

Sturgeon Ventures LLP

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This Brochure provides information about the qualifications and business practices of Sturgeon Ventures LLP. If you have any questions about the contents of this Brochure, please contact Seonaid Mackenzie, Chief Compliance Officer ("CCO") of Sturgeon Ventures LLP by email at sm@sturgeonventures.com. 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.

Additional information about Sturgeon Ventures LLP is also available on the SEC's website at www.adviserinfo.sec.gov.

Registration of an investment adviser does not imply that Sturgeon Ventures LLP or any of its principals or employees possesses a particular level of skill or training in the investment advisory business or any other business.

Item 2: Material Changes

Sturgeon Ventures LLP has no material changes to report.

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Item 4: Advisory Business

Sturgeon Ventures LLP ("**Sturgeon Ventures**", "**we**", "**us**", "**our**", or the "**Firm**") is a limited liability partnership incorporated under the laws of England and Wales in May 2006. The Firm has been registered with the Financial Conduct Authority ("**FCA**") in the United Kingdom since July 2006. The Firm provides discretionary advisory services to separately managed funds (referred to herein as "**Managed Funds**") and, provides advisory services to separately managed accounts (referred to herein as "**Managed Accounts**"), collectively referred to herein as Clients ("**Clients**"). In instances where no distinction is made between the offering of Managed Funds or Managed Accounts, the term Managed Funds will be used to denote the advisory services provided to both types of Clients.

Sturgeon Ventures LLP has one office located in London, England, United Kingdom.

Sturgeon Ventures serves as a regulatory hosting platform within the UK and tailors its advisory and sub-advisory services to meet the individual needs of its Clients, but not their investors.

Sturgeon Ventures provides discretionary and non-discretionary advisory services based on specific investment objectives and strategies, as more specifically described in Item 8. With respect to its discretionary advisory services, if any, Sturgeon Ventures may have complete discretion, subject to certain limitations, to trade its strategy, including the buying and selling of securities, the selection of broker-dealers through which to execute trades, the negotiation of trading commissions/rates, and the voting of shares.

As of 31 March, 2018, Sturgeon Ventures had regulatory assets under management of approximately \$1,187,314,247 managed on a discretionary or non-discretionary basis with responsibility to make recommendations as to specific securities and arranging or effecting their purchase and sale pursuant to each Agreement.

Item 5: Fees and Compensation

Pursuant to each individual Clients' Investment Management Agreement ("**IMA**"), Sturgeon Ventures will generally receive a monthly investment sub-advisory fee (the "**Investment Management Fee**") equal to a percentage of its Client's assets under management.

Sturgeon Ventures and its employees do not accept compensation, including sales charges or service fees, from any person for the sale of securities or other investment products.

Item 6: Performance-Based Fees and Side-By-Side Management

The Firm may be entitled in the future to receive a performance allocation as part of the Agreement(s) that is calculated based upon a percentage of the net capital appreciation of its discretionary account(s), subject to a "loss carry-forward" provision. Any performance allocation will be in accordance with the available exemption set forth in Rule 205-3 of the Investment Advisers Act of 1940, as amended (the "**Advisers Act**").

Net asset value for measuring assets for the calculation of the performance allocation includes net realized and unrealized capital gains and losses.

Any performance allocation may create an incentive for Sturgeon Ventures to recommend investments which may be riskier or more speculative than those which would be recommended under a different fee arrangement. Sturgeon Ventures has procedures designed and implemented to prevent this conflict from influencing investment decisions.

Item 7: Types of Client

The Firm exclusively intends to provide advisory or sub-advisory services to its Clients as described in Item 4 above.

Item 8: Methods of Analysis, Investment Strategies and Risk of Loss

Methods of Analysis & Investment Strategy

Sturgeon Ventures provides advisory or sub-advisory services to its Clients as described above. Sturgeon Ventures' aim is to generate consistent positive returns, in varying market conditions, by investing in accordance with each Clients' IMA. Sturgeon Ventures provides investment management strategies covering equities, fixed income, currency, funds and derivatives in global markets aiming to generate absolute returns.

Sturgeon Ventures may use investments in commodities futures contracts or other commodity-related derivatives for both hedging and speculative investing purposes.

Risk of Loss Factors

The following risk factors do not purport to be a complete list or explanation of the risks involved in an investment in the clients advised by us. These risk factors include only those risks we believe to be material, significant or unusual and relate to particular significant investment strategies or methods of analysis employed by us on behalf of our Clients.

No assurance can be made that profits will be achieved or that substantial or complete losses will not be incurred.

Leverage and Borrowing***Leverage for Investment Purposes***

The use of leverage will allow us to make additional investments, thereby increasing its exposure to assets, such that its total assets may be greater than its capital. However, leverage will also magnify the volatility of changes in the value of the Clients' portfolio. The effect of the use of leverage by us in a market that moves adversely to its investments could result in substantial losses, which would be greater than if we were not leveraged.

Borrowing for Cash Management Purposes

We have the authority to borrow for cash management purposes, such as to satisfy withdrawal requests. The rates at and terms on which we can borrow will affect the operating results of the Managed Fund(s).

Collateral

The instruments and borrowings utilized by us to leverage investments may be collateralized by all or a portion of the Managed Fund(s), if permitted. Accordingly, we may pledge its securities in order to borrow or otherwise obtain leverage for investment or other purposes. Should the Securities pledged to brokers to secure the Managed Fund(s) margin accounts decline in value, we could be subject to a "margin call", pursuant to which we must either deposit additional Managed Fund(s) or Securities with the broker or suffer mandatory liquidation of the pledged Securities to compensate for the decline in value. The banks and dealers that provide financing to us could apply essentially discretionary margin, "haircut", financing and collateral valuation policies. Changes by counterparties in any of the foregoing may result in large margin calls, loss of financing and forced liquidations of positions at disadvantageous prices. Lenders that provide other types of asset-based or secured financing to the Managed Fund(s) may have similar rights. There can be no assurance that we will be able to secure or maintain adequate financing.

