

## **ITEM 1-COVER PAGE**

**Liberty Capital Research, LLC**

**Part 2A of Form ADV**

2500 Harborside Financial Center

Plaza 5

Jersey City, NJ 07311

[201-633-3655](tel:201-633-3655)

**July 2015**

This Brochure (the “Brochure”) provides information about the qualifications and business practices of Liberty Capital Research, LLC (“Liberty”). If you have any questions about the contents of this Brochure, please contact Liberty’s Chief Compliance Officer at [201-633-3655](tel:201-633-3655). Registration with the SEC does not imply a certain level of skill or training. The information in this Brochure has not been approved or verified by the SEC or by any state securities authority.

**Additional information about Liberty is also available on the SEC’s website at**

**[www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

## **ITEM 2 – MATERIAL CHANGES AND GENERAL INFORMATION**

### **Annual Update**

The Material Changes section of this brochure will be updated annually when material changes occur since the previous release of the Firm Brochure.

### **Material Changes**

This is the initial filing for Liberty Capital Research, LLC there are no material changes.

### **Full Brochure Available**

Whenever you would like to receive a complete copy of our Firm Brochure, please contact us by telephone at 201-633-3655.

## ITEM 3 – TABLE OF CONTENTS

### Contents

ITEM 1-COVER PAGE.....	1
ITEM 2 – MATERIAL CHANGES AND GENERAL INFORMATION .....	2
Annual Update .....	2
Material Changes.....	2
Full Brochure Available .....	2
ITEM 3 – TABLE OF CONTENTS.....	3
ITEM 4 – ADVISORY BUSINESS .....	4
ITEM 5 – FEES AND COMPENSATION .....	5
ITEM 6 – PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT .....	5
ITEM 7 – TYPES OF CLIENTS .....	6
ITEM 8 – METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS .....	6
ITEM 9 – DISCIPLINARY INFORMATION .....	10
ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS .....	11
ITEM 11 – CODE OF ETHICS, PARTICIPATION IN CLIENT TRANSACTIONS AND PERSONAL TRADING .....	11
ITEM 12 – BROKERAGE PRACTICES.....	12
ITEM 13 – REVIEW OF ACCOUNTS.....	14
ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION .....	15
ITEM 15 – CUSTODY .....	15
ITEM 16 – INVESTMENT DISCRETION .....	15
ITEM 17 – VOTING CLIENT SECURITIES.....	15
ITEM 18 – FINANCIAL INFORMATION.....	16

#### **ITEM 4 – ADVISORY BUSINESS**

Liberty Capital Research LLC is a Delaware limited liability company formed on January 10, 2014. Liberty provides discretionary investment advice to a private investment fund (the “Fund”) through a managed account (“Managed Account”) arrangement pursuant to the terms, guidelines and restrictions provided in an investment management agreement (“IMA”) with the Fund. As of the date of this Brochure, Liberty’s investment advisory services are provided exclusively to the Fund as the only unassociated client, however Liberty does also manage another propriety account that is a wholly owned subsidiary of Liberty. Liberty may, at its discretion, open and operate additional accounts for the firm. For clarity, Liberty is not a general partner to the Private Fund it advises and is not an affiliate of the Private Fund, it is a separate entity which provides advisory services pursuant the terms of the IMA.

Liberty tailors its advisory services to the individual needs of the client and the client may impose restrictions on investing in certain securities or types of securities pursuant to the IMA. The investment management agreement with each private investment fund client sets forth the guidelines and restrictions related to its services. Liberty is permitted to trade for each such private investment fund client, but is not otherwise allowed to exercise custody over its assets, value its positions, move cash or securities or enter into any other agreement on behalf of such private investment fund client. The scope of the investment advisory services provided to each client of Liberty is governed by the specific terms and conditions of such client’s investment management agreement and may differ between clients.

Kewei Ming, Weifeng Cheng and Jonathan Patrick Pearce are the founding and managing members of Liberty. Each of the principals own greater than 25% equity interest in Liberty Capital Research LLC.

Liberty does not participate in wrap fee programs.

Liberty expects to have \$250,000,000.00 dollars managed on a discretionary and non-discretionary basis on or around June 30, 2015. This value may include notional, committed funding and cash reserves, that may not be under the Adviser’s direct control at all times but forms part of the total trading level committed to the Adviser in the Managed Account.

