

L2 Asset Management, LLC
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October 18, 2018

Item 1 - Cover Page

This Brochure (Form ADV, Part 2A) provides information about the qualifications and business practices of L2 Asset Management, LLC (the “Adviser”). If you have any question about the contents of this Brochure, please contact us at 617.581.9347 or info@l2asset.com. The information in this Brochure has not been approved or verified by the U.S. Securities and Exchange Commission (the “SEC”) or by any state securities authority.

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Additional information about the Adviser also is available on the SEC’s website at www.adviserinfo.sec.gov.

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

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Please keep a copy of this Brochure for your records.

Item 2 - Material Changes

This Brochure, also known as Form ADV, Part 2A, has been prepared according to SEC rules relating to information that must be disclosed to clients and prospective clients of certain investment advisers, such as L2 Asset Management, LLC (the “Adviser”).

You may request a copy of the most recent version of this Brochure free of charge by contacting the Adviser at 617.581.9347 or info@l2asset.com.

If you are a client of the Adviser, you will receive an updated Brochure (or a summary of any material changes since the Brochure’s last annual update and information on how to request an updated Brochure) within 120 days of the close of the Adviser’s fiscal year. As the Adviser’s fiscal year closes on December 31, you should expect to receive an updated Brochure or the summary of material changes by April 30 of the following year. From time to time, we also may provide you with information that, as a client, could affect our advisory relationship with you. Any update of this Brochure or any information sent to you that could affect our advisory relationship with you will be sent without charge.

The date of the last update of this Brochure was March 27, 2018.

While various editing and minor language changes have been made by the Adviser in this Brochure, the following is a summary of the material changes since the last Brochure update:

- Item 4 has been revised to reflect that the Adviser now provides investment management services in a sub-advisory capacity to two private funds and conforming changes have been made throughout. In addition, Item 4 includes an updated amount of client assets under management.
- Items 5 and 6 have been revised to reflect that the Adviser or its affiliates may receive different amounts of performance fees from different clients.
- Item 7 has been revised to reflect the number of managed account clients for which the Adviser provides investment management services and to reflect that the Adviser now also provides investment management services to clients in a sub-advisory capacity.
- Item 8 has been revised to reflect that certain of the Adviser’s client portfolios are subject to a social screen which limits their investments and to describe the associated risks thereof, as well as to clarify that it is not the Adviser’s current practice to employ “uncovered” options in managing clients’ accounts.
- Item 12 has been revised to reflect the nature of services purchased by the Adviser with soft dollars during its most recent fiscal year.

- Item 15 has been revised to reflect the Adviser's current custody practices.

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Item 4 - Advisory Business

(a) *General Description of Advisory Firm*

The Adviser is a Delaware limited liability company that began offering investment management and advisory services in January 2014. It currently serves as the manager/member to the general partner of two collective investment funds, interests in which are offered to investors on a private placement basis. The Adviser also offers separately managed accounts to institutional investors and high net worth individuals, and serves as a sub-adviser to privately-placed funds as described herein.

Dr. Sanjeev Bhojraj and Matthew Malgari are the principal owners and co-portfolio managers of the Adviser (together, the “Portfolio Managers”). Mr. Malgari also is the Adviser’s Managing Member.

(b) *Description of Advisory Services*

The Adviser invests client assets principally, but not exclusively, in large-cap equity securities (i.e., securities issued by companies, each with a market capitalization that is greater than approximately the 70th percentile of market capitalization in the Adviser-defined universe) that are publicly traded primarily, if not exclusively, on U.S. securities exchanges. In managing the client assets, the Adviser takes long positions, long and short positions, or leveraged long and short positions using its hybrid quantitative and fundamental investment process. That process is generally stock-specific and sector-agnostic, which may, at times, cause certain client portfolios to have significant exposure to a specific sector.

