

# EUCLIDEAN TECHNOLOGIES MANAGEMENT, LLC

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This Brochure provides information about the qualifications and business practices of Euclidean Technologies Management, LLC (“Euclidean” or “Adviser”). If you have any questions about the contents of this Brochure, please contact us at (646) 571-1672. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.

Euclidean Technologies Management, LLC is a registered investment adviser with the SEC. Registration of an investment adviser does not imply a certain level of skill or training.

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

## **Item 2 – Material Changes**

This Brochure, dated 03/27/2019, replaces the 03/14/2018 version which was our last Annual Amendment.

Updates were made to the following sections of Part 2A:

As of May 1, 2018, Euclidean Technologies Management, LLC began managing another pooled investment vehicle, bringing the total number of clients to two. This is reflected throughout this Brochure.

Item 4.E: Assets Under Management as of 12/31/2018:

Discretionary basis: \$ 103,425,033

Non-Discretionary basis: \$0

Item 5.A: Adviser Compensation

- Updated to incorporate the fee schedule of the new Fund
- Updated to include the “Donation” component of the new Fund

Item 7: Types of Clients

- Updated to include additional stipulations with regards to withdrawals

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

- Updated to expand upon the description and role of the Model for each Fund

Item 8.B.: Material Risks of Investment Strategies

- Updated to include Risks of Special Techniques Used by the Investment Manager

Item 8.D: Cybersecurity Risk (New Section)

Item 10.E: Business Continuity Plan and Cybersecurity Policy (New Section)

Item 11. E: Political Contributions and Pay-to-Play (New Section)

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## **Item 4 – Advisory Business**

### **Advisory Services**

#### **4. A. Advisory Firm Description**

Euclidean Technologies Management, LLC (“Euclidean” or “Adviser”) commenced operations as an investment adviser in 2008. Michael Seckler and John Alberg are the principal owners of Euclidean.

#### **4.B. Types of Advisory Services**

Euclidean provides investment advisory and management services on a discretionary basis to clients that are private pooled investment vehicles (the “Funds”) organized as domestic limited partnerships.

Euclidean’s specific focus, using largely quantitative analyses, is on the potential advantages of a systematic approach to investing that adheres to historically sound principles for evaluating individual companies as potential long-term investments. Euclidean’s portfolio strategies may include investments in common stocks, preferred stocks, warrants, investment companies and derivatives such as options.

#### **4.C. Client Investment Objectives/Restrictions**

Investments for the Funds are managed in accordance with each Fund’s respective specific investment objectives, strategies and restrictions. They are not tailored to the individualized needs of any particular investor in the Funds (each, an “Investor”). Investors may not impose restrictions on investing in certain securities or certain types of securities.

#### **4.D. Wrap-Fee Programs**

This item is not applicable

#### **4.E. Assets Under Management as of 12/31/2018:**

Discretionary basis: \$103,425,033

Non-Discretionary basis: \$0

## **Item 5 – Fees and Compensation**

### **Advisory Contracts and Fees**

#### **5.A. Adviser Compensation**

Fees may change over time and, as discussed below, different fee schedules may apply to different Investors. If circumstances warrant, fees may be negotiated by individual investors in each respective Fund.

#### **Asset-Based Compensation**

Detailed descriptions of fees charged to Investors are located in each Fund's Confidential Private Offering Memorandum ("CPOM"). The Partnerships will pay to the Investment Manager a management fee (the "Management Fee"), payable monthly in arrears. The Management Fees range from one-twelfth (1/12th) of 35 basis points (0.35%) to one- and one-half percent (1.5%) of the Partnerships' net asset values attributable to each Limited Partner as of the end of the month. The Management Fee shall not be reduced by any distributions paid during a month. The General Partner may, in its discretion, waive or reduce the Management Fee with respect to any Limited Partner (as defined in the section entitled "THE PARTNERSHIP" within each Fund's offering documents).