## **ITEM 5 – FEES AND COMPENSATION**

Fees are negotiable for separately managed accounts. Fees are determined on a case-by-case basis with each client based upon the scope of investment advisory services to be provided.

It is anticipated that Liberty will begin to manage client assets on or about June 15, 2015. Liberty may be compensated with a management fee and/or fixed fee which will be billed and paid on a monthly basis by each client and a performance fee which will be billed and paid annually by such client. The performance fee is based on a share of the capital gains or capital appreciation of the assets or any portion of the assets of such client. The fees of the current Private Fund client are on a sliding scale based on performance (as defined in the IMA).

Currently the fees are negotiated with the Private Fund's general partner and may be paid in advance. The Management Fee is paid in advance (monthly), based on a negotiated budget and approved by the Private Fund's general partner. A portion of the performance fee is paid in advance, monthly, and is intended as an advance set-off against the end of year performance fee attributable to the account, therefore the performance fee shall be reduced by any portion of the advance amount paid. Liberty does not and will not have the ability to deduct fees from such client's assets. The performance fee will be calculated by the Client's administrator and approved by the Private Fund's general partner – Liberty will neither calculate the performance fee, nor authorize its payment.

Other types of fees or expenses clients may be responsible for paying in connection with the investments in their accounts, include (but may not be limited to) brokerage commissions, financing, accounting, administration, custodian, legal, audit, tax preparation, portfolio valuation and pricing services, insurance research related, and proxy voting services expenses.

## **ITEM 6 – PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

Performance-based fees can provide an incentive to take excessive risks. Liberty provides investment advice exclusively to a Private Fund through a Managed Account. Performance-based fee arrangements received may create an incentive for the Adviser to recommend investments that may be riskier or more speculative than those that would be recommended under a different fee arrangement. The Adviser consults with the private investment fund client regarding the management of risk and does not act independently with respect to decisions on the amount of investment risk taken in the Managed Account, the client has set the risk parameters in the IMA. The Adviser does not have the authority to value the positions held in the managed accounts of its private investment fund client; a third party administrator together with the applicable private investment fund client independently value the positions held by such private investment fund client.

Our investment advisory services are provided exclusively to the Fund through the Managed Account, therefore we do not have any conflicts related to the receipt of different performance-based fees from separate clients. The separate proprietary account owned by the principals of the Firm does not provide fees.

## **ITEM 7 – TYPES OF CLIENTS**

Liberty provides investment advice exclusively to a Private Fund through a Managed Account.

Interests in the Private Fund, and the Fund itself, are not registered under the U.S. Securities Act of 1933, as amended and are excepted from the definition of an “investment company” under Section 3(c)(7) of the Investment Company Act of 1940, as amended. Accordingly, interests in the Fund are offered exclusively to investors satisfying the applicable eligibility and suitability requirements either in private placement transactions within the United States or in offshore transactions. Investors in the Funds are also Qualified Eligible Persons as defined in the Commodity Exchange Act.

## **ITEM 8 – METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

Liberty shall engage in statistical arbitrage strategies trading equities, futures and other related financial products.

Liberty manages several different strategies that trade the most liquid stocks in the US equity markets. Liberty’s strategies maintain neutral exposure in beta, sector, industry and other risk factors. Liberty manages strategies including, but not limited to, the following:

Strategy A: Cross-sectional mean-reversion strategies. Such strategies post passive orders in the order book, dynamically adjusting and canceling orders based on proprietary signals. This strategy group has high turnover as well as high cancellation ratio.

Strategy B: Momentum strategies. Such strategies post passive orders in the order book, or aggressive orders when signals are strong. This strategy group bets on short term structural momentum based on proprietary statistical signals.

Strategy C: Overnight strategies. Such strategies trade in the last 15 minutes of the day based on overnight statistical signals. They build up positions before market close by providing double-sided liquidity and liquidates the positions next day.

All of these strategies can run significant size. We typically run multiple instances of each strategy if market condition is suitable. From time to time, Liberty may deploy additional statistical arbitrage strategies, provided that they comply with the investment guidelines of the IMA.