For more information on the Advisor’s investment advisory services, see “Item 8 - Methods of Analysis, Investment Strategies and Risk of Loss,” below. All investment strategies are available to those types of investors described in “Item 7 - Types of Clients,” below, through separately managed accounts held by banks, broker-dealers and other types of financial institutions.

(c) *Availability of Tailored Services for Individual Clients*

Client accounts generally are managed in accordance with each such client’s investment advisory agreement with the Adviser, or in the case of a client that is a collective investment fund, the collective investment fund’s offering materials and other constituent documents. Investors in a collective investment fund have no opportunity to select or evaluate any fund investment or strategy.

(d) *Wrap Fee Programs*

The Adviser currently does not participate in any wrap fee program.

(e) Client Assets under Management

As of July 31, 2018, the Adviser had total regulatory assets under management of approximately \$181,566,047. The Adviser manages assets only on a discretionary basis.

Item 5 - Fees and Compensation

(a) Advisory Fees and Compensation

The Adviser generally charges each client a management fee based on a percentage of the aggregate market value of the instruments in the client's account. That annual percentage rate generally is between 0 percent and 1.50 percent of the value of the assets under management. The Adviser or its affiliate also may receive a performance-based fee (or, in the case of certain collective investment funds, a performance allocation to the funds' general partner) of up to 25 percent of net appreciation of client account assets, including both realized and unrealized gains and losses.

In certain cases, a client and the Adviser may negotiate a fee rate that is higher or lower than the amounts in the preceding paragraph, depending in whole or in part on the amount of assets to be managed, the amount and complexity of client-specific investment restrictions, special reporting, and other services agreed to with the client, and whether the client would be paying a management fee, performance-based fee, or both.

(b) Payment of Fees

The Adviser's management fees typically are calculated and payable monthly in arrears, and performance-based fees typically are calculated annually in arrears. Management fees due from the Adviser's privately offered collective investment funds, however, are typically paid monthly in advance. In either case, the Adviser deducts management fees from the assets in the client's account unless the Adviser agrees with the client to bill the client directly for fees incurred.

Performance-based fees may create an incentive for the Adviser to make more risky and speculative investments than it might otherwise make. See "Item 6 - Performance-Based Fees and Side-by-Side Management," below, for more information.

(c) Other Fees and Expenses

Clients are responsible for the costs and expenses of maintaining an account, including fees for custody of account assets, brokerage costs, income and other taxes relating to the client, the client account and/or the client's portfolio, and the costs of verification of account assets if verification is required. For more information on the Adviser's

broker selection process, see “Item 12 - Brokerage Practices,” below. Client accounts that are invested in mutual funds and/or ETFs pay, indirectly, investment advisory fees to the managers of those funds, in addition to amounts paid directly to the Adviser. Clients that are collective investment funds also are responsible for fund-related costs, such as fund administration, transfer agency, audit, taxes and preparation of tax returns, costs of communications with investors, government fees, and legal services. The Adviser bears only its own operating costs and expenses.

The Adviser believes that its fees are competitive with fees charged by other investment advisers for comparable services. Comparable services may be available, however, from other sources for lower fees.

(d) Additional Compensation and Conflicts of Interest

No supervised person of the Adviser accepts compensation for the sale of securities or other investment products, including sales of interests in collective investment funds managed by the Adviser.

Item 6 - Performance-Based Fees and Side-by-Side Management

Some clients of the Adviser pay the Adviser management fees that are higher than the management fees paid by other clients. Some, but not all, clients of the Adviser also pay the Adviser or its affiliates performance-based fees as described in Item 5, above. Among the clients that pay the Adviser or its affiliates performance-based fees, some clients pay performance fees that are higher than the performance fees paid by other clients. To address any conflict of interests that either structure might create, the Adviser has adopted order aggregation, trade allocation and other policies and procedures to ensure that, among other things, accounts managed by the Adviser participate fairly in trades and limited investment opportunities. Moreover, the Adviser’s Pricing and Allocation Committee (the “PAC”) regularly reviews all client accounts to determine whether there is any indication of favoritism to accounts with higher management fees and/or performance-based fees. For further information on the Adviser’s order aggregation, trade allocation and other brokerage policies, see “Item 12 - Brokerage Practices,” below.