#### **Performance-Based Compensation**

For certain of the Funds, an affiliate of Euclidean may also receive a performance-based fee calculated as an annual allocation of profits that is charged to each investor in the Fund. This performance-based compensation ranges from 15% to 20% of the net profits generated in the account of each Investor during the calendar year, subject to a high watermark, and provided that the threshold return (the "Threshold Return") is met. The Threshold Return is the gain or loss that would have occurred had an Investor's capital account in the Fund at the beginning of a billing period been invested in the S&P 500 Index with dividends reinvested. The Threshold Return is calculated separately for each fiscal year and adjusted for contributions, distributions and withdrawals and for time periods less than one year.

#### **Other Compensation**

Certain of the Funds are structured in such a way that, in addition to the Management Fee, each Limited Partner will contribute a portion of its assets monthly in arrears to a memorandum account held by the Partnership in an amount equal to one-twelfth (1/12<sup>th</sup>) of a percentage (the "Contribution Percentage") of the Partnership's net asset value attributable to each Limited Partner as of the end of the month. Prior to the end of each

fiscal year of the Partnership, the Partnership will contribute the balance of the memorandum account either to one or more cancer related charities, or to one or more donor advised funds to be donated to various charities focused on cancer related research (the “Donation”). The Investment Manager intends to involve knowledgeable persons in the process of overseeing the charitable activities of the Partnership. The Donation shall not be reduced by any distributions paid during a month. The Contribution Percentage will vary based on the net asset value of the Partnership as of the end of each month. The donation component will be phased in, beginning with 10bps donation when the fund has greater than \$10M in assets and scaling to 50bps when the fund has greater than \$50M in assets.

#### **5.B. Direct Billing of Advisory Fees**

Fees are deducted directly from the Funds’ account with its Custodian, in accordance with each respective Fund’s CPOM.

#### **5.C. Other Non-Advisory Fees**

The management fee and the performance-based compensation are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the Funds and, by extension, Investors. The Funds may incur certain charges imposed by custodians, brokers, administrators, lawyers, auditors and other third parties such as fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. The Funds’ portfolios may include positions in mutual funds or exchange traded funds which also charge internal management fees, which are disclosed in each such Fund’s Offering Documents. Such charges, fees, and commissions are exclusive of, and in addition to, Euclidean’s fees. Euclidean does not receive any portion of these commissions, fees, and costs.

Item 12 below describes the factors that Euclidean considers in selecting broker-dealers for Fund transactions and determining the reasonableness of their compensation (e.g., commissions).

#### **5.D. Advance Payment of Fees**

This item is not applicable.

#### **5.E. Compensation for Sale of Securities or Other Investment Products**

This item is not applicable.

## **Item 6 – Performance-Based Fees and Side-By-Side Management**

Euclidean manages two client accounts, both of which are private funds. An affiliate of Euclidean serves as the general partner for each Fund and receives performance-based compensation from certain of the Funds. Please see Item 5 above for a more detailed description of Euclidean's performance-based compensation.

Any performance-based fees charged by Euclidean will be in compliance with Rule 205-3 under the Investment Advisers Act of 1940, as amended (the "Advisers Act").

## **Item 7 – Types of Clients**

Euclidean manages two funds, both of which are private pooled investment vehicles organized as Delaware limited partnerships.

The minimum initial investment in each Fund is \$1,000,000, subject to reduction at the sole discretion of Euclidean. Minimum withdrawal amounts and minimum capital account sizes may apply in the event of a partial withdrawal. An Investor also may be required to withdraw all or part of its interest in each respective Fund upon provision of reasonable notice. Withdrawal stipulations may differ based upon instructions provided in each respective Fund's CPOM and Offering Documents. For certain of the Funds', payment of withdrawal proceeds may be delayed in certain circumstances. In addition, withdrawal requests generally will not be honored if following any such attempted withdrawal a Limited Partner's Interest will be less than \$1,000,000, or the Limited Partner's initial minimum subscription amount, if lower.

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

### **8.A. Methods of Analysis and Investment Strategies**

Euclidean primarily invests each Fund's assets in public equity securities.