Lending of Portfolio Securities

We may lend securities on a collateralized and an uncollateralized basis from its portfolio to creditworthy securities firms and financial institutions. While a securities loan is outstanding, we will continue to receive the equivalent of the interest or dividends paid by the issuer on the securities, as well as interest on the investment of the collateral or a fee from the borrower. The risks in lending securities, as with other extensions of secured credit, if any, consist of possible delay in receiving additional collateral, if any, or in recovery of the securities or possible loss of rights in the collateral, if any, should the borrower fail financially.

Diversification and Concentration

We may select investments that are concentrated in a limited number or types of Securities subject to the Clients' IMA. In addition, the Managed Fund(s)'s portfolio may become significantly concentrated in Securities related to a single or a limited number of issuers, industries, sectors, strategies, countries or geographic regions. This limited diversification may result in the concentration of risk, which, in turn, could expose us to losses disproportionate to market movements in general if there are disproportionately greater adverse price movements in such Securities.

Hedging Transactions

We may utilize Securities for risk management purposes in order to: (i) protect against possible changes in the market value of our investment portfolio resulting from fluctuations in the markets and changes in interest rates; (ii) protect our unrealized gains in the value of its investment portfolio; (iii) facilitate the sale of any Securities; (iv) enhance or preserve returns, spreads or gains on any Security in our portfolio; (v) hedge against a directional trade; (vi) hedge the interest rate, credit or currency exchange rate on any of our Securities; (vii) protect against any increase in the price of any Securities we anticipate purchasing at a later date; or (viii) act for any other reason that we deems appropriate. We will not be required to hedge any particular risk in connection with a particular transaction or its portfolio generally. We may be unable to anticipate the occurrence of a particular risk and, therefore, may be unable to attempt to hedge against it.

Micro-, Small- and Medium-Capitalization Companies

Investments in securities of micro- and small-capitalization companies involve higher risks in some respects than do investments in securities of larger "blue-chip" companies. For example, prices of securities of micro- and small-capitalization and even medium-capitalization companies are often more volatile than prices of securities of large-capitalization companies and may not be based on standard pricing models that are applicable to securities of large-capitalization companies. Furthermore, the risk of bankruptcy or insolvency of many smaller companies (with the attendant losses to investors) may be higher than for larger, "blue-chip" companies. Finally, due to thin trading in the securities of some micro- and small-capitalization companies, an investment in those companies may be illiquid.

ABS and MBS

ABS and MBS Subordinated Securities

Investments in subordinated MBS and ABS involve greater credit risk of default than the senior classes of the issue or series. Default risks may be further pronounced in the case of MBS and ABS secured by, or evidencing an interest in, a relatively small or less diverse pool of underlying loans. Certain subordinated securities absorb all losses from default before any other class of securities is at risk, particularly if such securities have been issued with little or no credit enhancement or equity. Such securities, therefore, possess some of the attributes typically associated with equity investments.

Commercial MBS

Most commercial mortgage loans underlying MBS are effectively nonrecourse obligations of the borrower, meaning that there is no recourse against the borrower's assets other than the collateral. If borrowers are not able or willing to refinance or dispose of encumbered property to pay the principal and interest owed on such mortgage loans, payments on the subordinated classes of the related MBS are likely to be adversely affected. The ultimate extent of

the loss, if any, to the subordinated classes of MBS may only be determined after a negotiated discounted settlement, restructuring or sale of the mortgage note, or the foreclosure (or deed in lieu of foreclosure) of the mortgage encumbering the property and subsequent liquidation of the property. Foreclosure can be costly and delayed by litigation and/or bankruptcy.

ABS

ABS are not secured by an interest in the related collateral. Credit card receivables, for example, are generally unsecured and the debtors are entitled to the protection of a number of U.S. federal and state consumer loan laws, many of which give such debtors the right to set off certain amounts owed on the credit cards, thereby reducing the balance due. Most issuers of ABS backed by automobile receivables permit the servicers to retain possession of the underlying obligations. If the servicer were to sell these obligations to another party, there is a risk that the purchaser would acquire an interest superior to that of the holders of the related ABS. In addition, because of the large number of vehicles involved in a typical issuance and technical requirements under state laws, the trustee for the holders of the ABS may not have a proper security interest in all of the obligations backing such ABS. Therefore, there is a possibility that recoveries on repossessed collateral may not, in some cases, be available to support payments on these securities. The risk of investing in ABS is ultimately dependent upon payment of consumer loans by the debtor.

RMBS

Holders of residential mortgage-backed securities (“**RMBS**”) bear various risks, including credit, market, interest rate, structural and legal risks. RMBS represent interests in pools of residential mortgage loans secured by one to four family residential mortgage loans. Such loans may be prepaid at any time. Residential mortgage loans are obligations of the borrowers thereunder only and are not typically insured or guaranteed by any other person or entity, although such loans may be securitized by government agencies and the securities issued are guaranteed. The rate of defaults and losses on residential mortgage loans will be affected by a number of factors, including general economic conditions and those in the geographic area where the mortgaged property is located, the terms of the mortgage loan, the borrower’s “equity” in the mortgaged property and the financial circumstances of the borrower. If a residential mortgage loan is in default, foreclosure of such residential mortgage loan may be a lengthy and difficult process, and may involve significant expenses. Furthermore, the market for defaulted residential mortgage loans or foreclosed properties may be very limited.

American Depositary Receipts and Global Depositary Receipts

American Depositary Receipts (“**ADRs**”) are receipts issued by a U.S. bank or trust company evidencing ownership of underlying securities issued by non-U.S. issuers. ADRs may be listed on a national securities exchange or may be traded in the over-the-counter market. Global Depositary Receipts (“**GDRs**”) are receipts issued by either a U.S. or non-U.S. banking institution representing ownership in non-U.S. company’s publicly traded securities that are traded on non-U.S. stock exchanges or non-U.S. over-the-counter markets. Holders of unsponsored ADRs or GDRs generally bear all the costs of such facilities. The depository of an unsponsored facility frequently is under no obligation to distribute investor communications received from the issuer of the deposited security or to pass through voting rights to the holders of depositary receipts in respect of the deposited securities.