Item 7 - Types of Clients

The Adviser provides investment advisory services to privately offered collective investment funds, and separately managed accounts of institutional investors and high net worth individuals, each on terms as negotiated at the time the parties enter into an investment advisory agreement. The Adviser currently does not impose any specific

restrictions on the requirements for opening or maintaining an account, such as minimum account size.

Currently, the Adviser manages the assets of one separately managed account, as well as two privately offered collective investment funds intended primarily for taxable U.S. investors: L2 Summit Fund, L.P. and the L2 Summit Enhanced Return Fund, L.P. The Adviser also serves as the investment sub-adviser for two additional private funds sponsored by the Knights of Columbus Asset Advisors, LLC, the asset management arm of the Knights of Columbus. Further details concerning any of these collective investment funds, including any investor suitability criteria, are set forth in the respective fund's offering documents. For a copy of the confidential offering memorandum of either of L2 Summit Fund, L.P. and L2 Summit Enhanced Fund, L.P., please call the Adviser at 617.581.9347 or email at info@l2asset.com.

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

(a) Methods of Analysis and Investment Strategies

The Adviser's investment methodologies employ a proprietary mix of quantitative and fundamental processes to evaluate individual stocks and construct portfolios. Quantitative investment analysis is a method of evaluating securities by analyzing a large amount of data through the use of models to generate an investment decision. Fundamental analysis involves a bottom-up approach to investing through a detailed analysis of specific companies, including their financial statements and financial ratios, management, competitive advantages and markets, in an attempt to determine the value of its stock.

The Adviser's investment approach is intended to find undiscovered value by ferreting out atypically high-quality businesses for their level of valuation. The Adviser's processes assess quality across many metrics and then identify stocks that may not be appropriately valued. These processes allow the Adviser to compare the relative merits of every company with equity securities traded in the U.S. in its applicable universe of equities that meet the Adviser's data requirements.

Stocks are evaluated by the Adviser on many variables or factors that can be classified broadly into various categories, including "valuation" and "earnings quality." "Valuation" contains traditional measures such as the dividend-to-price ratio and the earnings-to-price ratio, and "earnings quality" is used to assess the quality of earnings using measures such as accounting accruals and inventory turnover. Other variables focus on measures of analysts' forecasts, balance sheet quality, market movements and return patterns including short and long-term price momentum. Final suitability for investment is determined after imposing additional sorting and merging procedures using some or all of these variables.

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In managing client assets, the Adviser relies on investment models and other intellectual property (the “Kailash Capital Models”) that it licenses from Kailash Capital, LLC (“Kailash Capital”). Dr. Bhojraj and Mr. Malgari also own a majority of the interests of Kailash Capital.

The development of an investment strategy is a continuous and evolving process, and the Adviser’s investment strategy and methods may therefore be modified from time to time. The Adviser’s investment methods, including the Kailash Capital Models, are confidential and the descriptions of them in this Brochure are not exhaustive.

(b) Material Risks

A client account managed or advised by the Adviser generally is subject to the principal risks of investing in equity securities, debt securities, foreign securities, leverage/short sales, alternative investments, and cash and cash-equivalent investments.