Euclidean's investment decisions reflect Euclidean's Managers oversight of proprietary quantitative models (the "Models") that attempt to systematically apply investment principles believed to be historically fruitful in evaluating individual companies as potential long-term investments. Euclidean's strategies do not employ leverage, trade on margin or engage in short sales.

Each Fund typically holds investments for at least one (1) year but may exit investments on a shorter-term basis from time-to-time. At times, each Fund's portfolio is expected to experience higher short-term volatility than many broad market indices due to sector concentrations and other factors.

The Models' and the Investment Manager's investing strategies necessarily requires the accumulation of large amounts of market and investment data on a real-time basis and the accurate analysis of such data. Although much of the analysis to be performed may be technical or quantitative in nature, the investment conclusions to be derived therefrom, and the application to particular trading decisions, is inherently a subjective process that will be critically dependent upon the skill and judgment of the Investment Manager's principals and other trading personnel. As with other trading strategies, the Investment Manager's analytical approach and the Models' may indicate probabilities of relative price movements that are not necessary or inevitable or that may not necessarily recur in the future in a manner which will support a profitable investing strategy. There may be market or macro-economic developments, as well as events affecting a particular issuer or industry, which may not be addressed or anticipated by the trading methodology. As with any investment approach or strategy, the Investment Manager's strategy and methodology cannot assure any given level of investment return or that the Partnership's investment objective will in fact be realized. Any past successes with the methodology cannot assure future results. There can be no assurance that use of the methodology will necessarily result in profitability or that the Partnership will not incur losses.

Investing in securities involves risk of loss that Investors in the Funds should be prepared to bear.

## **8.B. Material Risks of Investment Strategies**

There can be no guarantee of success of the Model used for each respective Fund. The Models' may be adversely affected by general economic and market conditions such as interest rates, availability of credit, inflation rates, changes in laws and political circumstances. These factors may affect the level and volatility of security pricing and the liquidity of certain investments. The following material risks are related to the Models':

Management Risk. Judgments about the value and potential appreciation of a particular security may be wrong and there is no guarantee that individual securities will perform as anticipated. The value of an individual security can be more volatile than the market as a whole and Euclidean's approach may fail to produce the intended results.

Model Risk. The Models' require the accumulation of large amounts of market and investment data on a real-time basis and the accurate analysis of such data. The lessons that Euclidean has identified from the past may not hold in future market environments. Past performance and past analyses cannot assure future results. There can be no assurance that use of the methodology will necessarily result in profitability or that it will not incur losses.



Accuracy of Public Information. Euclidean selects investments in large part on the basis of information and data filed by issuers with various government regulators. Although Euclidean reviews this information, it is not in a position to confirm the completeness, genuineness or accuracy of such information and data, and in some cases, complete and accurate information is not available. Moreover, if the data Euclidean receives is erroneous, or if companies report information that proves to be misleading or fraudulent, the basis for Euclidean's analysis of individual companies may break down.

Market Risk. The value of equity securities will decline from time-to-time due to daily fluctuations in the securities markets. Stock prices change daily as a result of many factors, including developments affecting the condition of both individual companies and the market in general. The price of a stock may even be affected by factors unrelated to the value or condition of its issuer, such as changes in interest rates, national and international economic and/or political conditions and general equity market conditions. In a declining stock market, prices for all companies may decline regardless of their long-term prospects.

Risks of Special Techniques Used by the Investment Manager. The Investment Manager may invest using special investment techniques that may subject the Partnership's investments to certain risks. Certain, but not all, of these techniques and the risks that they entail are summarized in certain of the Funds' offering documents. The Partnership, in any event, is not designed to correlate to the broad equity market and should be viewed as an alternative to instead of a substitute for equity investments.

### **8.C. Material Risks of Securities Used in Investment Strategies**

Euclidean's investment approach may involve purchasing publicly-traded equity securities that are listed on the New York Stock Exchange ("NYSE"), the NASDAQ Stock Market ("NASDAQ") and the American Stock Exchange ("AMEX"). With the Model for each Fund having a primary long equity/cash strategy, Euclidean will often hold some level of cash in each Fund's portfolio. When not deployed in securities of a company identified by each respective Model, cash will be held in a money market instrument, other liquid interest-bearing accounts, or in an index fund or Exchange Traded Fund ("ETF") tracking the S&P 500 benchmark.