*Short Selling:* Short selling involves selling securities that are not owned and borrowing them for delivery to the purchaser with an obligation to replace borrowed securities at a later date. A short sale creates the risk of a theoretically unlimited loss, in that the price of the underlying security could increase without limit, thus increasing the cost to the Managed Account of buying those securities to cover the short position. There is no assurance that a borrowed security will not be recalled and that the Managed Account will not be “bought in” (ie. forced to repurchase securities in the open market to return them to the lender). Furthermore, the securities necessary to cover a short position may not be available for purchase, and purchasing securities to close out the short position can itself cause the price of the securities to rise further, thereby exacerbating the loss. The securities borrowed to effect the short sale may be recalled by the lender of those securities at any time, thus forcing the Managed Account to purchase the securities and close out the short position at a loss.

Regulatory authorities may, and in the past have, adopted bans on short sales of certain securities in response to market events or placed restrictions on borrowing shares. As a result of these restrictions, we may be prevented from executing a desired transaction and may therefore incur losses which may be material.

*Options:* We may buy or sell (write) call and put options. The purchase or sale of an option involves the payment or receipt of a premium and the corresponding right or obligation, as applicable, to either purchase or sell the underlying asset for at a specified price at, or by, a specified date or during a particular period. Purchasing options involves the risk that the underlying instrument will not change in price in the manner expected and the premium will be lost. Selling options involves greater risk because of the seller’s exposure to the actual price movement in the underlying asset rather than only the premium payment which could result in potentially unlimited loss.

*Limited Diversification:* Investments may become concentrated in a single issuer, industry, market or sector which will increase the risk of loss to clients. Limited diversification may cause greater volatility than would otherwise be the case and could expose clients to losses disproportionate to market movements in general. Even if the Firm attempts to control risks and diversify investments, risks associated with investments may become correlated in unexpected ways, with the result that clients become exposed to unforeseen risks. Although we attempt to identify, monitor, and manage significant risks, these efforts may not take all risks into account and there can be no assurance that these efforts will be effective.

*Competition:* There is currently, and will likely be, competition for investment opportunities with other investors having investment objectives and strategies like those of the Managed Account. Performance may be adversely impacted if competition prevents or hinders the Managed Account's ability to participate in certain investment opportunities.

*Derivatives:* Derivatives include futures, options, swaps, structured securities and other instruments and contracts that are derived from, or the value of which is related to one or more underlying securities, financial indexes, currencies or other underlying asset. Derivatives allow an investor to hedge or speculate on the price movements of the underlying asset at a fraction of the cost of investing directly in the underlying asset. The value of a derivative depends largely on the price movements in the underlying asset and many of the risks applicable to the underlying asset are also applicable to the derivatives of that asset. However, there are a number of other risks associated with derivatives trading. For example, because many derivatives are inherently leveraged and create significantly more market exposure than the money paid or deposited when the transaction is entered into, a relatively small adverse market movement can cause a loss greater than the original amount invested. Derivatives also have liquidity risk because there may not be a liquid market in which to close or dispose of outstanding derivatives contracts.

The prices of derivative instruments are highly volatile. Payments made pursuant to swap agreements may also be highly volatile. Price movements of 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 government policies, and national and international political and economic events and policies. In addition, the Managed Account's assets are also subject to the risk of failure of any of the exchanges on which its positions trade or of its clearinghouses or counterparties. Swaps and certain options and other custom instruments are subject to the risk of non-performance by the swap counterparty. If a counterparty defaults under a swap agreement, the value of the swap transactions will decline, perhaps to zero.

*Hedging Transactions:* The success of hedging transactions strategy depends, in part, on our ability to correctly assess the degree of correlation between the performance of the instruments used to hedge risks and the performance of the securities or risks being hedged. Since the characteristics of many securities change as markets change or time passes, the success of a hedge will also be subject to our ability to continually recalculate, readjust and execute hedges in an efficient and timely manner. While hedging transactions may be entered into with the intent to reduce risk, transactions may result in lower overall performance than if hedging transactions were not entered into. For a variety of reasons, we may not seek to establish a perfect correlation between the hedging instruments utilized and the securities being hedged. An imperfect



correlation may prevent the Managed Account from achieving the intended hedge or expose the Managed Account to risk of loss.