- Equity Securities. Equity share prices may fall because of general weaknesses in the financial markets, weaknesses with respect to a particular industry in which the investor has a significant holding, or weaknesses associated with one or more specific companies in which the investor may have a substantial holding. In addition, small-cap stocks tend to be more volatile than large-cap and mid-cap stocks, and growth stocks tend to be more volatile than value stocks.
- Debt Securities. The value of debt securities may fall because of increases in interest rates, deteriorating credit quality, the lack of market liquidity, the risks associated with rapid changes in interest rates, the risks associated with extended periods of very low interest rates and, with respect to asset-backed securities, the risks that the underlying securities will be prepaid or not paid as quickly as expected.
- Foreign Securities. The value of foreign securities may fall because of lost investor confidence caused by unavailable or limited financial information on foreign issuers, or the difficulty of investors to sell their foreign securities or protect their investments. Foreign securities also tend to be adversely affected by local or regional political and economic developments, as well as changes in exchange rates, and the inconvertibility of local currency into U.S. dollars. For emerging market securities, these risks tend to be greater than for securities of issuers located in more developed countries.
- Social Screen. Certain accounts sub-advised by the Adviser are subject to social screens. Because investments for these sub-advised client accounts are selected in part based upon religious criteria, the return on these investments may be lower or higher than investments based solely on fundamental security analysis.

- Leverage/Short Sales. A client account incurs leverage in its investment program, whether directly through the use of borrowed funds, or indirectly through investment in certain types of financial instruments with inherent leverage, such as puts, calls and warrants, which may be purchased for a fraction of the price of the underlying securities while giving the purchaser the full benefit of movement in the market of those underlying securities. While such strategies and techniques increase the opportunity to achieve higher returns on the amounts invested, they also increase the risk of loss. To the extent a client account purchases securities with borrowed funds, its net assets would tend to increase or decrease at a greater rate than if borrowed funds were not used.
- Alternatives. The value of alternative investments may fall because of default, mispricing or improper valuations, or changing investor expectations. Investments in real estate tend to be very sensitive to movements in interest rates, and investments in commodities tend to be very sensitive to inflation rates and changes in currency rates.
- Cash and Cash-Equivalent Investments. The value of cash-equivalent investments may fall because of rapid increases in exchange rates, prolonged low short-term interest rates, and concentrated exposure to those financial institutions that have issued cash-equivalent instruments.
- Financial Models. The Adviser relies on certain proprietary and standard financial models to assess risk, i.e., the Kailash Capital Models. Financial models attempt to account for risk and uncertainty. Despite their mathematical sophistication, at best they provide an oversimplification of reality and rely on data or models that may be incomplete or inaccurate. Moreover, incomplete or inaccurate data inputted into the Adviser's financial models is likely to compromise the models' integrity and generate inaccurate trading signals. The complex reality of the financial world, however, is not and cannot be reflected in a mathematical model. In the universe of finance, the behavior of individuals determines the value of individual financial instruments, and behavior can, and in crises, frequently does, change.
- Options and Other Derivative Instruments. The Adviser typically has the right to use options and derivative instruments in managing client accounts, including buying and writing puts and calls on some of the securities held by a client account in an attempt to supplement income derived from those securities. The prices of many derivative instruments, including many options and swaps, are highly volatile. The value of options and swap agreements depend primarily upon the price of the securities, indexes, commodities, currencies or other instruments underlying them. Price movements of options contracts and payments pursuant to swap agreements are also influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic

events and policies. Clients may also be subject to the risk of the failure of any of the exchanges on which its positions trade or of their clearinghouses or of counterparties. The cost of options is related, in part, to the degree of volatility of the underlying securities, currencies or other assets. Accordingly, options on highly volatile securities, currencies or other assets may be more expensive than options on other investments. Purchasing and writing put and call options and, in particular, writing “uncovered” options are highly specialized activities and entail greater than ordinary investment risks. Note that it is not the Adviser’s current practice to engage in writing uncovered options. Swaps and certain options and other custom instruments are subject to the risk of non-performance by the counterparty, including risks relating to the financial soundness and creditworthiness of the counterparty.