Business Development Companies

Investments in closed-end Managed Funds that elect to be treated as business development companies (“**BDCs**”) may be subject to a high degree of risk. BDCs typically invest in small and medium-sized private and certain public companies that may not have access to public equity markets for capital raising. As a result, a BDC’s portfolio typically will include a substantial amount of securities purchased in private placements, and its portfolio may carry risks similar to those of a private equity or venture capital fund. Securities that are not publicly registered may be difficult to value and may be difficult to sell at a price representative of their intrinsic value. Small and medium-sized companies also may have fewer lines of business so that changes in any one line of business may have a greater impact on the value of their stock than is the case of a larger company.

Investments in closed-end funds are non-redeemable and are subject to the same risks as other publicly traded equity securities. There may be no public market for units of closed-end funds, which often trade at a discount from their net asset values.

Collateralized Debt Obligations

There are a variety of different types of collateralized debt obligations (“CDOs”), including CDOs collateralized by trust preferred securities and asset-backed securities and CDOs collateralized by corporate loans and debt securities called collateralized loan obligations (“CLOs”). CDOs may issue several types of securities, including, without limitation, CDO and CLO equity, multi-sector CDO equity, trust preferred CDO equity and CLO debt. CDOs are subject to credit, liquidity and interest rate risks, which are each discussed in greater detail above. The CDO equity may be unrated or non-investment grade. As a holder of CDO equity, we will have limited remedies available upon the default of the CDO. We may be unable to find a sufficient number of attractive opportunities to meet its investment objective or fully invest its committed capital.

Convertible Securities

A convertible security may be subject to redemption at the option of the issuer at a price established in the convertible security’s governing instrument. If a convertible security held by us is called for redemption, we will be required to permit the issuer to redeem the security, convert it into the underlying common stock or sell it to a third party. Any of these actions could have an adverse effect on our ability to achieve its investment objective.

Currencies

A principal risk in trading currencies is the rapid fluctuation in the market prices of currency contracts. Prices of currency contracts traded by us are affected generally by relative interest rates, which in turn are influenced by a wide variety of complex and difficult to predict factors such as money supply and demand, balance of payments, inflation levels, fiscal policy, and political and economic events. In addition, governments from time to time intervene, directly and by regulation, in these markets, with the specific effect, or intention, of influencing prices which may, together with other factors, cause all of such markets to move rapidly in the same direction because of, among other things, interest rate fluctuations.

Debt Securities

Debt securities of all types of issuers may have speculative characteristics, regardless of whether they are rated. The issuers of such instruments (including sovereign issuers) may face significant ongoing uncertainties and exposure to adverse conditions that may undermine the issuer’s ability to make timely payment of interest and principal in accordance with the terms of the obligations.

Interest Rate Risk

Changes in interest rates can affect the value of our investments in fixed-income instruments. Increases in interest rates may cause the value of the Managed Fund(s)’s debt investments to decline. We may experience increased interest rate risk to the extent it invests, if at all, in lower-rated instruments, debt instruments with longer maturities, debt instruments paying no interest (such as zero-coupon debt instruments) or debt instruments paying non-cash interest in the form of other debt instruments.

High-Yield

Bonds or other fixed-income securities that are “higher yielding” (including non-investment grade) debt securities are generally not exchange-traded and, as a result, these securities trade in the over-the-counter marketplace, which

is less transparent and has wider bid/ask spreads than the exchange-traded marketplace. High-yield securities face ongoing uncertainties and exposure to adverse business, financial or economic conditions, which could lead to the issuer's inability to meet timely interest and principal payments. High-yield securities are generally more volatile and may or may not be subordinated to certain other outstanding securities and obligations of the issuer, which may be secured by substantially all of the issuer's assets. High-yield securities may also not be protected by financial covenants or limitations on additional indebtedness. The market values of certain of these lower-rated and unrated debt securities tend to reflect individual corporate developments to a greater extent than do higher-rated securities, which react primarily to fluctuations in the general level of interest rates, and tend to be more sensitive to economic conditions than are higher-rated securities. Companies that issue such securities may be highly leveraged and may not have available to them more traditional methods of financing. In addition, we may invest in bonds of issuers that do not have publicly traded equity securities, making it more difficult to hedge the risks associated with such investments.

Corporate Debt

Bonds, notes and debentures issued by corporations may pay fixed, variable or floating rates of interest, and may include zero-coupon obligations. Corporate debt instruments may be subject to credit ratings downgrades. Other instruments may have the lowest quality ratings or may be unrated. In addition, we may be paid interest in kind in connection with investments in corporate debt and related financial instruments (e.g., the principal owed to us in connection with a debt investment may be increased by the amount of interest due on such debt investment). Such investments may experience greater market value volatility than debt obligations that provide for regular payments of interest in cash and, in the event of a default, we may experience substantial losses.

Mezzanine Debt

Mezzanine debt is typically junior to the obligations of a company to senior creditors, trade creditors and employees. The ability of us to influence a company's affairs, especially during periods of financial distress or following an insolvency, will be substantially less than that of senior creditors. Mezzanine debt instruments are often issued in connection with leveraged acquisitions or recapitalizations in which the issuers incur a substantially higher amount of indebtedness than the level at which they had previously operated. Default rates for mezzanine debt instruments have historically been higher than for investment-grade instruments. In the event of the insolvency of a portfolio company or similar event, the Managed Fund(s)'s debt investment therein will be subject to fraudulent conveyance, subordination and preference laws.

Stressed Debt

Stressed issuers are issuers that are not yet deemed distressed or bankrupt and whose debt securities are trading at a discount to par, but not yet at distressed levels. An example would be an issuer that is in technical default of its credit agreement, or undergoing strategic or operational changes, which results in market pricing uncertainty. The market prices of stressed and distressed instruments are highly volatile, and the spread between the bid and the ask prices of such instruments is often unusually wide.

Sovereign Debt

Several factors may affect (i) the ability of a government, its agencies, instrumentalities or its central bank to make payments on the debt it has issued ("**Sovereign Debt**"), including securities that we believes are likely to be included in restructurings of the external debt obligations of the issuer in question, (ii) the market value of such debt and (iii) the inclusion of Sovereign Debt in future restructurings, including such issuer's (x) balance of trade and access to international financing, (y) cost of servicing such obligations, which may be affected by changes in international interest rates, and (z) level of international currency reserves, which may affect the amount of non-U.S. exchange available for external debt payments.