Investments in the types of securities Euclidean selects may be more volatile than the overall market. Security values may fluctuate based on events such as technological developments, government regulation, competition and outbreaks of war or terrorist acts which are beyond Euclidean's control. The following risks are associated with the types of securities that are traded by Euclidean:

Equity Risk. Regardless of any one company's particular prospects, a declining stock market may produce a decline in prices for all equity securities, which would generally also result in losses for Euclidean's holdings.

Sector Focus Risk. The Funds may be heavily invested in certain sectors, which may cause the value of its shares to be especially sensitive to factors and economic risks that specifically affect those sectors and may cause the value of each respective Fund's portfolio to fluctuate more widely than the overall market.

Competition. Equity securities selected by Euclidean for the Funds' portfolios typically have significant market competitors and there is no guarantee that a portfolio security will perform better than its competitors and could be subject to risks competing with other companies with regard to the product lines, technology advancements and/or management styles of the competing companies.

Please refer to the Confidential Private Offering Memorandum for each Fund for a list of all potential risks associated with an investment in each respective Fund.

#### **8.D. Cybersecurity Risk**

Cybersecurity Risk. The Partnership, the General Partner, the Investment Manager and their service providers, including banks, broker dealers, custodians and their affiliates, may be subject to operational and information security risks resulting from cyber-attacks. Cyber-attacks include, among other behaviors, stealing or corrupting data maintained online or digitally, denial of service attacks on websites, the unauthorized release of confidential information, unauthorized asset transfers, and various other forms of cybersecurity breaches. Cyber-attacks affecting the Partnership, the General Partner, the Investment Manager, or their service providers may adversely impact the Partnership. For instance, cyber-attacks may interfere with the processing or execution of Partnership transactions, cause the release of confidential information, including private information about Members, subject the Partnership, the General Partner, the Investment Manager or their affiliates to regulatory fines or financial losses, or cause reputational damage. Additionally, cyber-attacks or security breaches (e.g., hacking or the unlawful withdrawal or transfer of funds), affecting any of the Partnership's key service providers, such as the Investment Manager, banks, broker dealers, custodians, or other counterparties holding assets of the Partnership, may cause significant harm to the Partnership, including the loss of capital. Similar types of cybersecurity risks are also present for issuers of securities in which the Partnership may invest. These risks could result in material adverse consequences for such issuers and may cause the Partnership's investments in such issuers to lose value. While the Investment Manager has instituted specific policies and has engaged specialized vendors to manage cybersecurity risk and disaster recovery, there are

no assurances that these policies and vendors will mitigate risks associated with cybersecurity.

### **Item 9 – Disciplinary Information**

This Item is not applicable.

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

#### **10.A. No Registered Representatives**

This Item is not applicable.

#### **10.B. No Other Registrations**

This Item is not applicable.

#### **10.C. Material Relationships or Arrangements**

An affiliate of Euclidean, Euclidean Technologies GP, LLC, serves as the general partner to the Fund. The principal owners of Euclidean are also the principal owners of Euclidean Technologies GP, LLC. The Adviser and the General Partner share the same physical location.

#### **10.D. Recommendation of Other Investment Advisers**

This item is not applicable.

#### **10.E. Business Continuity Plan and Cybersecurity Policy**

Investment advisers, such as Euclidean, and their service providers may be subject to operational and information security risks resulting from cyber-attacks. Cyber-attacks include, among other behaviors, stealing or corrupting data maintained online or digitally, denial of service attacks on websites, the unauthorized release of confidential information or various other forms of cybersecurity breaches. Cyber-attacks affecting investment adviser, a client's custodian, or intermediaries or other third-party service providers may adversely impact a client's experience and/or investment. For instance, cyber-attacks may interfere with the processing of client's transactions, cause the release of private information or confidential company information, impede trading, subject the adviser to regulatory fines or financial losses, and cause reputational damage. Euclidean may also incur additional costs for cybersecurity risk management purposes. While Euclidean and its service providers have established business continuity plans and risk management systems designed to prevent or reduce the impact of cybersecurity attacks, such plans and systems

have inherent limitations due in part to the ever-changing nature of technology and cybersecurity attack tactics, and there is the possibility that certain risks have not been adequately identified or prepared for. Furthermore, Euclidean cannot control any cybersecurity plans or systems implemented by our service providers.

