Clients and for negotiating the fees to be paid to the broker-dealer in connection with such transactions. ROW recognizes its duty to obtain “best execution.” Consistent with such duty, in determining best execution, ROW may take into account the full range and quality of a broker-dealer’s services, including research and other services (including capital introduction services) that benefit the Clients (and ROW in particular). ROW will effect transactions with those brokers or dealers which ROW believes provide favorable net prices and are capable of providing efficient executions. Factors that ROW believes contribute to efficient execution include, among other things, estimated or anticipated market impact, size of the order, difficulty of execution, operational capabilities, facilities and the financial condition of the broker or dealer involved, whether that broker or dealer has risked its own capital in positioning a block of securities or other assets, and the prior experience of the broker or dealer in effecting transactions of the type in which the Client will engage. ROW does not have an obligation to seek the lowest available commission cost or solicit competitive bid.

Section 28(e) of the 1934 Act provides a “safe harbor” to investment managers who use commission dollars generated by their advised accounts to obtain investment research and brokerage services that provide lawful and appropriate assistance to the manager in the performance of investment decision-making responsibilities. ROW does not anticipate utilizing soft dollar arrangements and however, if in the future it does decide to utilize soft dollar arrangements, such use will be within the parameters of 28(e).

ROW has established procedures that seek to ensure that all allocations are fair and impartial across all clients. To the extent a particular investment is suitable for several clients, such investment will generally be allocated among the clients pro rata based on assets under management or in some other manner that ROW determines is fair and equitable under the circumstances to all clients. Trades will be allocated on a basis believed to be fair and equitable; no account should receive preferential treatment over any other. ROW’s systematic approach starts with the calculation of trades for each client. This calculation is done on a client by client basis as a function of the individual client’s NAV. Individual trades are then aggregated into a bulk trade and executed by the trader. The algorithm in use for the calculation of position and aggregation of trades is regularly reviewed monthly and tested on a quarterly basis. ROW seeks to ensure that no account will be systematically disadvantaged by the allocation of trades.

In some circumstances, it may be appropriate for authorized analyst/portfolio manager (“Portfolio Personnel”) to buy or sell a security on behalf of more than one Client over a period of time. For example, if Portfolio Personnel are buying a relatively illiquid security for more than one Client, he or she may wish to fill the order over a period of days or even weeks. In such instances, although it may not be possible to aggregate orders to be entered for all of the Portfolio Personnel’s Clients, the Portfolio Personnel still must allocate Clients’ orders on an equitable basis.

Post execution, ROW uses a low-high algorithm to allocate split-fills according to the client’s on-board date. For example, the lowest price in the order set would be allocated to the first client on-board and the highest price in the order set would be allocated to the last client on-board. Low to high is irrespective of buying or selling.

### **Item 13 – Review of Accounts**

Members of ROW's investment team continuously review Client accounts. Various members of the investment team are responsible for monitoring specific positions and generally follow separate sectors and/or subsectors. On a daily basis investment team members review Client transactions. Where applicable, these reviews include, but are not limited to, an assessment of daily profit and loss reports with respect to its Clients' investment positions, the amount of leverage employed in connection with managing its Clients' accounts, and adherence to each Client's trading parameters and investment strategies. Members of the investment team evaluate Clients' investments based on performance, company fundamentals, news and press releases, analyst reports, general market conditions and other considerations.

Investors will receive audited financial statements of the Funds, monthly unaudited valuation of the Funds and a monthly investment letter.

Managed Account Clients will receive a monthly unaudited valuation of their account upon request and a monthly investment letter.

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

ROW has engaged solicitors to whom it pays cash or a portion of the advisory fees paid to ROW by Clients referred to it by those solicitors. ROW currently employs Hedge Harbor and Pulse Capital Partners, LLC as third party marketers. The use of these third party marketers is disclosed to Investors or Managed Account clients and such parties do not pay additional fees as a result of the marketing services paid by ROW to the third party marketers. All such activities are conducted in accordance with relevant SEC guidance.