Equitable Subordination

Under common law principles that in some cases form the basis for lender liability claims, if a lender (i) intentionally takes an action that results in the undercapitalization of a borrower or issuer to the detriment of other creditors of such borrower or issuer, (ii) engages in other inequitable conduct to the detriment of such other creditors, (iii) engages in fraud with respect to, or makes misrepresentations to, such other creditors or (iv) uses its influence as a stockholder to dominate or control a borrower or issuer to the detriment of other creditors of such borrower or issuer, a court may elect to subordinate the claim of the offending lender or bondholder to the claims of the disadvantaged creditor or creditors (a remedy called "equitable subordination"). If we engage in such conduct, we may be subject to claims from creditors of an obligor that debt held by the Managed Fund(s) should be equitably subordinated.

Call Options

The seller of an uncovered call option assumes the risk of a theoretically unlimited increase in the market price of the underlying Security above the exercise price of the option. The Securities necessary to satisfy the exercise of an uncovered call option may be unavailable for purchase, except at much higher prices, thereby reducing or eliminating the value of the premium. Purchasing Securities to cover the exercise of an uncovered call option can cause the price of the Securities to increase, thereby exacerbating the loss. The buyer of a call option assumes the risk of losing its entire premium investment in the call option.

Put Options

The seller of an uncovered put option assumes the risk of a decline in the market price of the underlying Security below the exercise price of the option. The buyer of a put option assumes the risk of losing its entire investment in the put option.

Index or Index Options

The value of an index or index option fluctuates with changes in the market values of the assets included in the index. Because the value of an index or index option depends upon movements in the level of the index rather than the price of a particular asset, whether we will realize appreciation or depreciation from the purchase or writing of options on indices depends upon movements in the level of instrument prices in the assets generally or, in the case of certain indices, in an industry or market segment, rather than movements in the price of particular assets.

Index Futures

The price of index futures contracts may not correlate perfectly with the movement in the underlying index because of certain market distortions. First, all participants in the futures market are subject to margin deposit and maintenance requirements. Rather than meeting additional margin deposit requirements, participants may close futures contracts through offsetting transactions that would distort the normal relationship between the index and futures markets. Second, from the point of view of speculators, the deposit requirements in the futures market are less onerous than margin requirements in the securities market. Therefore, increased participation by speculators in the futures market also may cause price distortions. Successful use of index futures contracts by us also is subject to our ability to correctly predict movements in the direction of the market.

Credit Default Swaps

Credit default swaps can be used to implement our view that a particular credit, or group of credits, will experience credit improvement or deterioration. In the case of expected credit improvement, we may sell credit default protection in which it receives a premium to take on the risk. In such an instance, our obligation to make payments upon the occurrence of a credit event creates leveraged exposure to the credit risk of the referenced entity. We may also buy credit default protection with respect to a referenced entity if, in our judgment, there is a high likelihood of credit deterioration. In such instance, we will pay a premium regardless of whether there is a credit event.

Futures Contracts

The value of futures contracts depends upon the price of the Securities, such as commodities, underlying them. The prices of futures contracts are highly volatile, and price movements of futures contracts can be influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, as well as national and international political and economic events and policies. In addition, investments in futures contracts are also subject to the risk of the failure of any of the exchanges on which our positions trade or of its clearing houses or counterparties. Futures positions may be illiquid because certain commodity exchanges limit fluctuations in certain futures contract prices during a single day by regulations referred to as “daily price fluctuation limits” or “daily limits”. Under such daily limits, during a single trading day no trades may be executed at prices beyond the daily limits. Also, 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. In extraordinary circumstances, a futures exchange or the CFTC could suspend trading in a particular futures contract, or order liquidation or settlement of all open positions in such contract.

Forward Contracts

We may enter into forward contracts and options thereon, including non-deliverable forwards, which are currently not traded through clearinghouses, although this is expected to change. The principals who deal in the forward contract market are not required to continue to make markets in such contracts. There have been periods during which certain participants in forward markets have refused to quote prices for forward contracts or have quoted prices with an unusually wide spread between the price at which they were prepared to buy and that at which they were prepared to sell. The imposition of credit controls or price risk limitations by governmental authorities may limit such forward trading to less than that which we would otherwise recommend, to the possible detriment of us. In its forward trading, we will be subject to the risk of the failure of, or the inability or refusal to perform with respect to its forward contracts by, the principals with which we trade. Assets on deposit with such principals will also generally not be protected by the same segregation requirements imposed on certain regulated brokers in respect of customer Managed Fund(s) on deposit with them. We may order trades for the Managed Fund(s) in such markets through agents. Accordingly, the insolvency or bankruptcy of such parties could also subject us to the risk of loss.

Contracts for Differences

Contracts for differences (“CFDs”) are privately negotiated contracts between two parties, buyer and seller, stipulating that the seller will pay to or receive from the buyer the difference between the nominal value of the underlying instrument at the opening of the contract and that instrument’s value at the end of the contract. The underlying instrument may be a single security, stock basket or index. A CFD can be set up to take either a short or long position on the underlying instrument. The buyer and seller are both required to post margin, which is adjusted daily. The buyer will also pay to the seller a financing rate on the notional amount of the capital employed by the seller less the margin deposit. As is the case with trading any financial instrument, there is the risk of loss associated with trading a CFD. There may be liquidity risk if the underlying instrument is illiquid because the liquidity of a CFD is based on the liquidity of the underlying instrument. A further risk is that adverse movements in the underlying security will require the posting of additional margin. CFDs also carry counterparty risk, i.e., the risk that the counterparty to the CFD transaction may be unable or unwilling to make payments or to otherwise honor its financial obligations under the terms of the contract. If the counterparty were to do so, the value of the contract may be reduced. Entry into a CFD transaction may, in certain circumstances, require the payment of an initial margin and adverse market movements against the underlying stock may require additional margin payments. CFDs may be considered illiquid. To the extent that there is an imperfect correlation between the return on the Managed Fund(s)’s obligation to its counterparty under the CFDs and the return on related assets in its portfolio, the CFD transaction may increase the Managed Fund(s)’s financial risk.