- Dependence upon the Adviser. The Adviser’s success in managing the clients’ assets will depend on the management of the Adviser and on the skill and acumen of Dr. Bhojraj and Mr. Malgari. If Dr. Bhojraj and Mr. Malgari should cease to participate in the Adviser’s business, the Adviser’s ability to select attractive investments and manage the clients could be severely impaired.
- Investment Risks in General. The prices of securities and derivative instruments in which the clients may invest may be volatile. Market movements are difficult to predict and are influenced by, among other things: government trade, fiscal, monetary and exchange control programs and policies; changing supply and demand relationships; national and international political and economic events; changes in interest rates; and the inherent volatility of the marketplace.

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Additional information concerning the risks associated with the Adviser’s investment strategies is available to clients and potential clients upon request. For more information, please contact us at 617.581.9347 or info@l2asset.com.

All investments in securities and other financial instruments involve a risk of loss, which clients should be prepared to bear.

Item 9 - Disciplinary Information

Not applicable.

Item 10 - Other Financial Industry Activities and Affiliations

(a) Broker-Dealer, Commodity Exchange Act Registration

Not applicable.

(b) Material Relationships or Arrangements

The quantitative and fundamental methodologies, investment models and other intellectual property involved in the Adviser's provision of advisory services to its clients, is owned by Kailash Capital. Kailash Capital receives licensing and consulting fees from the Adviser and others that have licensed the models and intellectual property. Dr. Bhojraj and Mr. Malgari, as well as one other employee of the Adviser, have an ownership interest in Kailash Capital. The Adviser therefore has a financial incentive to continue using, or recommend the continued use of, Kailash Capital's intellectual property when advising its clients.

(c) Recommendations of Other Advisers to Clients

Not applicable.

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

The Adviser's compliance policies and procedures, as well as its Code of Ethics, are administered primarily by the Adviser's Chief Compliance Officer, as well as the PAC. The PAC's responsibilities include reviewing personal securities transactions by the Adviser's principals and employees, reviewing the Adviser's broker-selection process and soft-dollar practices, reviewing trade allocation and aggregation practices, and reviewing transactions that inherently create a conflict of interest between the Adviser and its clients.

(a) Code of Ethics

The Adviser has adopted a Code of Ethics for all its employees that describes the Adviser's high standard of business conduct, and its fiduciary duty to its clients. The Code of Ethics and the Adviser's compliance policies include policies and procedures relating to, among other things: confidentiality of investor and client information, handling of material non-public information and prohibitions on insider trading, gifts and entertainment, outside activities, political contributions, personal account trading, trading in client accounts and prohibitions on market manipulation, and disclosure (anti-fraud) requirements. All supervised persons at the Adviser must acknowledge

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annually the terms of the Code of Ethics and the compliance policies and procedures. Investors or prospective investors may request a copy of the Adviser's Code of Ethics a by contacting the Adviser's Chief Compliance Officer at phone at 617.581.9347 or info@l2asset.com.

(b) Investing in Securities where Adviser has a Material Financial Interest

Neither the Adviser nor any of its related persons recommends to clients, or buys from or sells to clients, securities in which the Adviser has a material financial interest. Dr. Bhojraj and Mr. Malgari, as well as other key employees of the Adviser, maintain substantial investments in certain collective investment funds managed by the Adviser so, in this regard, the Adviser may be recommending securities in which it does have a material financial interest.

Neither the Adviser nor any of its related persons buys or sells as principal (i.e., in a principal transaction) securities to or from client accounts, except in accordance with the Advisers Act and with the consent of the Adviser's Chief Compliance Officer.

(c) Investing in Securities Recommended to Clients; Contemporaneous Trading

The Adviser licenses from Kailash Capital for a fee the quantitative and fundamental methodologies, investment models and other intellectual property that it uses to manage client assets. Kailash Capital is controlled by Dr. Bhojraj and Mr. Malgari and is under common control with the Adviser.

