

PART 2A OF FORM ADV: FIRM BROCHURE

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This brochure provides information about the qualifications and business practices of CMT Asset Management LLC (“CMTAM”).

References to “we,” “us,” and “our” in this Brochure are to CMTAM.

If you have any questions about the contents of this Brochure, please contact us at (312) 930-9050 or compliance@cmtam.com.

The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC), any state securities authority or any other government authority, or by any regulatory or self-regulatory organization.

CMTAM is registered with the SEC as an investment adviser. Registration with the SEC does not imply a certain level of skill or training, nor has the SEC approved or disapproved of our qualifications.

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

MATERIAL CHANGES

There have been no changes to our Brochure that we believe to be material since we last filed an annual update to our Brochure on March 29, 2018. However, in connection with a routine compliance examination of our operations, the Staff of the Securities and Exchange Commission informed us that, in its view, we should not include the proprietary assets of our affiliates in our regulatory assets under management. As a result of the SEC staff's comment, we have removed from the calculation of our regulatory assets under management all assets of our affiliates that we do not directly manage. See "Advisory Business," below.

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ADVISORY BUSINESS

CMT Asset Management LLC is a Delaware limited liability company that commenced business as an investment adviser in November, 2017. Our principal place of business is 500 West Monroe Street, Suite 2630, Chicago, Illinois 60661.

We are wholly owned by CMT Digital Holdings LLC a Delaware limited liability company which is also our managing member (“CMT DH”). CMT DH is, in turn, wholly owned by GTO LLC. The majority owners of GTO LLC are Scott A. Casto and Jan-Dirk Lueders, who are referred to in this Brochure as the “principals.”

We use the investment personnel, infrastructure, and support provided by our affiliates in connection with managing assets for our clients. In this Brochure, we refer to ourself and our affiliates collectively as “CMT,” and to our affiliates collectively as the “CMT Group.” The CMT Group was founded 20 years ago by the principals.

As of March 15, 2019, our regulatory assets under management were \$25,753,272. This represents the amount of client assets that we manage on a discretionary basis, calculated in accordance with the method for calculating regulatory assets under management set forth in the instructions to Part 1A of SEC Form ADV. (See “Investment Discretion,” below, for a description of the manner in which we characterize accounts as “discretionary.”) We do not currently manage any client assets on a non-discretionary basis.

We currently serve as investment manager for two clients, one of which is a private investment fund offered exclusively to sophisticated investors (generally, institutional investors, high net worth individuals, and family offices (the “Venture Initiative Fund” or “VIF”), and the other of which is an entity that is part of the CMT Group. We may serve as investment manager for additional investment funds and/or other types of accounts. In this Brochure, we refer to the investment funds and accounts for which we currently serve, or may in the future serve, as investment manager individually as a “Client” and collectively as our “Clients.”

We have investment discretion with respect to the investment decisions we make for Clients. We provide investment management services to each Client based on the particular investment objectives and strategies of that Client. The investment objectives and strategies of a Client that is an investment fund (a “Fund”) are described in that Fund’s Offering Documents (defined below). The investment objectives and strategies of a Client that is not a Fund are set forth in an investment management or similar agreement between us and that Client. Please see the section of this Brochure entitled “Methods of Analysis, Investment Strategies and Risk of Loss” for additional details.

All discussions in this Brochure relating to a Client that is a Fund, including but not limited to the Fund’s investments and investment strategies, the fees and other costs associated with an investment in the Fund, the risks associated with an investment in the Fund, and the conflicts of interest to which we and our affiliates are subject in connection with our management of the assets of the Fund, are qualified in their entirety by reference to the

Fund's confidential offering memorandum (if any) and governing documents (referred to collectively as the Fund's "Offering Documents").

FEES AND COMPENSATION

We do not currently have a general fee schedule. The fees and expenses that we charge to Clients will vary. In the case of a Client that is a Fund:

- we typically will determine, in connection with launching the Fund, the management fee, carried interest, performance allocation or performance fee (discussed below under "Performance-Based Fees and Side-by-Side Management) and expenses payable to us by the Fund and/or its investors, but will reserve the right, in our sole discretion, to reduce or waive the management fee and/or carried interest, performance allocation or performance fee payable by the Fund or by any investor in the Fund; and
- such management fee, carried interest, performance allocation or performance fee, and expenses, and the timing of our receipt of the same, are set forth in detail in the Fund's Offering Documents.

In the case of the VIF specifically, we receive:

- a management fee calculated and payable quarterly in advance at an annual rate of 2% of the VIF's net asset value, capital commitments, or net capital contributions, as applicable (subject to our reserved right to reduce or waive the management fee from VIF or any investor in VIF in our sole discretion); and
- carried interest of 20% of profits after a VIF investor has been repaid his/her aggregate capital contributions to VIF (subject to our reserved right to reduce or waive the carried interest in respect of any investor in VIF in our sole discretion).

In the case of a Client that is not a Fund, the management fee, performance fee and expenses payable to us by the Client typically are negotiated between us and the Client and are then set forth in detail in the investment management or similar agreement between us and the Client.

We currently serve as investment manager for one non-Fund Client, which is an entity that is part of the CMT Group. We do not charge any fees or expenses to such Client under our investment management agreement with such Client.

To the extent a Fund or other Client invests in underlying investment vehicles, the Fund or other Client will be subject not only to the management fee, carried interest, performance allocation or performance fee, and expenses, charged by us, but also to similar asset-based fees, carried interests, performance allocations or performance fees, and expenses, charged by those investment vehicles. Investors in a Fund should refer to the Offering Documents for that Fund for additional information regarding underlying investment vehicles of this type. A non-Fund

Client should consult directly with us for additional information regarding underlying investment vehicles of this type.

We may, in our discretion, manage other Funds and/or other Client accounts with higher or lower fees, different fee structures, and/or different expense payment arrangements, than those applicable to Fund and other Clients for whom we currently serve as investment manager.

We may pay a portion of the fees, carried interest and/or performance allocations or performance fees we receive from Clients to selling agents or technical advisers.

PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

In the case of a Client that is a Fund, we ordinarily will receive from such Fund, or from its investors, either (i) a performance allocation or performance fee based on the net capital appreciation of the Fund's assets (or the net capital appreciation of an investor's investment in the Fund) or (ii) a "carried interest" on realized profits of the Fund. (We may also receive "carried interest" or other forms of performance-based compensation from non-Fund Clients.)