Exotic Options

Exotic options are typically, but not always, traded over-the-counter (“OTC”). OTC contracts may not trade in a liquid market and pricing may be opaque. The illiquidity of these markets can be exacerbated in times of market stress. We may incur substantial costs entering into and exiting positions that could have a material impact on performance. Exotic options may be subject to a higher degree of pricing risk as demonstrated by instances in which different counterparties in the market employ different valuation and pricing methodologies to the same exotic option. Because exotic options can often be highly customised, there is lower visibility with respect to the pricing and valuation of these instruments. Exotic options may be subject to high levels of price volatility. For example, in the case of barrier options, as the price of the asset underlying the option trades closer to a barrier level, the delta of the option (i.e., the ratio of the change in the price of the underlying asset to the corresponding change in the price of the option) and the gamma of the option (i.e., the rate of change of the delta with respect to the underlying asset’s price) may become very high. Exotic options may be subject to higher levels of model risk than commonly traded options because standard models are not able to adequately capture or predict the risks associated with the exotic options. Exotic options may be “path dependent”. This means that their terminal value (at exercise or expiration) depends upon the value of the underlying asset, not only at the time of exercise or expiration, but also at prior points in time. In this sense, the option’s terminal value depends upon the “path” taken by the underlying asset over the life of the option. For example, a barrier option’s value at expiration depends upon both the value of the underlying asset at expiration and whether the past value of the underlying asset ever satisfied a barrier condition. In contrast, a vanilla option (e.g., a call option) is not path dependent. Its value at exercise or expiration depends on the value of the underlying asset only at that point in time. The additional features incorporated by exotic options require additional judgments regarding the likelihood of certain conditions being satisfied, any one of which can result in loss if made incorrectly. An OTC option may be closed out only with the counterparty, although either party may engage in an offsetting transaction that puts that party in the same economic position as if it had closed out the option with the counterparty; however, the exposure to counterparty risk may differ. OTC options generally involve greater credit and counterparty risk than exchange-traded options.

Equity Securities Generally

The value of equity securities of public and private, listed and unlisted companies and equity derivatives generally varies with the performance of the issuer and movements in the equity markets. As a result, we may suffer losses if it invests in equity instruments of issuers whose performance diverges from our expectations or if equity markets generally move in a single direction and we have not hedged against such a general move. We also may be exposed to risks that issuers will not fulfil contractual obligations such as, in the case of convertible securities or private placements, delivering marketable common stock upon conversions of convertible securities and registering restricted securities for public resale.

Exchange-Traded Funds

Exchange-Traded Funds (“ETFs”) are publicly traded unit investment trusts, open-end funds or depository receipts that seek to track the performance and dividend yield of specific indexes or companies in related industries. These indexes may be either broad-based, sector, or international. However, ETF shareholders are generally subject to the same risk as holders of the underlying Securities they are designed to track. ETFs are also subject to certain additional risks, including, without limitation, the risk that their prices may not correlate perfectly with changes in the prices of the underlying Securities they are designed to track, and the risk of trading in an ETF halting due to market conditions or other reasons, based on the policies of the exchange upon which the ETF trades.

Illiquid Securities

Certain Securities may be illiquid because, for example, they are subject to legal or other restrictions on transfer or there is no liquid market for such Securities. Valuation of such Securities may be difficult or uncertain because there may be limited information available about the issuers of such Securities. The market prices, if any, for such Securities tend to be volatile and may not be readily ascertainable, and we may not be able to sell them when it desires to do so or to realize what it perceives to be their fair value in the event of a sale. The sale of restricted and

illiquid Securities often requires more time and results in higher brokerage charges or dealer discounts and other selling expenses than does the sale of Securities eligible for trading on national securities exchanges or in the over-the-counter markets. We may not be able to readily dispose of such illiquid investments and, in some cases, may be contractually prohibited from disposing of such investments for a specified period of time. As a result, we may be required to hold such Securities despite adverse price movements. Even those markets which we expect to be liquid can experience periods, possibly extended periods, of illiquidity.

Initial Public Offerings

Investments in initial public offerings (or shortly thereafter) may involve higher risks than investments issued in secondary public offerings or purchases on a secondary market due to a variety of factors, including, without limitation, the limited number of shares available for trading, unseasoned trading, lack of investor knowledge of the issuer and limited operating history of the issuer. In addition, some companies in initial public offerings are involved in relatively new industries or lines of business, which may not be widely understood by investors. Some of these companies may be undercapitalized or regarded as developmental stage companies, without revenues or operating income, or the near-term prospects of achieving them. These factors may contribute to substantial price volatility for such securities and, thus, for the value of the Managed Fund(s)'s Shares.

Leveraged Loans

"Leveraged loans" are loans made to companies with a below investment-grade rating from any nationally recognized rating agency. Such loans may be performing poorly when we acquire them. There is no assurance that we will correctly evaluate the value of the assets collateralizing such loans or the prospects for distribution on or repayment of such loans. We may lose its entire investment or may be required to accept cash, property or securities with a value less than our original investment and/or may be required to accept payment over an extended period of time.

Hung Loans

The term "hung loan" commonly refers to a loan that has been made (or has been committed to be made), and the lender is not able to syndicate the loan on the originally anticipated terms. Hung loans are illiquid and lack readily ascertainable market values; there is no assurance that the price to be paid for hung loans by will reflect a discounted price that should allow us to achieve a positive return on such loans or avoid losses. Since the price of the loans to be purchased is expected to continue to be significantly impacted by, in addition to the specific circumstances relating to each loan (e.g., in the case of a loan relating to a leveraged buyout ("LBO"), the financial condition of the target), global and macro-economic conditions (e.g., monetary policy, changes to currency exchange rates, governmental intervention or changes to existing laws, international geo-political events, etc.) as well as other systemic factors, it is possible that loans purchased by us will suffer significant impairments in value as a result of events not predicted. We may also face difficulties in disposing of or leveraging such loans, or in doing so without incurring losses. The markets in which hung loans are purchased and sold have been volatile and are likely to continue to be volatile in the future.