Kailash Capital also provides for a fee certain research and consulting services to certain third parties. In addition, Mr. Malgari (acting on behalf of Kailash Capital) provides assistance in developing aggregated data analytics and commentaries to those third parties. In providing those services, however, Mr. Malgari does not make or advise those third parties on specific security recommendations, as these analytics and commentaries are thematic in nature. To avoid any conflict of interest that may arise over that relationship, neither Dr. Bhojraj nor Mr. Malgari is provided any information relating to specific security recommendations to be made by third parties prior to those recommendations being made available to the public, and the Adviser does not make any investment decision based on the aggregated data analytics or commentaries until they have been published.

The Adviser has no proprietary trading accounts and therefore does not invest in the same (or related) securities in which it invests client assets.

The Code of Ethics contains specific policies and procedures regarding restrictions on personal trading. In addition, the Code of Ethics and the Adviser's compliance policies provide that each employee has the responsibility to be sure that he or she is not benefitting in any personal investment at the expense of Adviser's clients, that the employee is not in any way taking advantage of or trading on knowledge of the impact

of client transactions upon the market price of the employee's own securities, and that the employee is not damaging the employee's own or the Adviser's reputation by trading on the Adviser's recommendations to its clients.

While it is theoretically possible that an employee of the Adviser may hold the same security that a client holds, the Adviser believes that the potential conflict of interest that is present in such a situation is minimal due to the fact that the Adviser's primary holdings are relatively small positions in widely traded large-cap equity securities. Such positions would require significant large transactions well outside the range of any possible transaction made on behalf of clients or by any single employee in order to make a price impact on the market price of the security. The Adviser has implemented monitoring of employees' personal security accounts transaction and holdings reports on a regular basis in order to identify and address any conflicts of interest that might arise, including front-running, market manipulation or insider trading.

An additional conflict of interest may arise due to cross-trading between the client accounts. The Adviser may engage in such cross-trading for a variety of reasons, including the need to rebalance client accounts, for tax or liquidity purposes, or to reduce transaction costs that may arise in an open market transaction. It is the Adviser's policy not to engage in cross-trading unless one of the following conditions is met: (a) the Adviser utilizes an interposed non-affiliated broker-dealer (which will generate a commission charge), or (b) the Adviser utilizes an off-exchange transaction without a broker, however pricing must be within the range of trading for the particular day (and in this case, pre-approval by the Adviser's Chief Compliance Officer is required prior to executing the cross-trade). Any other type of cross-trade generally is prohibited. If the Adviser effects a cross-trade, the Adviser will waive any fee in connection with the completion of the transaction to which it otherwise would be entitled.

Item 12 - Brokerage Practices

(a) *Factors Considered in Selecting or Recommending Broker-Dealers for Client Transactions*

The Adviser generally is responsible for the placement of client portfolio transactions and the negotiation of any commissions paid on such transactions. The types of securities in which clients invest normally are purchased through brokers on securities exchanges or directly from the issuer or from an underwriter or market maker for the securities. Purchases of securities through brokers typically involve a commission to the broker. Purchases of securities from dealers serving as market makers typically include the spread between the "bid" and the "ask" price. The Adviser may utilize the services of one or more introducing brokers who will execute client brokerage transactions through a prime broker or other brokers or custodians who will clear client

transactions.

Transactions for a client's account are executed through brokers (including futures commissions merchants) selected by the Adviser in its sole discretion and without the consent of the client. In placing portfolio transactions for a client, the Adviser will seek to obtain the best execution for the client, taking into account factors such as (a) the ability to effect prompt and reliable executions at favorable prices (including the applicable dealer spread or commission, if any), (b) the operational efficiency with which transactions are effected and the efficiency of error resolution, taking into account the size of order and difficulty of execution, the financial strength, integrity and stability of the broker, (c) special execution capabilities, (d) clearance, (e) settlement, (f) reputation, (g) on-line pricing, (h) block trading and block positioning capabilities, (i) willingness to execute related or unrelated difficult transactions in the future, (j) order of call, (k) on-line access to computerized data regarding clients' accounts, (l) performance measurement data, (m) the quality, comprehensiveness and frequency of available brokerage and research products and services considered to be of value, (n) the availability of stocks to borrow for short trades, (o) the competitiveness of commission rates in comparison with other brokers satisfying the Adviser's other selection criteria, and (p) commission-sharing agreements or other soft dollar arrangements that are in effect at the time of the transaction. The Adviser is not required to weigh these factors in any particular manner.