The receipt by us from a Fund (or its investors) or other Client of carried interest or performance allocations/performance fees rewards us for continuing increases in the value of the assets of such Fund or other Client, without directly penalizing us for losses, creating an incentive for us to invest and reinvest the assets of such Fund or other Client in a manner that is riskier or more speculative than would otherwise be the case. These arrangements also create an incentive for us to favor Funds and other Clients that pay us greater carried interests or higher performance allocations/performance fees over Funds or other Clients that pay us such forms of compensation at lower rates or do not pay us such forms of compensation at all. However, we have a fiduciary duty to, and will, seek to allocate investment opportunities in a manner that we believe treats all Funds and other Clients fairly over time.

TYPES OF CLIENTS

As discussed above under "Advisory Business," we currently serve as the investment manager for two clients – VIF, and an entity that is part of the CMT Group. We may serve as investment manager for other Funds, as well as other Clients of all types (such as institutional investors (*e.g.*, corporations, partnerships, insurance companies, banking or thrift institutions, charitable organizations, governmental entities, pension and profit-sharing plans, sovereign wealth funds, trusts and estates) and high net worth individuals. Similarly, subject to the considerations set forth in the following paragraph, a Client that is a Fund may offer its interests to institutional investors and high net worth individuals.

Investors in a Fund generally will be required to complete and submit a subscription agreement binding them to the terms of the Fund's Offering Documents. A Fund generally will admit only: (A) sophisticated U.S. taxable investors that are both (i) "accredited investors," as defined in Rule 501(a) of Regulation D under the Securities Act of 1933, and (ii) as applicable, "qualified purchasers" (or "knowledgeable employees"), as defined in the Investment Company Act of 1940 (the "Investment Company Act") and the rules thereunder, or "qualified clients" as defined in Rule 205-3 under the Investment Advisers Act of 1940, as amended (the "Advisers Act"), (B)

sophisticated non-U.S. investors, or (C) sophisticated U.S. tax-exempt investors that are “accredited investors” and either “qualified purchasers” or “qualified clients,” as applicable.

METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

Investment Strategies

We generally employ investment strategies designed to achieve capital appreciation and maximize absolute returns by investing in all types of investment instruments, including but not limited to (but subject to our compliance with applicable regulatory requirements): equities and equity-linked securities; various types of derivatives, including credit derivatives; swaps, including total return, debt, credit default and equity swaps; options; forwards; futures; currencies; sovereign debt issued or guaranteed by national, state or provincial governments of various countries; interest rate derivatives; distressed and high yield investment instruments; commodities products and derivatives; and cryptocurrencies (e.g., bitcoin) and other digital assets.

We manage VIF, and we may manage the assets of other Clients (including other Funds), with the investment objective of achieving long-term capital appreciation through privately-negotiated venture capital investments in seed- and early-stage companies that are developing and/or utilizing blockchain-enabled technology, including companies focused on cryptocurrencies, tokens and other digital assets. We define “digital assets” or “crypto assets” as a new asset class that enables decentralized applications, which are a way to create a service that no single entity operates (collectively, “Digital Assets”). For example, the first decentralized application for payments was Bitcoin. A Fund or other Client engaged in this strategy may purchase equity or debt securities of early-stage companies, or invest in these companies indirectly through investment vehicles. It may also invest directly or indirectly in certain Digital Asset investments, including in token sales and pre-sales for Digital Assets. In pursuing this strategy, a Fund or other Client may invest in other pooled investment vehicles that invest in Digital Assets.

Methods of Analysis

We will endeavor to complete a thorough and robust review of each company in which VIF or any other Client invests. Screening of investments will begin after receiving an opportunity from our venture capital and private equity networks, which should provide us with what we believe to be significant high-quality deal flow. Screening will generally start with a high-level review of the company, including a review of the company’s marketing materials and a call with management if sufficient interest exists on our part. The company will then be vetted for certain attributes, including, but not limited to: (i) total addressable market; (ii) management; (iii) uniqueness; (iv) competitive landscape; (v) quality of investor base; and (vi) valuation. Further diligence will include review of historical and projected financials, a detailed cap table and, if applicable, a term sheet.

If we believes that a company is an attractive opportunity after following the screening process described above, we will then move to an advanced fundamental research and analysis process, which is usually a multi-week and sometimes multi-month endeavor. Such analysis will typically include calls and meetings with management, current and former employees,

customers, suppliers, and competitors, as well as industry analysis and a financial review. The final step is conducting operational due diligence, employing a robust checklist to ensure that the company has met the appropriate operating standards.

The investment process ultimately concludes with an investment decision, which includes a decision on the amount of capital allocated.

Post-investment, we will typically have multiple opportunities to invest capital into the same company and we will continue to closely monitor the companies we have invested in by reviewing monthly updates and quarterly financials, conducting searches for any relevant press, and engaging in regular contact with management, with an eye toward adding to investments in target companies which are performing well and (where possible) termination of investments that are performing poorly.

Risk of Loss

Investing in securities, Digital Assets, and other assets involves risk of loss that investors must be prepared to bear. There can be no assurance that we will achieve a Fund's or other Client's investment objective or that a Fund or other Client will not incur losses. Clients, and investors in Funds, must be prepared to lose all or substantially all of their investments.

The following is a summary of some of the material risks associated with our strategies. This summary does not attempt to describe all of the risks associated with an investment selected by us.

General Risks

Venture Capital Investments. VIF will (and other Funds and Clients may) focus on early-stage venture capital investments, which is the segment of venture capital with the highest degree of investment risk. Typically, early-stage companies have no operating history, unproven technology, untested management, and unknown future capital requirements. These companies often face intense competition from other start-up ventures and also from established and more experienced companies with much greater financial and technical resources, marketing and service capabilities, and a greater number of qualified personnel.

Investing in Private Companies. VIF will (and other Funds and Clients may) invest in the equity securities of privately-held companies. As a result, there generally will be limited or no marketability of those investments, and such investments may decline in value while a Fund or other Client is seeking to dispose of them. Furthermore, a Fund or other Client may find it necessary to sell investments at a discount or to sell over extended periods of time. Consequently, these investments generally will not be sold for a number of years and will remain relatively illiquid and difficult to value.

All investments in private companies involve substantial risks, including, without limitation: (i) adverse or ineffective, as well as inconsistent, alignment of interests among management (including as a result of personal/family rather than business issues); (ii) technological obsolescence; (iii) financial planning misjudgment; (iv) employee or management misconduct; (v) lack of reliable financial information; and (vi) any number of general economic conditions that are beyond our control, such as: changing market sentiment; changes in economic conditions, competition and technology; changes in interest rates; changing economic or political conditions or events; and changes in tax laws and governmental regulation.