Bank Loans

Bank loans are subject to unique risks, including: (i) the possible invalidation of an investment transaction as a fraudulent conveyance under relevant creditors' rights laws; (ii) so-called lender-liability claims by the issuer of the obligations; (iii) environmental liabilities that may arise with respect to collateral securing the obligations; and (iv) limitations on the ability of us to directly enforce its rights with respect to participations. Successful claims by third parties arising from these and other risks will be borne by us.

Second Lien Loans

We may invest in loans that are secured by a second lien on assets. Second lien loans have been a developed market for a relatively short period of time, and there is limited historical data on the performance of second lien loans in

adverse economic circumstances. In addition, second lien loan products are subject to intercreditor arrangements with the holders of first lien indebtedness, pursuant to which the second lien holders have waived many of the rights of a secured creditor, and some rights of unsecured creditors, including rights in bankruptcy that can materially affect recoveries. While there is broad market acceptance of some second lien intercreditor terms, no clear market standard has developed for certain other material intercreditor terms for second lien loan products. This variation in key intercreditor terms may result in dissimilar recoveries across otherwise similarly situated second lien loans in insolvency or distressed situations. While uncertainty of recovery in an insolvency or distressed situation is inherent in all debt instruments, second lien loan products carry more risks than certain other debt products. There can be no assurance that the market for second lien loans will not contract further.

Bridge Loans

It is a common practice for financial institutions to commit to providing bridge loans to facilitate acquisitions, including LBOs, where they serve as advisers to the purchaser. Bridge loans are frequently made because, for timing or market reasons, longer-term financing is not available at the time the Managed Fund(s) are needed, which is often at the time of the closing of an acquisition. In the past, these commitments were not frequently drawn upon due to the availability of other sources of financing; however, due to market conditions affecting the availability of these other sources of financing (principally high-yield bond transactions), bridge loan commitments have been and may be drawn upon more regularly. Since these commitments were not regularly drawn upon in the past, there is little history for investors to rely upon in evaluating investments in bridge loans. Bridge loans often have shorter maturities. Borrower and lenders typically agree to shorter maturities based on the anticipation that the bridge loans will be replaced with other forms of financing within such shorter time period. However, the source and timing of such replacement financing may be uncertain and can be affected by, among other things, market conditions and the financial condition of the borrower at the maturity date of the bridge. If the borrower is unable to obtain replacement financing and repay the bridge loan at maturity, the terms of the bridge loan may provide for the bridge loan to be converted to a longer-term loan. If bridge loans are not repaid (or cannot be disposed of on favorable terms) on the dates projected by we, there may be an adverse effect upon the ability of we to manage the assets in accordance with our models and projections or an adverse effect upon our performance and ability to make distributions.

Municipal Securities

Various factors may adversely affect the value and yield of municipal securities. These factors include political or legislative changes and uncertainties related to the tax status of municipal securities or the rights of investors in these securities. To the extent that we invest heavily in a particular state's municipal securities, we will be more vulnerable to factors affecting that state. Our investments in revenue securities, where principal and interest payments are made from the revenue of a specific project or facility, and not general tax revenues, may have increased risks. Factors affecting the project or facility, such as local business or economic conditions, could have a significant impact on the project's ability to make payments of principal and interest on these securities.

Mutual Managed Fund(s) Investments

Investments in open-end as well as closed-end mutual Managed Fund(s) generally involve the payment of duplicative fees through the indirect payment of a portion of the expenses, including advisory fees, of such mutual Managed Fund(s). Investments in mutual Managed Fund(s) will be valued at the net asset values provided by those Managed Fund(s) (which may in certain circumstances be unaudited valuations). Such investments may cause the expense of investing in the Managed Fund(s) to be greater than an investment in other investment vehicles.

PIPE Transactions

Private investments in public companies whose stocks are quoted on stock exchanges or which trade in the over-the-counter securities market, a type of investment commonly referred to as a "PIPE" transaction, may be entered into with smaller capitalization public companies, which will entail business and financial risks comparable to those

of investments in the publicly-issued securities of smaller capitalization companies, which may be less likely to be able to weather business or cyclical downturns than larger companies and are more likely to be substantially hurt by the loss of a few key personnel. In addition, PIPE transactions will generally result in us acquiring either restricted stock or an instrument convertible into restricted stock. As with investments in other types of restricted securities, such an investment may be illiquid. There is no guarantee that an active trading market for the securities will exist at the time of disposition of the securities, and the lack of such a market could hurt the market value of our investments.

Preferred Stock

Investments in preferred stock involve risks related to priority in the event of bankruptcy, insolvency or liquidation of the issuing company and how dividends are declared. Preferred stock ranks junior to debt securities in an issuer's capital structure and, accordingly, is subordinate to all debt in bankruptcy. Preferred stock generally has a preference as to dividends. Such dividends are generally paid in cash (or additional shares of preferred stock) at a defined rate, but unlike interest payments on debt securities, preferred stock dividends are payable only if declared by the issuer's board of directors. Dividends on preferred stock may be cumulative, meaning that, in the event the issuer fails to make one or more dividend payments on the preferred stock, no dividends may be paid on the issuer's common stock until all unpaid preferred stock dividends have been paid. Preferred stock may also be subject to optional or mandatory redemption provisions.

Reinsurance Transactions

Reinsurance transactions include insurance-linked securities and insurance-linked derivatives. Insurance-linked securities are fixed income or equity securities for which the return of principal or invested capital and payment of interest or dividends are contingent on the occurrence or non-occurrence of specific natural or man-made perils such as hurricanes, earthquakes or other physical or weather-related catastrophic events, aviation or marine disasters and similar events. Insurance-linked derivatives are financial contracts the returns on which are linked to the same types of events as insurance-linked securities. Insurance-linked investments are subject to relatively infrequent but severe losses resulting from the occurrence of one or more catastrophic events, such as hurricanes, windstorms, hailstorms, earthquakes, fires, explosions, severe winter weather, tsunamis, floods, riots, aviation disasters, or other physical or weather-related or man-made catastrophic events. The occurrence or non-occurrence of such catastrophic events can be expected to result in volatility with respect to our assets.