1. Soft Dollar Arrangements

The term "soft dollars" refers to benefits provided to the Adviser by a broker as a result of commissions generated from financial transactions executed by the broker for client accounts managed by the Adviser. Soft dollars may be used by the Adviser to acquire various products or services. The use of soft dollars to pay for these products and services, including research and brokerage services, presents the Adviser with potential conflicts of interest.

The Adviser uses soft dollars generated by client's brokerage transactions to pay for brokerage and research products and services that fall within the safe harbor afforded by Section 28(e) of the Exchange Act. Under Section 28(e), an investment adviser who uses soft dollars only to obtain investment research and brokerage services generally shall not be deemed to have acted unlawfully or to have breached a fiduciary duty under state or federal laws. In order to qualify for the safe harbor, the products or services must provide assistance to the investment adviser in the performance of its investment decision-making responsibilities, or must relate to the execution, clearance or settlement of a trade. The use of soft dollar arrangements, even within the limitations of the Rule 28(e) safe harbor described above, can create conflicts of interest. The products and services received by the Adviser from soft dollars generated by a client's assets may be used to benefit other clients of the Adviser and, to the extent that the Adviser is able to pay for certain products and services through the use

of soft dollars, whether for the client or other clients, the Adviser will not bear the burden of having to incur the cost of such products and services directly.

During the Adviser's last fiscal year, it acquired products and services with client brokerage commissions including, but not limited to: research from independent research firms, market data and industry news services and publications.

2. Referral of Investors

The Adviser may also direct some client brokerage business to brokers who refer prospective clients to the Adviser, including investors in a private collective investment fund managed by the Adviser. Because such referrals, if any, are likely to benefit the Adviser and its affiliates but will provide an insignificant (if any) benefit to the clients, the Adviser will have a conflict of interest with its clients when allocating client brokerage business to a broker who has referred clients. To prevent client brokerage commissions from being used to pay client referral fees, the Adviser will not allocate client brokerage business to a referring broker unless the Adviser determines in good faith that the commissions payable to such broker are reasonable in relation to those available from non-referring brokers offering services of substantially equal value to the clients.

3. Directed Brokerage

The Adviser does not recommend, request or require that a client direct it to execute transactions through a specified broker-dealer. In addition, the Adviser does not currently have directed brokerage arrangements with its clients.

(b) Allocation of Investment Opportunities; Order Aggregation

The Adviser may at times determine that certain investments will be suitable for acquisition by a client and by other accounts managed by the Adviser, the Adviser's own accounts, or accounts of an affiliate. If that occurs, and the Adviser is not able to acquire the desired aggregate amount of such investments on terms and conditions that the Adviser deems advisable, the Adviser will endeavor to allocate in good faith the limited amount of such investments acquired among the various accounts for which the Adviser considers them to be suitable. The Adviser may make such allocations among the accounts in any manner which it considers to be fair under the circumstances, including allocations based on relative account sizes, the degree of risk involved in the investments acquired, and the extent to which such investments are consistent with the investment policies and strategies of the various accounts involved.

The Adviser may aggregate purchase and sale orders of investments held by a client with similar orders being made simultaneously for other client accounts if, in the

Adviser's reasonable judgment, such aggregation is reasonably likely to result in an overall economic benefit to the client based on an evaluation that the client will be benefited by relatively better purchase or sale prices, lower commission expenses or beneficial timing of transactions, or a combination of these and other factors.