General Start-Up Company Risk. Certain companies in which VIF (or another Fund or Client) invests may be “start-up” enterprises, which involve a high degree of business and financial risk. These companies, in certain cases, may have volatile operating results, operate in rapidly changing business environments, offer products subject to a substantial risk of lack of market acceptance and/or obsolescence, require significant additional capital to support their operations or otherwise have a weak or unstable financial condition.

Certain of these companies may have highly leveraged capital structures. Investments in such leveraged companies, when compared with investments in similar companies that are not highly leveraged, are at much greater risk in the event of any deterioration in their operating results as well as adverse changes in general economic factors such as increased interest rates or an economic downturn.

Early Stage Investments; Venture-Stage Investments. VIF and other Funds and Clients may make seed- and early-stage venture capital investments in companies that are developing and/or utilizing blockchain-enabled technology. Most of these types of investments are made at an early point in a company’s life cycle, when a company is newly formed and may not have any revenue. These “early stage” or “seed” investments can create value inherent in particular companies or situations that can be realized only with substantial effort or expense. Often the success of the investment will depend not only on the efforts of its management team, but also upon actions of other key individuals, or extraneous factors including political or economic developments over which we have little or no control. Many early stage companies face significant competition from other firms, both established and start-up, with greater financial resources, more extensive development, manufacturing, marketing and service capabilities and a larger number of qualified managerial and technical personnel. In all such cases, VIF or another Fund or Client will be subject to the risks associated with the underlying businesses engaged in by portfolio companies.

Early stage investments are typically made in firms that are seeking to develop and bring to market new, unproven ideas or technology. This endeavor is subject to a number of risks, including, but not limited to: failure to develop or perfect the idea as planned; obsolescence; patent infringement and similar claims that prevent the idea or technology from being used or licensed; lack of market acceptance; and loss of key personnel. These companies are typically dependent on the abilities of key individuals, including founding entrepreneurs, owners or employees with critical technological skills or ownership of important patents or other intellectual property, and marketing and financial professionals. The growth and development of early stage companies may depend on the regular injection of additional capital and financing

beyond that which VIF or another Fund or Client is prepared or able to invest; such financing may not be available from other sources.

Venture stage companies are typically thinly staffed and may lack the internal resources or procedures and controls to detect and prevent accounting errors, or more serious losses caused by the misconduct or negligence of officers, employees or agents. The very significant returns that have been earned in a small portion of venture capital investments have in large part resulted from the completion of highly successful initial public offerings or acquisitions that have permitted the venture investors to sell their equity interests at multiples of original cost. There can, of course, be no assurance that, at the time a given venture investment matures, the public securities markets will support an initial public offering (“IPO”) to permit such returns or that the venture-backed company’s fundamentals will warrant such returns.

Restrictions Imposed on Exit Strategies. Even if an exit strategy — for example, an IPO — is able to be implemented with respect to an investment in a private company, VIF or any other Fund or Client — as an early stage investor — may be subject to material “holdback” restrictions which limit its ability to participate, perhaps until the price at which it would initially have participated has been significantly eroded.

Dilution. Venture capital investments in private companies are subject to the risk of material dilution. Dilution can result from the company’s unanticipated need for additional financing, foreclosure by creditors, adverse litigation outcomes draining the company’s resources, and numerous other factors. Because private companies typically have limited financial resources, events which could be easily absorbed by larger capitalization public companies can force private companies to take steps which result in the positions of existing investors being severely comprised, and often without existing investors having the opportunity to maintain their investments by making an additional investment. VIF or another Fund or Client implementing a venture capital strategy may successfully invest in a company with significant profit potential but then be “squeezed out” of its position by subsequent financing activity.

Market Risk. The success of a VIF’s or another Fund’s or Client’s investment program may be substantially and adversely affected by general economic and market conditions. The market value of portfolio companies and their ability to succeed may be affected by, among other things: changing supply and demand; changes in interest rates; governmental laws, regulations and enforcement activities; trade, fiscal and monetary programs and policies; and national and international political and economic developments. None of these conditions is within our control and no assurances can be given that we will anticipate these developments. These factors may affect the price, level, volatility, and liquidity of investments held by the VIF and other Funds or Clients. Unexpected price or level changes or volatility or illiquidity could impair VIF’s or another Fund’s or Client’s profitability or result in losses.

Leverage. Private companies in which VIF or another Fund or Client may invest will often be highly leveraged. In certain instances, VIF or another Fund or Client may have consent rights with respect to additional borrowings by these companies but in others it may not, and may not be able to control, or even be consulted regarding, the use of additional leverage. The greater the leverage used by a portfolio company, the greater such portfolio company’s debt service

obligations as well as exposure to changes in security interest rates. Furthermore, the debt issued by start-up companies is often secured by their underlying assets, so that if there is a default on such debt the bondholders will typically take over the company resulting in a complete loss for equity holders such as VIF or another Fund or Client.

Non-control investments. VIF or another Fund or Client may hold a non-controlling interest in its portfolio companies and, therefore, may have a limited ability to protect its positions in such companies. In these cases, it will be significantly reliant on the existing management and board of directors of such companies, which may include representatives of other financial investors with whom it is not affiliated and whose interests may conflict with its interests.

General Risks Relating to Digital Assets

Digital Assets Generally. Digital Assets present a constantly changing environment in which the associated risks are also constantly changing. The investment characteristics of Digital Assets generally differ from those of traditional currencies, commodities, or securities. Importantly, Digital Assets are not backed by a central bank or a national, supra-national, or quasi-national organization, any hard assets, human capital, or other form of credit. Rather, Digital Assets are market-based: a Digital Asset's value is determined by (and fluctuates often, according to) supply and demand factors, the number of merchants that accept it, and the value that various market participants place on it through their mutual agreement, barter or transactions.

Digital Asset Exchanges. The exchanges and platforms on which Digital Assets trade are relatively new and largely unregulated and may therefore be more exposed to theft, fraud, and failure than established, regulated exchanges for other products. In general, Digital Asset exchanges are currently start-up businesses with no institutional backing, limited operating history, and no publically available financial information. Exchanges generally require cash to be deposited in advance in order to purchase Digital Assets, and no assurance can be given that those deposit funds can be recovered. Additionally, upon sale of Digital Assets, cash proceeds may not be received from the exchange for several business days. The participation in exchanges requires users to take on credit risk by transferring Digital Assets from a personal account to a third-party's account. A user like VIF or another Fund or Client will take credit risk of an exchange every time it transacts.