Similar types of cybersecurity risks are also present for issuers of securities in which Euclidean invests, which could result in material adverse consequences for such issuers and may cause the investment in such portfolio companies to lose value.

## **Item 11 – Code of Ethics**

### **11.A. Code of Ethics Document**

Euclidean has adopted a Code of Ethics (the “Code”) pursuant to Advisers Act Rule 204A-1. A basic principle of the Code is that the collective interests of each respective Fund’s Investors are always placed first. The Code includes standards of business conduct requiring Covered Persons to comply with the federal securities laws and the fiduciary duties an investment adviser owes to its clients. The Code also requires that all Covered Persons comply with ethical restraints relating to clients and their accounts. These restraints include restrictions on gifts. They also include provisions intended to prevent violations of insider trading laws. Investors or prospective Investors in the Fund may obtain a copy of the Code by contacting Euclidean at (646) 571-1672.

### **11.B. Recommendations of Securities and Material Financial Interests**

As a matter of policy, Euclidean does not engage in principal transactions, cross trading or agency cross transactions. Any exceptions to this policy must be approved in advance by Euclidean’s Chief Compliance Officer (“CCO”) or by his designee.

### **11.C. Personal Trading**

Euclidean has adopted a Code of Ethics to ensure that personal investing activities by Euclidean’s employees are consistent with Euclidean’s fiduciary duty to its clients. In order to avoid potential conflicts that could be created by personal trading among Euclidean employees, the Code of Ethics restricts the purchase and sale by its employees for their own accounts of any covered security within a specified time before or after the execution of a transaction in any such security for the Fund. All employees are required to pre-clear with the CCO or his designee any personal securities transaction in specified securities, including IPOs and limited offerings.

All employees are required to submit quarterly personal securities transactions and annual holdings reports for review by the CCO, who will, in turn, review these reports for trading

conflicts with each respective Fund. Employees are also required to have copies of all brokerage statements sent to the CCO or his designee at least quarterly. The CCO or his designee will maintain documentation of personal securities transactions, including any violations that occur and their resulting actions.

#### **11.D. Timing of Personal Trading**

Euclidean's employees may not invest in the same securities (or related securities, e.g., warrants, options or futures) that are owned by each respective Fund without approval by the CCO. All employees are required to notify Euclidean's Chief Compliance Officer ("CCO") or his designee in order to pre-clear personal security transactions. The price paid or received by each Fund for any security should not be affected by a buying or selling interest on the part of an employee, or otherwise result in an inappropriate advantage to the employee.

#### **11. E. Political Contributions and Pay-to-Play**

Euclidean has adopted a political contribution policy which allows employees to pursue legitimate political activities and to make political contributions to the extent permitted under U.S. law. However, employees are prohibited from making contributions to U.S. state or local officials or candidates for state or local office if those contributions are intended to influence the award or retention of municipal finance business or any other business, referred to as "Pay-to-Play" activities.

### **Item 12 – Brokerage Practices**

#### **12.A. Selection of Broker/Dealers**

Euclidean's objective in selecting brokers and dealers and in effecting each Fund's portfolio transactions is to seek to obtain the best combination of price and execution with respect to each Fund's portfolio transactions. The best net price, giving effect to brokerage commissions, spreads and other costs, is normally an important factor in this decision, but a number of other judgmental factors are deemed relevant. In applying these factors, Euclidean recognizes that different broker-dealers may have different execution capabilities with respect to different types of securities. The factors include, but are not limited to:

- Euclidean's knowledge of negotiated commission rates and spreads currently available;
- the nature of the security being traded;
- the size and type of the transaction;
- the nature and character of the markets for the security to be purchased or sold;

- the desired timing of the trade and speed of execution;
- the activity existing and expected in the market for the particular security;
- the broker-dealer's access to primary markets and quotation sources;
- the ability of the broker dealer to effect transactions when a large block of securities is involved or where liquidity is limited;
- confidentiality;
- the execution, clearance and settlement capabilities and history as well as the reputation and perceived soundness of the broker-dealer selected and others which are considered;
- Euclidean's knowledge of actual or apparent operational problems of any broker-dealer;
- the broker-dealer's execution services rendered on a continuing basis and in other transactions;
- the broker-dealer's access to underwriting offerings and secondary markets;
- the broker-dealer's reliability in executing trades, keeping records and accounting for and correcting trade errors;
- the broker-dealer's ability to accommodate Euclidean's needs with respect to one or more trades, including willingness and ability to maintain quality execution in unusual or volatile market conditions and to commit capital by taking positions in order to complete trades;
- the quality of communication links between Euclidean and the broker-dealer; and
- the reasonableness of spreads or commissions.

#### Research and Other Soft Dollar Benefits

Euclidean may receive products and services from brokers in connection with client securities transactions. Although Euclidean does not directly receive money, this may be viewed as a "soft dollar" relationship. Euclidean will limit the use of "soft dollars" to services that constitute brokerage within the meaning of Section 28(e) of the Securities Exchange Act of 1934 ("Section 28(e)"). Brokerage services within Section 28(e) may include, but are not limited to, services related to the execution, clearing and settlement of securities transactions and functions incidental thereto (i.e., connectivity services between an adviser and a broker-dealer and other relevant parties such as custodians); trading software operated by a broker-dealer to route orders; software that provides trade analytics and trading strategies; software used to transmit orders; clearance and settlement in connection with a trade; electronic communication of allocation instructions; routing settlement instructions; post trade matching of trade information; and services required by the SEC or a self regulatory organization such as comparison services, electronic confirms or trade affirmations

Euclidean's Best Execution Committee meets periodically and will review and evaluate its soft dollar practices to determine in good faith whether, with respect to any brokerage, the commissions used to obtain those products and services were reasonable in relation to the

value of the brokerage. This determination will generally be viewed in terms of Euclidean's overall responsibilities to its client accounts.

The use of client commissions (or markups or markdowns) to obtain brokerage products and services raises conflicts of interest. For example, Euclidean will not have to pay for the products and services itself. This creates an incentive for the Euclidean to select or recommend a broker-dealer based on its interest in receiving those products and services.

#### Brokerage for Client Referrals

In selecting or recommending broker-dealers, Euclidean may consider whether they receive client referrals from a broker-dealer. Euclidean may have an incentive to select or recommend a broker-dealer based on its interests to receive client referrals rather than on the client's interests to receive most favorable execution. To address this conflict of interest, Euclidean will execute client trades through broker-dealers that refer clients to the Adviser only if it is determined by the Chief Compliance Officer that client trades with such broker-dealers are otherwise consistent with seeking best execution

#### Directed Brokerage

This Item is not applicable.

#### Trade Errors

It is the policy of Euclidean that a sound process is followed for making and implementing investment decisions on behalf of client accounts. However, on those occasions when a trade error occurs, Euclidean will reasonably determine how to correct the error. In general, if the trade error results in losses, the losses will not be reimbursed. Documentation of any errors made will be maintained by the Advisor.

### **12.B. Aggregation of Orders**

Euclidean will determine how investment opportunities are allocated among the Private Funds it manages, even though it may face potential conflicts of interest in making such allocations. Euclidean will act in a manner that it considers fair and equitable in allocating investment opportunities among the Private Funds.

## **Item 13 – Review of Accounts**

### **13.A. Frequency and Nature of Review**

Michael Seckler (Managing Member and CCO) and John Alberg (Managing Member) are responsible and have ultimate authority for all trading and investment decisions made on behalf of the Funds. At least quarterly, each Fund's account is reviewed by Mr. Seckler and/or Mr. Alberg to ensure compliance with each Fund's objectives and restrictions and to evaluate the portfolios with regard to stated investment strategies.