*Leverage and Financing Risk:* Leverage used by the Managed Account is controlled by the Fund's general partner. While leverage presents opportunities for increasing total return, it has the effect of potentially increasing losses as well. Further, if the securities pledged to brokers to secure margin accounts decline in value, the Managed Account could be subject to a "margin call," pursuant to which the Managed Account must either deposit additional funds or securities with the brokers, or suffer mandatory liquidation of the pledged securities to compensate for the decline in value. In the event of a sudden drop in the value of the Fund's assets, we may be forced to liquidate the Managed Account to raise money for the Fund to satisfy its margin requirements. The forced liquidation of all or a portion of the Managed Account at distressed prices could result in significant losses to the Managed Account.

*Change in Margin Terms:* In the absence of specific agreements, margin arrangements are generally subject to change or revocation by the lender. The lender may demand an increase in the collateral, including requiring collateral equal to the full amount of the borrowings, and, if the Managed Account is unable to provide additional collateral, the lender could liquidate the Managed Account's assets held by the lender to satisfy the Managed Account's obligations. A forced liquidation could have extremely adverse consequences, which may be exacerbated in the event that these changes or revocations are imposed suddenly or by multiple lenders. In periods of market stress lenders or counterparties may attempt to increase margin levels. A simultaneous, broad-based increase in margin affecting hedge funds generally will adversely impact the investments held in the Managed Account by decreasing demand and increasing supply through forced liquidations of those or similar investments.

*Trade Error Risk:* Transactions may be executed erroneously on terms other than those intended. For example, a transaction may be executed in the wrong asset, for the wrong quantity or price, to buy when we intended to sell, to sell when we intend to buy, or by reason of a technological or administrative error. Except to the extent otherwise required by law, the Managed Account will generally bear the losses or costs of trade errors, unless it is determined that the error was caused by gross negligence.

*General Political, Economic, Legal, Tax and other Regulatory Risks:* Client's investments may be adversely affected by changes in economic conditions or political events, such as a stock market break, acts of terrorism, the outbreak of hostilities involving the United States, the death of a major political figure, a serious pandemic, or a natural disaster, among many others. Other factors, such as changes in federal or state tax laws, federal or state securities laws, bank regulatory policies or accounting standards, may make certain investments less desirable or may make certain investment strategies less effective. Similarly, legislative acts, rulemaking,

adjudicatory or other activities of governmental or quasi-governmental bodies, agencies and regulatory organizations may make the business of the Fund less attractive. Laws and regulations, particularly those involving taxation, investment and trade, applicable to investment activities can change quickly and unpredictably, and may at any time be amended, modified, repealed or replaced in a manner adverse to the interests of clients. In particular, in response to significant recent events in international financial markets, governmental intervention and certain regulatory measures have been or may be adopted in certain jurisdictions, including restrictions on short selling of certain securities in certain jurisdictions. The extent to which the underlying causes of these recent events are pervasive throughout global financial markets and have the potential to cause further instability is not yet clear. These recent events, and their underlying causes, are likely to be the catalyst for changes in global financial regulation for some time, and may result in losses to clients.

## **DISCLAIMER**

The information included in this ITEM 8 does not include every potential risk associated with our investment strategies. Investing in securities involves risk of loss, possibly a total loss of invested capital, that clients should be prepared to bear. There is no guarantee that the Managed Account's investment program, including, without limitation, its investment objectives, strategies, or risk monitoring goals will be successful. Investment results may vary substantially over time. The Managed Account's investments are speculative and involve a high degree of risk. There may be risks which cannot be monitored or controlled, and risks that may be greater than forecasted, especially in unusual market conditions. Liberty cannot guarantee that any assumptions relied on herein will be true for all future events or that all assumptions have been considered or stated.

## **ITEM 9 – DISCIPLINARY INFORMATION**

The Firm has no history of material disciplinary action. The Firm and its employees have not been involved in legal or disciplinary events.

The Firm has no criminal or civil actions in a domestic, foreign or military court of competent jurisdiction.

The Firm has no administrative proceedings before the SEC or any other federal regulatory agency, any state regulatory agency, or any foreign financial regulatory authority.

The Firm has no self regulatory organization proceedings.

## **ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

The Firm is not registered and is not planning to register as a Broker-Dealer or a registered representative of a Broker-Dealer.