Digital Asset exchanges may impose daily, weekly, monthly, or customer-specific transaction or distribution limits or suspend withdrawals entirely, rendering the exchange of virtual currency for fiat currency difficult or impossible. Additionally, Digital Asset prices and valuations on exchanges have been volatile and subject to influence by many factors including the levels of liquidity on exchanges and operational interruptions and disruptions. The prices and valuation of Digital Assets remain subject to any volatility experienced by exchanges, and any such volatility can adversely affect an investment in VIF or another Fund or Client. Virtual currency exchanges are appealing targets for cybercrime, hackers, and malware. It is possible that while engaging in transactions with various Digital Asset exchanges located throughout the world, any such exchange may cease operations voluntarily or involuntarily due to theft, fraud, security breach, liquidity issues, or government investigation without any recourse to investors. In addition, banks may refuse to process wire transfers to or from exchanges.

Over the past several years, many digital asset exchanges have been closed due to fraud, business failure or security breaches. In many of these instances, the customers of such digital asset exchanges were not compensated or made whole for the partial or complete losses of their account balances in such digital asset exchanges. While smaller digital asset exchanges are less likely to have the infrastructure and capitalization that make larger digital asset exchanges more stable, larger digital asset exchanges are more likely to be appealing targets for hackers and malware and may be more likely to be targets of regulatory enforcement action. At this time, there is no U.S. or foreign governmental, regulatory, investigative, or prosecutorial authority or mechanism through which to bring an action or complaint regarding missing or stolen Digital Assets from an exchange. Consequently, an exchange may be unable to replace missing Digital Assets or seek reimbursement for any theft of Digital Assets, adversely affecting investors and an investment in VIF or another Fund or Client account.

Any financial, security, or operational difficulties experienced by such exchanges may result in an inability of VIF or another Fund or Client to recover money or Digital Assets being held by the exchange, or to pay investors upon withdrawal. Further, VIF or another Fund or Client may be unable to recover Digital Assets awaiting transmission into or out of its account, all of which could adversely affect an investment in VIF or another Fund or Client account. Additionally, to the extent that the Digital Asset exchanges representing a substantial portion of the volume in Digital Asset trading are involved in fraud or experience security failures or other operational issues, such Digital Asset exchanges' failures may result in loss or less favorable prices of Digital Assets, or may adversely affect VIF or another Fund or Client and its operations and investments.

Secondary Trading of Digital Asset Securities.

Digital tokens offered pursuant to ICOs that are securities may have no or limited established public markets. In March 2018, the SEC's Divisions of Enforcement and Trading and Markets issued a joint public statement warning that many trading platforms that provide for trading digital assets are not registered with the SEC and not subject to SEC oversight as regulated national securities exchanges or alternative trading systems.

Although some digital assets or tokens may be listed on exchanges outside the United States, there can be no assurance that such exchanges will maintain a listing or that they will allow access by VIF or another Fund or Client. Further, there can be no assurance that a secondary market in a particular ICO token will develop or, if a secondary market does develop, that it will provide the digital token holders with sufficient liquidity or that the market will continue for the life of the digital token. VIF or another Fund or Client may not be able to sell a digital token investment or may only be able to do so at a substantial loss.

Non-U.S. Operations. Many Digital Asset exchanges operate outside of the United States. VIF or another Fund or Client may have difficulty in successfully pursuing claims in the courts of such countries or enforcing in the courts of such countries a judgment obtained by it in another country. In general, certain less developed countries lack fully developed legal systems and

bodies of commercial law and practices normally found in countries with more developed market economies. These legal and regulatory risks may adversely affect VIF or another Fund or Client and its operations and investments.

Various foreign jurisdictions have or may adopt policies, laws, regulations or directives that affect the sale of ICOs, digital assets or tokens. Some jurisdictions have taken a highly accommodative approach to regulating digital assets, while others have taken a hostile approach, with some jurisdictions even outlawing trading and ownership of certain types of ICOs or digital assets entirely. Such additional foreign regulatory obligations may cause VIF or another Fund or Client to incur extraordinary expenses and ongoing expenses, possibly affecting an investment in a material and adverse manner. Due to the global and borderless nature of digital assets and digital token transactions, there is also considerable uncertainty about which jurisdictions laws and regulations may apply to a particular asset or transaction. This uncertainty could have an adverse impact on VIF or another Fund or Client that invests in Digital Assets.

Risks of Buying or Selling Digital Assets. VIF or another Fund or Client may transact with private buyers or sellers or Digital Asset exchanges, in which case it will take on credit risk every time it purchases or sells Digital Assets, and its contractual rights with respect to such transactions may be limited. Although VIF's or another Fund's or Client's transfers of Digital Assets or cash will be made to or from a counterparty whom we believe to be trustworthy, it is possible that, through computer or human error, or through theft or criminal action, Digital Assets or cash could be transferred in incorrect amounts or to unauthorized third parties. To the extent that VIF or another Fund or Client is unable to seek a corrective transaction with such third party or is incapable of identifying the third party that has received its Digital Assets or cash (through error or theft), it will be unable to recover incorrectly transferred Digital Assets or cash, and such losses will negatively impact it. Certain Digital Asset exchanges may place limits on VIF's or another Fund's or Client's transactions, or VIF or another Fund or Client may be unable to find a willing buyer or seller of Digital Assets. To the extent VIF or another Fund or Client experiences difficulty in buying or selling Digital Assets, it may experience delays in subscriptions or payment of withdrawal proceeds, or there may be delays in liquidation of its Digital Assets—adversely affecting its net asset value.

Uncertainty of Valuations. The valuation of the assets and liabilities of VIF or another Fund or Client may be subject to considerable uncertainty due to the novel nature of the Digital Assets in which it invests. Such uncertainties could have an impact on the valuation of an investment in VIF or such other Fund, or the valuation of such other Client account.