Repurchase and Reverse Repurchase Agreements

In a reverse repurchase transaction, we "buy" securities issued from a broker-dealer or financial institution, subject to the obligation of the broker-dealer or financial institution to repurchase such securities at the price paid by the Managed Fund(s), plus interest at a negotiated rate. The use of repurchase and reverse repurchase agreements involves certain risks.

Restricted Securities

Restricted securities cannot be sold to the public without registration under the Securities Act. Unless registered for sale, restricted securities can be sold only in privately negotiated transactions or pursuant to an exemption from registration (e.g., under Rule 144A of the Securities Act). Although these securities may be resold in privately negotiated transactions, because there is often little liquidity for these securities, they may be difficult and take a substantial amount of time to sell, and the prices realized from these sales could be less than those originally paid by us. Restricted securities may involve a high degree of business and financial risk which may result in substantial losses.

Special Purpose Acquisition Companies

A special purpose acquisition company (a “SPAC”) is a publicly traded company formed for the purpose of raising capital through an initial public offering to Managed Fund(s) the acquisition, through a merger, capital stock exchange, asset acquisition or other similar business combination, of one or more undervalued operating businesses. Investors in a SPAC are subject to the risk that, among other things, (i) such SPAC may not be able to locate or acquire target companies by the deadline, (ii) assets in the trust may be subject to third-party claims against such SPAC, which may reduce the per share liquidation price received by the investors in the SPAC, (iii) such SPAC may be exempt from the rules promulgated by the SEC to protect investors in “blank check” companies, such as Rule 419 promulgated under the Securities Act, so that investors in such SPAC may not be afforded the benefits or protections of those rules, (iv) such SPAC may only be able to complete one business combination, which may cause it to be solely dependent on a single business, (v) the value of any target company may decrease following its acquisition by such SPAC, (vi) the value of the Managed Fund(s) invested and held in the trust decline, (vii) the inability to redeem due to the failure to hold the securities in the SPAC on the record date or the failure to vote against the acquisition and (viii) if the SPAC is unable to consummate a business combination, public stockholders will be forced to wait until the deadline before liquidating distributions are made. In addition, most SPACs are illiquid and have a concentrated shareholder base that tends to be comprised of hedge Managed Fund(s) (at least at inception). To the extent that a SPAC completes a business combination, it may be affected by numerous risks inherent in the business operations of the acquired company or companies. For these and additional reasons, investments in SPACs are speculative and involve a high degree of risk.

Structured Notes

Structured notes, variable rate mortgage-backed and asset-backed securities each have rates of interest that vary based on a designated floating rate formula or index. The value of these investments is closely tied to the absolute levels of such rates or indices, or the market’s perception of anticipated changes in those rates or indices. The movements in specific indices or interest rates may be difficult or impossible to hedge.

Undervalued Securities

The identification of investment opportunities in undervalued securities is a difficult task, and there are no assurances that such opportunities will be successfully recognized or acquired. While investments in undervalued securities offer the opportunity for above-average capital appreciation, these investments involve a high degree of financial risk and can result in substantial losses. Returns generated from our investments may not adequately compensate for the business and financial risks assumed.

Unlisted Securities

Unlisted securities may involve higher risks than listed securities. Because of the absence of any trading market for unlisted securities, it may take longer to liquidate, or it may not be possible to liquidate, positions in unlisted securities than would be the case for publicly traded securities. Companies whose securities are not publicly traded may not be subject to public disclosure and other investor protection requirements applicable to publicly traded securities.

When-Issued and Forward Commitment Securities

The purchase of securities on a “when-issued” basis involves a commitment by us to purchase or sell securities at a future date (typically one or two months later). No income accrues on securities that have been purchased on a when-issued basis prior to delivery. When-issued securities may be sold prior to the settlement date. If we dispose of the right to acquire a when-issued security prior to its acquisition, it may incur a gain or loss. In addition, there is a risk that securities purchased on a when-issued basis may not be delivered to the Managed Fund(s). In such cases, the Managed Fund(s) may incur a loss.

Item 9: Disciplinary Information

This Item is not applicable.

Item 10: Other Financial Industry Activities and Affiliations

Sturgeon Ventures LLP is a UK-based private limited liability partnership which is registered with the Financial Conduct Authority ("FCA") organized under the laws of England and Wales. Sturgeon Ventures will provide discretionary and non-discretionary advisory services to its Clients.

The Investment Adviser and its management persons are not registered as broker-dealers and do not have any application pending to register with the SEC as a broker-dealer or registered representative of a broker-dealer.

We do not recommend or select other investment advisers for our clients.

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

Pursuant to Rule 204A-1 of the Advisers Act, Sturgeon Ventures has adopted a "**Code of Ethics**" that establishes the high standard of conduct that we expect of our employees and procedures regarding our employees' personal trading of securities. Our employees are required to certify their adherence to the terms set forth in the Code of Ethics upon commencement of employment and at least annually thereafter.

The foundation of our Code of Ethics is based upon the following underlying fiduciary principles:

- Employees must at all times place the interests of the Clients first;
- Employees must ensure that all personal securities transactions are conducted consistent with the Code of Ethics; and
- Employees should not take inappropriate advantage of their position at the Firm.

The Firm has established a "**Personal Trading Policy**" that establishes various procedures with respect to investment transactions in accounts in which Sturgeon Ventures (a term that encompasses all Sturgeon Ventures) employees or related persons have a beneficial interest or accounts over which an employee has investment discretion. Sturgeon Ventures and/or its officers or employees are generally not permitted to maintain personal brokerage accounts for the purpose of trading single named securities. However, transactions may be permitted as long as the employee has received prior approval from the Firm's Chief Compliance Officer (the "**CCO**").

In addition, employees may not acquire securities for their own account in an initial public offering, and must obtain pre-approval from the CCO before participating in any private placements.