In many instances, the purchase or sale of investments for a client will be effected simultaneously with the purchase or sale of like investments for other accounts or entities. Such transactions may be made at slightly different prices, as a result of the volume of investments purchased or sold. In such event, the average price of all investments purchased or sold in such transactions may be determined, at the Adviser's sole discretion, and the client may be charged or credited, as the case may be, with the average transaction price.

Item 13 - Review of Accounts

The portfolios of all client accounts are reviewed periodically by at least one Portfolio Manager to determine whether they conform to the investment objectives and strategies agreed to with the Adviser.

Each client typically receives the following reports or other materials relating to his or her account: (a) monthly or quarterly account balance statements from the custodian of the client's assets, and (b) periodic commentary from the Adviser relating generally to the management of client assets.

Investors in privately offered collective investment funds managed by the Adviser may receive additional materials or reports, including annual financial statements and income tax information. For more information, please see the relevant fund's offering documents.

Item 14 - Client Referrals and Other Compensation

The Adviser may engage solicitors to whom it pays cash or a portion of the advisory fees and or incentive allocation paid by investors referred to it by those solicitors. When applicable, this practice is disclosed in writing to clients and potential clients, and the Adviser complies with the other requirements of Rule 206(4)-3 under the Advisers Act to the extent required by law.

Item 15 - Custody

The Adviser is deemed to have custody, as defined in Rule 206(4)-2 under the Advisers Act, of the funds or securities held by its private funds. The Adviser relies on the “audit exemption” in Rule 206(4)-2(b)(4) under the Advisers Act, which exempts an adviser to a limited partnership, limited liability company or other pooled investment vehicle from the requirement to deliver account statements to its clients if the vehicle is audited annually by an independent public accountant that is registered with the Public Company Accounting Oversight Board and distributes the audited financial statements annually to the investors in the vehicle within 120 days of the end of its fiscal year.

The Adviser is not deemed to have custody of its managed account assets or its two sub-advised funds.

Item 16 - Investment Discretion

The Adviser only provides investment advisory services on a discretionary basis to its clients.

Item 17 - Voting Client Securities

The Adviser maintains written policies and procedures regarding its authority to vote client securities. The Adviser typically encourages clients to vote their securities. When the Adviser has the authority to vote, the Adviser’s policy is to vote - not abstain from voting - on all issues presented on portfolio securities held for its clients.

The Adviser considers all issues presented for a vote of security holders from an investment point of view and votes what it believes is in the best investment interests of the client account holding the securities that are being voted, with the goal of maximizing the long-term value of the client account. Consistent with that goal, and to facilitate voting of portfolio securities, the Adviser generally will vote in accordance with recommendations made by Institutional Shareholder Services, Inc.

All employees of the Adviser have a duty to report any potential conflict of interest of which they become aware regarding voting on behalf of client accounts. The Adviser will consider all potential conflicts of interest brought to its attention, or otherwise coming to its attention, and will determine whether there exists a material conflict of interest with respect to the vote in question. A conflict of interest will be considered material to the extent that it is determined that such conflict has the potential to influence the Adviser’s decision-making regarding the vote. Where it is deemed that a material conflict of interest does not exist, the Adviser may cast such vote, subject to the duty to act solely in the best interest of the beneficial owners of accounts holding

the securities that are being voted. Where it is determined that a material conflict of interest does exist, and if the issue is specifically addressed in the Adviser's proxy voting policies and procedures, the Adviser will vote in accordance with the stated policies. In a situation where the issue is not specifically addressed in the policies and an apparent or actual conflict exists, the Adviser shall either: (a) delegate the voting decision to an independent third party; (b) inform the client of the conflict of interest and obtain advance consent of a majority of such investors for a particular voting decision; or (c) not vote.

Investors may obtain information about how the Adviser has voted with respect to their securities and a copy of the Adviser's Proxy Voting Policies and Procedures by contacting the Adviser at 617.581.9347 or info@l2asset.com.

Item 18 - Financial Information

Not applicable.