Liberty Capital Trading LLC, a wholly owned subsidiary of Liberty Capital Research LLC, is registered as an exempt commodity pool operator under CFTC Regulation 4.13(a)(1).

Liberty Capital Research LLC is the only entity providing advisory services to clients investing in securities regulated by the SEC. Liberty Capital Trading LLC is a proprietary account operated by the Firm trading commodities regulated by the CFTC and does not advise any clients. There is no conflict between Management Persons and related persons that are listed as associated persons of the CPO. When a conflict of interest arises, Liberty will endeavor to ensure that it is resolved fairly. Liberty has in place policies and procedures that it believes are reasonably designed to identify and resolve actual and potential conflicts of interest.

The firm does not recommend other investment Advisers or receive compensation from other Advisers.

## **ITEM 11 – CODE OF ETHICS, PARTICIPATION IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

We may engage directly or indirectly in any business or other activities, including exercising investment advisory and management responsibility and buying, selling, or otherwise dealing with securities for our own accounts or for the accounts of family members. These activities may conflict with our activities on behalf of the Managed Account.

These other activities may also affect the prices and availability of the securities and other financial instruments in which the Managed Account invests. Pursuant to Rule 204A-1 under the Investment Advisers Act of 1940, as amended, we have adopted a Code of Ethics that establishes various procedures with respect to investment transactions in accounts in which employees of Liberty or related persons (such as members of their immediate household) have a beneficial interest or accounts over which an employee has investment discretion.

The foundation of the Code of Ethics is based on the underlying principles that:

- Employees must at all times place the interests of our clients first;
- Employees must at all times comply with all applicable federal securities laws; and
- Employees should not take inappropriate advantage of their position at Liberty.

Our Code of Ethics requires employees to provide the Chief Compliance Officer with initial and annual holdings reports (excluding accounts holding certain securities or discretionary accounts) and quarterly transaction reports. Employees are generally prohibited from executing transactions in issuers included on the Restricted List. Employees must also receive approval prior to investing in reportable securities or private placements, except for such securities excluded from this requirement, as defined in the Code of Ethics. The Chief Compliance Officer reviews violations of the Code of Ethics to determine appropriate remedial action, including, but not limited to, financial penalties, suspension or termination of employment, and reporting to appropriate regulatory authorities.

All of our employees must direct their brokers to send duplicate brokerage statements to the Chief Compliance Officer. These records are used to monitor compliance with the foregoing policies. These policies apply to any personal transactions involving equity, debt, and options. They do not apply to transactions involving securities excepted in the Code of Ethics, or other instruments which afford an investor no discretion over individual securities.

As part of the Code of Ethics, Liberty maintains insider trading policies and procedures that are designed to prevent the misuse of material, non-public information. The insider trading policies prohibit Liberty and its personnel from trading for themselves or clients, or recommend trading, in securities of any company while in possession of material, non-public information about the company, and from disclosing such information to any person not entitled to receive it.

Liberty's Code of Ethics is available to clients and prospective clients upon request.

## **ITEM 12 – BROKERAGE PRACTICES**

It is the Adviser's policy to execute portfolio transactions for the Client Account in the best interests of clients, including to seek to obtain "best execution" of each and every transaction made by the Adviser for a client's account (except where the Adviser does not have the authority to select the broker or dealer or to negotiate the price or commission). The term "best execution" means seeking the best price and execution for a security in the marketplace as well as ensuring that, in executing client transactions, clients do not incur unnecessary brokerage costs and charges. The Adviser is not obligated to obtain the lowest possible commission cost, but rather, should determine whether the transaction represents the best qualitative execution for clients. The Adviser has adopted procedures to help it apply this policy.

In placing transactions for the Managed Account, we seek to obtain "best execution," meaning that we generally seek execution of securities transactions in such a manner that the Managed Account's total costs or proceeds are most favorable under the circumstances. Accordingly, in

seeking best execution, we take into consideration the price of a security offered by the broker-dealer, as well as the broker dealer's full range and quality of services including, among other things, its facilities, reliability and financial responsibility, execution capability, commission rates, responsiveness to us, brokerage and research services provided to us (*e.g.*, research ideas, analysis, and investment strategies), special execution and block positioning capabilities, clearance, and settlement and custodial services.

We periodically review the broker-dealers used as well as the commissions paid to evaluate best execution.