All of Sturgeon Ventures' employees must direct their brokers to send duplicate brokerage statements to the CCO, or make similar alternative arrangements. These records are used to monitor compliance with the foregoing policies.

Certain transactions involving government securities, open-end mutual funds, broad based exchange traded funds (ETFs) or other instruments, while not requiring pre-approval, are covered by the Firm's holdings disclosure requirements under the Code.

Sturgeon Ventures absolutely prohibits the misuse or inappropriate communication of inside information in connection with our securities transactions. Sturgeon Ventures, as well as national and state securities laws, also prohibits the practice of market manipulation, which comprises conduct intended to deceive or defraud investors by controlling or artificially affecting the price of securities.

Commented [A1]: CCO to confirm

Commented [A2R1]: SEC guidance strong indicates that employees should not participate in IPO and private placements if it can be prevented. Can discuss further.

Sturgeon Ventures has also adopted communications guidelines designed to assist personnel in understanding their duties and responsibilities regarding the receipt and the communication of financial and other sensitive information.

Any outside business activities employees wish to engage in must be disclosed to, and approved by the CCO.

Sturgeon Ventures has adopted a policy regarding the giving and receiving of business gifts and entertainment.

Sturgeon Ventures has also adopted a policy governing US political contributions, the holding of public office and impermissible payments. This policy is designed, among other things, to address the requirements of SEC's Rule 206(4)-5 under the Advisers Act.

Item 12: Brokerage Practices

As an adviser and a fiduciary to client accounts, Sturgeon Ventures requires that clients' interests must always be placed first and foremost, and our trading practices and procedures prohibit unfair trading practices. Sturgeon Ventures seeks to disclose and avoid any actual or potential conflicts of interests or resolve such conflicts in our clients' favour. Sturgeon Ventures has adopted the following policies and practices to meet the Firm's fiduciary responsibilities and to ensure our trading practices are fair.

Broker Selection

Sturgeon Ventures is authorized to determine the broker-dealer to be used for executing securities transactions for the Funds. In selecting broker-dealers to execute transactions, we do not need to solicit competitive bids and do not have an obligation to seek the lowest available commission cost. Securities and other assets over which we have discretionary authority are held with "Qualified Custodians" as defined in the Advisers Act.

Aggregation

When appropriate, we may, but are not required to, aggregate client orders to achieve more efficient execution or to provide for equitable treatment among accounts. Client accounts participating in aggregated trades will be allocated securities based on the average price achieved for such trades.

Allocation

Our policy prohibits any allocation of trades in a manner that would cause any Client to receive more favorable treatment than another Client.

We generally allocate trades for Managed Funds based on the gross market value of the participating accounts subject however due to the differing capital size, leverage, cash availability, risk parameters and other such factors affecting such accounts and/or arrangements. The intention of this allocation policy is that unlevered performance of each Client be substantially similar to that of other Clients and/or arrangements managed by Sturgeon Ventures in a similar strategy.

Best Execution

Sturgeon Ventures' goal of achieving best execution in our securities transactions, taking all relevant factors into consideration, is integral to our business. Traders are authorized to make investment decisions on behalf of client accounts (subject to applicable trading guidelines), and in doing so are responsible to meet "best execution" standards, that is, to ensure that transactions are executed in such a manner that the Firm's total trading-related costs (including costs of relevant research relating to trading) are minimized while trade prices are optimal. Brokerage allocations are to be made in consideration of such factors as price; transaction costs; speed and size of

execution; a broker's ability to effect the transactions; its facilities, reliability and financial responsibility; its commitment of capital in appropriate circumstances; as well as other factors that are deemed appropriate to consider under the circumstances.

Principal Trading

Sturgeon Ventures' policy and practice is to not engage in any principal transactions.

Soft Dollars

Section 28(e) of the US Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), provides a safe harbor to advisers who use soft dollars generated by client accounts to obtain investment research and brokerage services that provide lawful and appropriate assistance to firms in the performance of investment decision-making responsibilities. Although the Firm may currently use soft dollars when generated in accordance with the safe harbor provision of Section 28(e), this may conflict with our obligations under Mifid II as a FCA regulated firm, as such, in order to comply with our responsibilities in all our regulated jurisdictions, we will abstain from entering into and utilising soft dollars arrangements after 3rd January 2018.

Commented [A3]: What about RPAs???

Item 13: Review of Accounts

Our portfolio managers and investment professionals continuously monitor and analyze the transactions, positions, and investment levels of our Clients to ensure that they conform with the investment objectives and guidelines that are stated in the relevant IMAs. In these reviews, we pay particular attention to any changes in the investment's fundamentals, overall risk management and changes in the markets that may affect price levels.

Account Reporting

We may distribute other interim reports to our Clients and Investors at our discretion and as required by our regulatory obligations.

Item 14: Client Referrals and Other Compensation

Sturgeon Ventures does not currently employ any third-party marketers or solicitors for client referrals.

Item 15: Custody

We are not currently have "Custody" of Client assets. However, if in the future we are deemed to have custody of Client assets, we will comply with Advisers Act's "**Custody Rule**," by meeting the conditions of the pooled vehicle annual audit provision. Annually, upon completion of the relevant Fund's annual audit, we will distribute the Fund's audited financials to Investors within 120 days of the Fund's fiscal year end.

Item 16: Investment Discretion

Sturgeon Ventures may possess discretionary portfolio management authority over all or a portion of the investments of certain clients of Sturgeon Ventures with respect to asset allocations and direct investments as per the individual IMA.

Sturgeon Ventures may have the authority to determine (i) the securities to be purchased and sold for client accounts (subject to restrictions on its activities set forth in the applicable IMA and any written investment guidelines) and (ii) the amount of securities to be purchased or sold for client accounts.

Item 17: Voting Client Securities

To the extent that we are delegated proxy voting authority on behalf of the Client, we will comply with our proxy voting policies and procedures that are designed to ensure that such proxies are voted in the best interest of the Client. Upon request, Sturgeon Ventures will provide a copy of the Sturgeon Ventures proxy voting policies and procedures and/or a record of all proxy votes cast.

Item 18: Financial Information

This Item is not applicable.