### **13.B. Factors That May Trigger An Account Review Outside of Regular Review**

Generally, each Fund account is reviewed as needed depending on factors such as cash flows or in response to market conditions.

### **13.C. Content and Frequency of Reports**

Euclidean, or one of its service providers, furnishes each Fund's Investors with the following written reports:

- The Fund Administrator provides monthly statements that include the unaudited net asset value or capital account balance of the Investor's interest in the Fund they are invested in and the monthly year-to-date performance, as applicable;
- Euclidean provides a quarterly commentary or an Investor letter; and
- The Fund's Auditor provides annual audited financial statements for each Fund.

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

Euclidean may have referral arrangements with individuals who may be compensated, directly or indirectly, in compliance with applicable law. Third parties will be compensated in accordance with Rule 206(4)-3 of the Adviser's Act. This presents a potential conflict of interest since solicitors have an incentive to recommend Euclidean because they are being compensated by Euclidean. To mitigate this risk, fee sharing arrangements will be disclosed to Investors, and such Investors will not bear any higher fees regardless of whether Euclidean pays a referral fee. Euclidean currently has no active arrangements.

## **Item 15 – Custody**

This Item is not applicable.



## **Item 16 – Investment Discretion**

Euclidean is retained to provide investment advisory services on a discretionary basis and is authorized to make the following determinations in accordance with each respective Fund's specified investment objectives without consultation or consent before a transaction is effected:

- Which securities to buy or sell.
- The total amount of securities to buy or sell.
- The broker or dealer through whom securities are bought or sold.
- The commission rates at which securities transactions for the Fund's account are affected.
- The prices at which securities are to be bought or sold, which may include dealer spreads or mark-ups and transaction costs.

Investments are managed in accordance with each respective Fund's investment objectives, strategies and restrictions, and are not tailored to the individualized needs of any particular Investor in either Fund. Therefore, Investors should consider whether the Fund they choose to invest in meets their investment objectives and risk tolerance prior to investing. Information about each Fund can be found in its offering documents, including the CPOM, which are available to current and prospective Investors only through Euclidean or another authorized party.

The Funds share the same general partner. Euclidean was delegated investment advisory discretion over each Fund's account by the Funds' general partner, Euclidean Technologies GP, LLC, pursuant to the Funds' limited partnership agreement.

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

It is Euclidean's policy to vote proxies on behalf of the Funds in accordance with its proxy voting policies and procedures. Euclidean will vote such securities for the exclusive benefit, and in the best economic interest, of the Funds and their Investors, as determined by Euclidean in good faith. It is not possible for Investors in either Fund to direct votes made by Euclidean on behalf of the Funds.

Euclidean acknowledges its responsibility for identifying material conflicts of interest related to voting proxies. In order to ensure that Euclidean is aware of the facts necessary to identify conflicts, senior management of Euclidean must disclose to the CCO any personal conflicts such as officer or director positions held by them, their spouses or close relatives, in any portfolio company. Conflicts based on business relationships with Euclidean or any affiliate of Euclidean will be considered only to the extent that Euclidean has actual knowledge of such relationships. If a conflict may exist which cannot be

otherwise addressed, Euclidean may choose one of several options including: (1) “echo” or “mirror” voting the proxies in the same proportion as the votes of other proxy holders that are not Euclidean clients; or (2) if possible, erecting information barriers around the person or persons making the voting decision sufficient to insulate the decision from the conflict.

A copy of Euclidean’s proxy voting policies and procedures and records of how Euclidean voted are available upon request.

## **Item 18 – Financial Information**

### **18.A. Advance Payment of Fees.**

This Item is not applicable.

### **18.B. Financial Condition**

Euclidean has no financial commitments that impair its ability to meet contractual commitments and fiduciary commitments to clients.

### **18.C. No Bankruptcy Proceedings**

Euclidean has not been the subject of a bankruptcy proceeding.