Legal and Regulatory Uncertainty Surrounding Digital Assets. Globally, regulators, legislators and courts are only beginning to assess the legal character of Digital Assets and the manner and extent to which these assets and derivatives of these assets should be subject to regulation. The legal and regulatory treatment of these products is currently uncertain and is evolving, sometimes in an inconsistent “patchwork” of potentially conflicting or overlapping rules. In the United States, the SEC, the Commodity Futures Trading Commission, the Internal Revenue Service, the Office of Comptroller of the Currency, the Treasury Department's Financial Crime Enforcement Network, the Federal Trade Commission, state regulators, and non-governmental self-regulatory

organizations have taken divergent approaches to regulation. Recently legal and regulatory developments in the United States and certain other jurisdictions have in some cases been highly critical of the manner in which Digital Assets have been developed, distributed, and traded. Non-U.S. laws and regulations are similarly evolving in a manner that is leading to inconsistent treatment across jurisdictions. Some jurisdictions have taken a highly accommodative approach to regulating Digital Assets, while others have taken a hostile approach, with some jurisdictions even outlawing trading and ownership of certain types of Digital Assets entirely. Certain exchanges and other market participants have relocated to jurisdictions perceived to be “friendlier” to Digital Assets, but which may also provide substantially fewer protections for persons transacting in those jurisdictions. Due to the global and borderless nature of digital currency and digital token transactions, there is also considerable uncertainty about which jurisdictions laws and regulations may apply to a particular asset or transaction. This uncertainty could have an adverse impact on VIF or another Fund or Client that invests in Digital Assets.

Other Regulatory Treatment.

Digital assets and tokens may be subject to additional regulation by other national, state and local regulatory authorities.

On March 18, 2013, FinCEN issued interpretive guidance relating to the application of the Bank Secrecy Act to distributing, exchanging and transmitting “virtual currencies.” More specifically, it determined that a user of virtual currencies for its own account will not be considered a money service business (“MSB”) or be required to register, report and perform recordkeeping; however, an administrator or exchanger of virtual currency must be a registered money services business under FinCEN’s money transmitter regulations. To the extent that VIF or another Fund or Client invests in an ICO or digital asset associated with a platform that is required to comply with FinCEN regulations and register as an MSB, the compliance costs may adversely affect an investment.

In a September 2015 administrative proceeding, *In the Matter of Coinflip, Inc. d/b/a Derivabit (“Coinflip”)*, the CFTC determined that bitcoin and other virtual currencies are regulated as commodities under the Commodity Exchange Act of 1936. On March 6, 2018, the federal district court for the Eastern District of New York agreed with the CFTC’s position in *Coinflip* and held that bitcoin, as a virtual currency, was a commodity as defined by the CEA and subject to CFTC jurisdiction for fraud and manipulation in the spot market (without directly involving futures or derivatives contracts.)

To the extent a company’s activities are viewed as holding or offering digital asset derivatives (including futures, options and swaps) or if the digital asset themselves are deemed to be commodity interests, VIF or another Fund or Client may be required to register and comply with additional regulation under the Commodity Exchange Act, such as registering as a commodity pool operator (where holding instruments deemed to be commodity interests) or a company that develops digital asset that are held by VIF or another Fund or Client is required to register as a swap execution facility or swap dealer (when offering instruments deemed to be commodity interests) or by being subject to the CFTC requirements with respect to such instruments, such as reporting, recordkeeping, mandatory clearing or minimum margin requirements. The registration and associated compliance costs could adversely affect an investment in a digital asset.

Price Volatility. A central risk in trading Digital Assets is the rapid fluctuation in their market prices. Digital Asset prices have been subject to periods of extreme volatility, and such periods can be expected to recur. Similar price volatility has occurred, and will likely continue, in the markets for derivatives on Digital Assets. A significant amount of the current demand for Digital Assets is driven by speculative trading activity and not by purchasers seeking to acquire the Digital Assets for their primary uses, such as for making online payments. High price volatility undermines the value of certain Digital Assets, such as Bitcoin and other digital currencies, as a medium of exchange and store of value.

The price volatility of Digital Assets is influenced by many unpredictable factors, such as market sentiment; inflation rates; investor tastes; perceptions of value (whether accurate or not); widespread participation by unsophisticated investors; the availability of third-party service providers, such as exchanges and wallet providers, capable of providing services with respect to the assets, interest rate movements and the interaction of the forces of supply and demand; fiscal and monetary policies of governments; and general economic and political conditions. While volatility can create profit opportunities for the strategies we pursue, it can also create the risk that historical or theoretical pricing relationships and predicted valuation fluctuations will be disrupted, causing losses. On the other hand, a lack of volatility could also result in losses.

Disruption Risk. The markets for Digital Assets have experienced frequent disruptions, thefts by state and non-state actors, “forks,” and other issues that have resulted in participant losses. We expect this to continue to occur in the future.

Lack of Access Due to Loss of Private Keys. Digital currency and digital tokens generally may be controllable only by the possessor of both the unique public key and unique private key relating to the local or online digital wallet in which the Digital Asset is held. While each Digital Network may require a public key relating to a digital wallet to be published when used in a transaction, private keys must be safeguarded and kept private in order to prevent a third party from accessing the Digital Asset held in such wallet. To the extent a private key is lost, destroyed, or otherwise compromised and no backup of the private key is accessible, the Digital Assets held in the related wallet will not be accessible. The loss or destruction of a private key required to access a digital token may be irreversible. Any loss of private keys relating to digital wallets used to store VIF’s or another Fund’s or Client’s Digital Assets could lead to substantial losses.

Risks Relating to Digital Assets: Token Sales or Initial Coin Offerings

Initial Coin Offerings. Digital tokens have emerged as a new alternative channel for raising funds and for distributing so-called “functional tokens.” These offerings have come to be referred to as “initial coin offerings” (or “ICOs”), and in some instances are the digital equivalent of an initial offering of securities. VIF or another Fund or Client may participate in token sales, including in ICOs that may be deemed securities offerings. The legality of ICOs is currently in question in certain jurisdictions. ICOs are highly speculative, and because of the rapid

proliferation of ICOs, many ICOs may take place via systems that have not been as heavily scrutinized as those through which transactions in broadly traded digital currencies take place. As such, ICOs may be susceptible to hacking and other wrongdoing that could lead to a loss of funds invested in the ICO.

New ICOs May Be Unregistered. Many of the ICOs that have taken place as of the date of this brochure have not been registered under the U.S. or other national, state or local securities laws. The SEC released a Report of Investigation on July 25, 2017 (the “DAO Report”) discussing the ICO of “DAO Tokens,” the offer and sale of which was not registered under U.S. securities laws. The SEC expressed the view that the DAO Tokens met the definition of a “security.” The DAO Report also stated that the trading system through which the DAO Tokens were being offered met the definition of an “exchange” under U.S. securities laws. While the SEC did not bring an enforcement action in that case, the SEC emphasized that the offer and sale of securities must comply with U.S. federal securities laws, including the requirement that securities be registered or exempt from registration. In summarizing its position with respect to the DAO Tokens, the SEC explained that the determination of whether or not a particular transaction involves the sale or offer of a security will ultimately depend on the facts and circumstances. Other jurisdictions have expressed views similar to those of the SEC in the DAO Report. The generally unregulated nature of many ICOs may increase the risk that certain ICOs may turn out to be fraudulent. VIF’s or another Fund’s or Client’s ability to recover funds invested in an unlawful or fraudulent ICO is likely to be extremely limited, if it is able to recover any funds at all.