## **Item 15 – Custody**

ROW is deemed to have custody of the Funds' assets and securities because it has the authority as investment manager or general partner to obtain the Funds' assets or securities, for example, by deducting advisory fees from a Fund's account or otherwise withdrawing funds from a Fund's account. The Funds maintain their assets, in their own name, with qualified custodians. The qualified custodians send ROW the account statements for ROW's Client's accounts directly to Investors on at least a quarterly basis.

To ensure compliance with Rule 206(4)-2 under the Advisers Act, ROW has a reasonable belief that all Investors will be provided with financial statements for their respective Fund, audited by an independent accounting firm that is registered with and subject to review by the Public Company Accounting Oversight Board, in accordance with U.S. Generally Accepted Accounting Principles, within 120 days of the end of such Funds' fiscal years. Investors should carefully review the audited financial statements of the Funds and compare them to the account statements sent by ROW.

ROW does not maintain custody of the Managed Accounts' funds or securities.

## **Item 16 – Investment Discretion**

ROW has full discretionary authority to manage its Clients' accounts. Among other things, this means that ROW is authorized to make purchase and sale decisions for the Funds, subject to the Funds' investment objectives and guidelines set forth in its offering documents. Investors do not have the ability to impose limitations on ROW's discretionary authority. Prospective Investors are provided with a confidential offering memorandum and other offering documents prior to their investment and are encouraged to carefully review those materials, and to be sure that the proposed investment is consistent with their investment goals and tolerance for risk. Prospective Investors must also execute a subscription agreement, which constitutes a legal, valid and binding obligation of the Investor, enforceable in accordance with its terms.

As noted above, ROW has established, and may in the future establish, separately managed accounts for large or strategic investors. Such agreements are heavily negotiated and the holder of a managed account may place limitations on ROW's discretionary investment authority, including limitations on objectives, guidelines, and restrictions.

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

ROW has authority to vote Client securities. ROW understands and appreciates the importance of ensuring that its proxy voting procedures are clearly described to Clients and Investors. It should be noted that based upon ROW's investment strategy (and lack of involvement in publicly-traded equities) it is not expected that much proxy voting, if any, will occur. Notwithstanding that fact, ROW follows these procedures when proxy voting is required. ROW votes proxies in the best interests of the Clients and Investors (as applicable).

Prior to voting any proxies with respect to Clients, the principals will determine if there are any conflicts of interest related to the proxy in question in accordance with the general guidelines outlined below. If a conflict is identified, the principals then make a determination (which may be in consultation with outside compliance consultants and/or legal counsel) as to whether the conflict is material or not. If no material conflict is identified pursuant to these procedures, the principals vote the proxy in question in accordance with the best interest of the Clients.

If a material conflict is identified, the principals, or such other designate (in consultation with outside compliance consultants and/or legal counsel) will determine what course of action is in the best interests of the affected Clients (which may include utilizing an independent third party to vote such proxies). Further, ROW will determine whether it is appropriate to disclose the conflict to affected Clients and give such Clients (and Investors, if applicable) the opportunity to vote the proxies in question themselves.

The Chief Compliance Officer or his designate delivers proxies in accordance with instructions related to such proxy. ROW keeps a record of its proxy voting policies and procedures, proxy statements received, votes cast, all communications received and internal documents created that were material to voting decisions and each client request for proxy voting records and ROW's response for the previous five years.

Investors and Managed Accounts do not have the ability to direct proxy votes.

Clients and Investors may obtain additional information regarding how ROW voted proxies and may obtain a copy of ROW's proxy voting policies and procedures by contacting ROW's compliance team at [compliance@rowam.com](mailto:compliance@rowam.com).

**Item 18 – Financial Information**

ROW and its affiliates do not require or solicit prepayment of fees longer than six months in advance. ROW is not currently aware of any financial condition that is reasonably likely to impair its ability to meet contractual commitments to the Clients or Investors.