#### *SOFT DOLLAR USAGE*

In selecting brokers and dealers to effect portfolio transactions we may consider factors as we deem appropriate (and consistent with our obligation to seek best execution) to consider under the circumstances, which may include one or more of the following:

- reliability;
- reputation;
- experience in the industry;
- financial stability;
- capital commitment;
- efficiency in executing and clearing transactions;
- confidentiality of trading activity;
- provision of Products and Services (defined below);
- idea generation;
- competitive rates; and
- general responsiveness.

Products and Services constituting "research" may be in any form (*e.g.*, written, oral or on-line) and may include, without limitation:

- traditional research reports analyzing the performance of a particular company or stock, market, company and financial data;
- market, economic, political and financial information (including studies and forecasts);
- statistical information;
- data on the pricing and availability of securities; and
- seminars and conferences relating to the investment in securities or containing analyses of issuers, industries, securities, economic factors and trends and portfolio strategy.

Products and Services constituting "brokerage" may include, without limitation:

- clearance services;
- settlement services; and
- custody services.

To the extent that the Managed Account's commissions are used to acquire Products and Services through the use of "soft dollars," Products and Services received will be of the type contemplated by Section 28(e) of the U.S. Securities Exchange Act of 1934 (that is, "research" and "brokerage"), although transactions may or may not otherwise comply with the provisions of Section 28(e) (*e.g.*, may relate to transactions in instruments other than securities).

Soft dollar arrangements generally arise when an investment adviser obtains products and services, other than securities execution, from a broker-dealer in return for directing client securities transactions to the broker-dealer. Soft dollar arrangements may pose a conflict of interest for Liberty in that such arrangements allow Liberty to pay with brokerage commissions, expenses that would otherwise be borne by Liberty. In the event that Liberty uses brokerage commissions (or markups or markdowns) to obtain research or other products or services, Liberty could receive a benefit because it would not have to produce or pay for the research, products or services.

Liberty also enters into securities transactions with broker-dealers that provide, as part of their bundled services, Liberty with access to research and research-related services. Liberty may have an incentive to select a broker based on Liberty's interest in receiving the research or other products or services offered by such broker.

#### *TRADE ERRORS*

As a fiduciary, we have the responsibility to effect orders correctly, promptly and in the best interests of the Managed Account. In the event any error occurs in the handling of any transactions, due to our actions, or inaction, or actions of others, our policy is to assess each trade error on a case-by-case basis.

### **ITEM 13 – REVIEW OF ACCOUNTS**

The Managed Account's transactions, positions and cash balances are reviewed periodically by Liberty and the Client.

#### **ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION**

The Firm does not have any arrangements where it receives an economic benefit for providing investment advice for someone who is not a client.

The Firm does not utilize the services of any third-party marketers.

#### **ITEM 15 – CUSTODY**

Liberty does not have physical custody of any client funds or securities (and is prohibited under the IMA from exercising custody) over the Managed Account's assets. Liberty provides investment advisory services to clients using separately managed accounts held at a qualified custodian. All Client assets are held at the custodian, who will send statements, directly to the Managed Account Client. Liberty only has trading authority with respect to the funds deposited by each client into its accounts.

#### **ITEM 16 – INVESTMENT DISCRETION**

The executed investment management agreement (IMA) between Liberty and a client defines all agreed upon investment parameters for the separately managed account. The IMA sets forth certain guidelines or restrictions related to our investment activities, which may be modified from time-to-time in consultation with the Client. In addition, the Client may impose restrictions on our ability to invest in certain securities or types of securities. Such restrictions would be documented in the investment management agreement.

Powers of attorney and any restrictions on the Adviser's authority are set forth pursuant to the Management Agreement.

#### **ITEM 17 – VOTING CLIENT SECURITIES**

We vote proxies in the best economic interest of the Managed Account. The Adviser had adopted policies and procedures pursuant to SEC rule 206(4)-6 and clients may obtain information on how we voted their securities as well as a copy of our proxy voting policies upon request.

**ITEM 18 – FINANCIAL INFORMATION**

The Adviser does not have any financial impairment that will preclude the firm from meeting contractual commitments to clients, and has not been the subject of a bankruptcy proceeding.

The Adviser does not serve as a custodian for client funds or securities, and does not require prepayment of fees six months or more in advance.