Whether any particular ICO in which VIF or another Fund or Client participates constitutes a security may be subject to considerable uncertainty, as it remains unclear how the SEC and other national, state and local regulatory agencies and courts will treat such offerings. The DAO Report raised a high likelihood that at least certain ICOs could be deemed to be securities under U.S. law, but it is impossible to predict how the SEC may respond with respect to future ICOs. It is uncertain how a determination that an ICO in which VIF or another Fund or Client has participated was in violation of the securities laws would affect such participant, but it is possible that such a determination may have a material adverse impact on the value of its digital token and thus have an adverse affect on the overall value of its assets, or could create litigation and other legal expenses for it.

No Existing Market for New ICOs. The digital tokens offered pursuant to ICOs have no or limited established public markets. Although the tokens may be listed on exchanges, there can be no assurance that such exchanges will maintain a listing or that they will allow access by VIF or another Fund or Client. Further, there can be no assurance that a secondary market in an ICO will develop or, if a secondary market does develop, that it will provide the digital token holders with sufficient liquidity or that the market will continue for the life of the digital token. VIF or another Fund or Client may not be able to liquidate a digital token investment or may only be able to do so at a substantial loss.

ICOs May Be Securities Offerings.

Many of the ICOs that have taken place as of the date of this brochure have not been registered under the U.S. or other national, state or local securities laws or relied on an available exemption from registration.

As discussed above, on July 25, 2017, the SEC (the “DAO Report”) which concluded that digital assets or tokens issued for the purpose of raising funds may be securities within the meaning of the federal securities laws. The DAO Report emphasized that whether the offer and sale of a digital asset is a securities offering is based on the particular facts and circumstances, including the economic realities of the transaction. While the SEC did not bring an enforcement action in that case, the SEC emphasized that the offer and sale of securities must comply with U.S. federal securities laws, including the requirement that securities be registered or exempt from registration. Following the DAO Report, the SEC issued a number of public statements reiterating that the offer or sale of digital assets, coins or tokens may be securities offerings that should be conducted in accordance with the U.S. federal securities laws. The SEC has taken an active enforcement approach in connection with ICOs, including settlement orders with ICO issuers that failed to comply with the U.S. federal securities laws.

In December 2017, Munchee Inc., (“Munchee”) a company selling tokens in an ICO to raise capital for the development of its blockchain based food review service, agreed to a cease-and-desist order. The SEC found Munchee’s ICO constituted unregistered offers and sales of securities. In November 2018, the SEC filed cease-and-desist orders against Paragon Coin, Inc. and CarrierEQ, Inc. d/b/a Airfox after finding that each company had conducted ICOs that were unregistered securities offerings that did not qualify for an exemption from registration. Both companies were required to pay civil penalties, undertake to register the tokens under the Securities Exchange Act of 1934 (“Exchange Act”) and return funds to token purchasers who elect to exercise rescission rights. In February 2019, the SEC filed a cease-and-desist order against Gladius Network LLC (“Gladius”), also for conducting an unregistered and non-exempt securities offering. The SEC did not impose civil penalties against Gladius because the company had self-reported to the SEC its failure to comply with the federal securities laws with respect to its ICO. Gladius was also required to undertake token registration under the Exchange Act and return funds to token purchasers who elect to exercise rescission rights.

Whether any particular ICO in which VIF or another Fund or Client participates constitutes an offering of securities remains dependent on the specific facts and circumstances of each transaction, regardless of the terminology and technology used. As the law regarding digital assets and ICOs is still evolving, VIF or another Fund or Client may participate in an ICO that is an unlawful securities offering. It is uncertain how a determination that an ICO in which VIF or another Fund or Client has participated was in violation of the securities laws would affect such participant, but it is possible that such a determination may have a material adverse impact on the value of its digital token and thus have an adverse effect on the overall value of its assets, or could create litigation and other legal expenses for it. VIF’s or another Fund’s or Client’s ability to recover funds invested in an unlawful ICO is likely to be extremely limited, if it is able to recover any funds at all. To the extent that digital assets or tokens held by VIF or another Fund or Client are deemed to fall within the definition of a security for purposes of U.S. securities laws and regulations, VIF or another Fund or Client will seek to comply with relevant U.S. laws and regulations, including the Advisers Act (such as registering as an investment adviser) and the Company Act, as applicable. Any associated registration and compliance costs may adversely affect an investment in VIF or another Fund or Client.

Fraudulent ICOs.

The SEC's Office of Investor Education and Advocacy has issued investor bulletins educating investors about ICOs and highlighting certain risks related to ICOs, including the risk that ICOs may be fraudulent. Media outlets such as the Wall Street Journal have reported that a number of ICOs have involved fraudulent activity. The nature of many ICOs may increase the risk that certain ICOs may turn out to be fraudulent. VIF's or another Fund's or Client's ability to recover funds invested in an unlawful or fraudulent ICO is likely to be extremely limited, if it is able to recover any funds at all.

DISCIPLINARY INFORMATION

We have no legal or disciplinary events to report that are material to an investor's or prospective investor's evaluation of our advisory business or the integrity of our management.

OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Management Persons Registration. Several of our management persons are also registered with CMT Trading LLC, an SEC-registered broker-dealer that trades in the U.S. equity markets potentially in the same products in which we trade on behalf of VIF and potentially on behalf of other Funds and Clients.

Relationship with Related Persons. Our ultimate beneficial owners also maintain ownership in Capital Markets Trading UK LLP ("CMT UK"), a limited liability partnership incorporated in England and Wales that is licensed by the U.K. Financial Conduct Authority for authorization to act as an Investment Management Firm. CMT UK provides investment advice and management services to certain CMT Group proprietary trading entities. CMT UK does not manage any non-CMT Group assets. For the avoidance of doubt, we do not expect to use the services of CMT UK with respect to VIF or any other Fund or Client and in no event will any additional compensation be payable by investors in VIF or another Fund in connection with our use of CMT UK.

Brokerage. We do not intend to use our affiliate, CMT Trading LLC, when trading on behalf of VIF or any other Fund or Client. If we determine to use CMT Trading LLC, such use would result in additional fees to CMT Group. We will not accommodate directed brokerage requests from Fund investors or Clients. We maintain best execution policies and procedures to ensure that affiliated trading, if any, will not hinder our best execution obligation with respect to VIF or any other Fund or Client.

Proprietary Trading/Conflicts of Interest. In 1997, the principals founded CMT Group, a proprietary trading firm. The CMT Group is comprised of various entities and is an active market participant in U.S. and non-U.S. markets. CMT Group trades primarily in exchange listed products in the United States, Europe, South America, and Asia. From time to time, certain traders or principals of CMT Group may take a proprietary position in the same assets as those

traded or held by VIF or another Fund or Client, and may utilize the same investment strategy as that utilized by VIF or another Fund or Client. In order to address the conflicts of interest that arise when CMT Group principals and traders trade in the same or substantially similar investment products as VIF or another Fund or Client, we have developed and implemented policies and procedures, including, but not limited to, monitoring procedures that we believe are reasonably designed to deal with such conflicts of interest. Such policies and procedures address, among other matters, the avoidance of traders taking positions on behalf of CMT Group that are opposite, or ahead of, the positions taken on behalf of VIF or another Client or Fund.

Because the principals also control CMT Group, the proprietary trading of CMT Group is not physically or functionally separate from our investing and trading on behalf of VIF and other Clients. Specifically, the principals will have access to information regarding our pending transactions, orders, order flow, and trading and investment activities prior to the public disclosure of such information. Although the principals will have access to information of VIF and our other Clients and the CMT Group, we have implemented policies and procedures designed to ensure that all other CMT Group traders do not receive any unfair benefit or advantage when trading or investing in similar products and strategies to those of VIF or another Fund or Client.

CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

Code of Ethics: We have adopted a Code of Ethics that is designed to meet the requirements of Rule 204A-1 promulgated by the SEC under the Advisers Act. The Code of Ethics is required to be signed annually by all access persons and supervised persons (“CMT Associates”) and covers topics such as personal trading, fiduciary responsibility, gifts and entertainment, political contributions, and conflicts of interest. A copy of our Code of Ethics is available to any client or prospective client on request by contacting our Chief Compliance Officer (the “COO”) at (312) 930-9050 or compliance@cmtam.com.

Generally, conflicts of interest are addressed on a case-by-case basis, typically through disclosure to investors, or a decision to change, cease, or not move forward with the proposed activity or activity, as the case may be. All CMT Associates are required to report conflicts and potential conflicts of interest to the CCO.

Personal Trading: CMT Associates are permitted to maintain personal trading accounts and CMT Associates are permitted to invest in the same securities and other financial instruments in which VIF or another Fund or Client may invest.

To mitigate the conflicts associated with CMT Associates trading, for their personal accounts, in the same securities in which VIF or another Fund or Client trades, we regularly monitor and analyze the personal trading activity of CMT Associates. Any personal trading that appears abusive or in violation of the Code of Ethics will result in further inquiry by the CCO and/or sanctions, up to and including disgorgement of profits, a warning, or dismissal. We also periodically inform and/or provide compliance training to CMT Associates with respect to the Code of Ethics policies and procedures.

Proprietary Trading. As discussed above, as part of its proprietary trading operation, the CMT Group is also expected to trade in the same products as VIF and other Funds and Clients. The conflicts of interest associated with the CMT Group's proprietary trading will be addressed as set forth above in "Other Financial Industry Activities and Affiliations."

BROKERAGE PRACTICES

Broker-Dealers: We will have sole authority for selecting the broker-dealers used in each transaction for VIF and other Funds and Clients and for negotiating the fees to be paid to each broker-dealer in connection with such transactions. We do not intend to use our affiliate, CMT Trading LLC, when trading on behalf of VIF or any other Fund or Client. Any such use of an affiliated broker dealer would result in additional fees to CMT Group. The unlikely use of its affiliated broker dealer notwithstanding, we recognize our duty to obtain "best execution" of securities transactions for VIF and other Funds and Clients. Consistent with such duty, in determining best execution, we may take into account the full range and quality of a broker-dealer's services, including research and other services that may benefit some (or only one) but not all Funds and other Clients. Therefore, we may not necessarily negotiate "execution only" commission rates. In effecting transactions, we will place orders in accordance with our best execution policies, which may take into account a number of factors, including but not limited to:

- The broker's financial responsibility and reputation;
- The broker's commission rates and other transactional charges;
- The broker's stability, reputation, reliability, and responsiveness to us;
- The broker's ability to execute trades, willingness to execute difficult transactions, special execution capabilities, and efficiency of execution;
- The range and quality of services made available to us;
- The broker's willingness to commit capital for trades;
- The broker's ability to source or provide liquidity;
- The broker's ability to provide access to multiple markets and venues (including foreign markets);
- The broker's risk-margin requirements; and
- Adequacy of the broker's trading infrastructure and technology.

We reserve the right in our sole discretion to change or add broker-dealers without prior notice to investors in any Fund to the owners of any other Client account. We will not accommodate directed brokerage requests from Fund investors or Clients.

Soft Dollars. We may receive from broker-dealers products and services in addition to brokerage services. "Soft dollars" will be used within the safe harbor created by Section 28(e) of the Securities Act of 1934. Services that we may receive from such broker-dealers may include research, general market commentary, economic information, trading advice, industry and company commentary, technical data, recommendations, general reports, quotations, and other market data or information, and the arrangement of meetings with the management of issuers. If we engage in these arrangements, we will benefit from them because we will not have to produce or pay for the research, products, or services received. We would therefore have an incentive to

select or recommend a broker-dealer based on our interest in receiving soft dollar benefits rather than on a Fund's or other Client's interest in receiving favorable execution. The services received from broker-dealers and paid for by a Fund or other Client may be used by the CMT Group, and certain of such services may not be used to benefit a Fund or other Client that effectively bears the costs of such services. We will follow procedures that we believe are reasonably designed to ensure that we use soft dollars in a manner that is consistent with our duty to seek best execution, and that we appropriately identify which services are within or outside the safe harbor.

Aggregation of Trades. Where appropriate, we may, but we are not required to, aggregate orders to achieve more efficient execution or to provide for equitable treatment among proprietary accounts and Funds and other Clients. A Fund or other Client participating in aggregated trades will be allocated securities based on the average price achieved for such trades. To the extent a particular investment is suitable for more than one Fund, Client or proprietary account, it generally will be allocated between the Fund(s), Client(s) and proprietary accounts *pro rata* based on assets under management or in some other manner that we determine is fair and equitable under the circumstances. By not aggregating orders, there may exist a higher cost to investors (*i.e.*, different pricing on an order) than would otherwise exist if two client accounts were to execute orders together. Should two separate Funds, other Clients or proprietary accounts execute the opposite orders at the same time (one buys, one sells), efficiencies may be lost. We expect these instances will be minimal.

Technology and Trade Errors. We believe that any trading system/computer code and human (*e.g.*, a trader enters an incorrect order into a terminal that is then executed) trading errors (or a combination thereof), not caused by fraud, gross negligence, reckless or intentional misconduct, bad faith, or criminal wrongdoing (each a "Trading Error"), are a known cost of doing business. Therefore, any such Trading Error will be borne by any participating Fund, other Client and/or proprietary accounts pro-rata, and all affected Funds, Clients and/or proprietary accounts will enjoy the profits or suffer the losses from any such Trading Error.

REVIEW OF ACCOUNTS

Our principals will ultimately oversee risk management for each Fund and other Client. Our principals will also review information related to each Fund's and other Client's investments and performance on a routine basis. Where applicable, CMT Group operations and accounting staff will independently examine each brokerage statement and calculate profit and loss for a Fund or other Client on a daily basis. Investors in a Fund will receive routine reporting, including annual financial statements. Holders of other Client accounts will receive such reports and we and such holders may agree.

CLIENT REFERRALS AND OTHER COMPENSATION

We do not intend to receive any economic benefit for providing investment advice or advisory services other than from the Funds and other Clients.

We do not currently maintain any agreements with third parties to act as solicitors for Funds, or to solicit Clients, but we may do so in the future. We may pay a solicitor a monthly fee or a portion of the advisory fees or other revenues that we receive for managing an investor or Client account referred to us by a solicitor. The costs of any such referral fees will be paid entirely by us and, therefore, will not result in any additional charges to the investor or Client.

CUSTODY

We will be deemed to have custody of funds and securities of VIF, and may be deemed to have custody of the funds or securities or other Funds or Clients, arising from the authority to obtain funds or securities of VIF or another Fund or Client, for example, by deducting advisory fees from the account of VIF or such other Fund or Client or otherwise withdrawing funds from VIF's or such other Fund's or Client's account. Rule 206(4)-2 under the Advisers Act imposes certain requirements on SEC-registered investment advisers who have actual or deemed custody of client assets. However, in the case of Clients that are Funds, we anticipate being exempt from (or deemed to be in compliance with) many of the provisions of the custody rule because (i) each directly managed Fund will be audited in accordance with U.S. Generally Accepted Accounting Principles on an annual basis by an independent public accountant that is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board, and audited financial statements will be distributed to each investor in such Fund within 120 (or, in some cases, 180) days of the end of the Fund's fiscal year, and (ii) each Fund's assets will be held at a qualified custodian to the extent required by Rule 206(4)-2. Such qualified custodians will include prime brokers, banks and other broker-dealers.

INVESTMENT DISCRETION

Unless we expressly agree otherwise with a Client, we manage the assets of the Funds and our other Client on a discretionary basis, which means that we have the authority to decide which securities and other financial instruments to purchase and sell for such Funds and other clients. We consider a Fund or other Client account to be managed by us on a discretionary basis if we have been granted legal authority in the Fund's Offering Documents, or the Client's investment management or similar agreement with us, to invest and reinvest the assets of such Fund or such Client account without receiving prior authorization from any investor in such Fund or holder of such Client account, as the case may be, or any other person to engage in particular investment activities for such Fund or Client account. In the case of a Client that is a Fund and is not a "single-investor" fund (sometimes referred to as a "fund of one"), we ordinarily would not honor a request from an investor in the Fund to refrain from purchasing particular investments on behalf of the Fund. In the case of a Client that is not a Fund, or is a "fund of one," if that Client requests that we refrain from purchasing particular investments on behalf of the Client, we ordinarily would consult with the Client regarding its reason(s) for the request and honor such request, unless we determine that honoring the Client's request would materially interfere with our ability to implement our contemplated investment strategy on behalf of the Client.

VOTING CLIENT SECURITIES

We have adopted proxy voting policies and procedures in compliance with Rule 206(4)-6 under the Advisers Act. Our policy is to vote proxy proposals relating to securities held by VIF or another Fund or Client in a manner that serves its best interests, as determined by us in our discretion.

Our general policy is to vote in accordance with the recommendation of an issuer's management on routine and administrative matters, unless we determine that such recommendation is not in the best interests of the relevant Fund(s) or other Client(s). With respect to non-routine matters, we will vote on a case-by-case basis, taking into account all relevant factors, including the anticipated impact of the proposals on the value of the securities, the costs and benefits associated with the proposal, customary industry and business practices, the recommendations of proxy advisory firms and any other factors we deem relevant. Under certain circumstances, we may abstain from voting specific proxies if doing so is in the best interests of the relevant Fund(s) and other Client(s). We may determine not to vote proxies issued by companies if a Fund or other Client no longer has any economic exposure to the issuer of the proxy.

There may be occasions where the voting of proxies may present an actual or perceived conflict of interest between us and a Fund or other Client. We will not vote proxies contrary to the best interests of a Fund or other Client due to (for example) business or personal relationships with an issuer's management or where we or an employee of ours has a personal relationship with participants in proxy contests, corporate directors or candidates for corporate directorships, or where we or an employee of ours may have a personal interest in the outcome of a particular matter before shareholders. Each employee involved in a proxy voting decision is required to disclose any potential conflict of interest that such employee is aware of relating to a proxy vote by us. Our CCO will determine whether a conflict of interest is material based on an assessment of the particular facts and circumstances. When there exists an actual or potential material conflict of interest, our CCO will review the facts and circumstances of such conflict and determine the appropriate steps to ensure that we vote all proxies in the best interests of the Funds and other Clients. We may engage a third party to recommend a vote with respect to the proxy or utilize any such method deemed appropriate under the circumstances given the nature of the conflict.

Investors in Funds and Clients may not direct us to vote in a particular way for a particular solicitation. Investors in Funds and Clients may obtain information about how we voted proxies for securities in their accounts and/or obtain a copy of our written Proxy Voting Policies and Procedures by contacting our CCO at the address or telephone number listed on the first page of this Brochure.

FINANCIAL INFORMATION

We are not aware of any financial condition that could impair our ability to meet our contractual commitment to any Fund or other Client.

REQUIREMENTS FOR STATE-REGISTERED ADVISERS

Not applicable.