

FORM ADV, PART 2A

FIRM BROCHURE

PHASECAPITAL LP

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Amended March 29, 2019

This brochure provides information about the qualifications and business practices of PhaseCapital LP. If you have any questions about the contents of this brochure, please contact us at 617-587-5804. 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.

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

Being a “registered investment adviser” or describing ourselves as being “registered” does not imply a certain level of skill or training.

THIS BROCHURE DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY ANY SECURITY.

Item 2. **Material Changes**

PhaseCapital LP's last filing of its Brochure occurred on March 29, 2018. Since that date, the following material changes have been made to this Brochure:

Item 4— Updated the description of advisory services provided, investment objectives, and list of clients. Also updated was the regulatory assets under management as of 12/31/18.

Item 5- Updated to reflect the new fee schedule.

Item 6 – Updated to reflect new type of client, the Sub-Advised Fund. Also updated to remove the former clients, including the privately offered funds and 40-Act fund that were previously managed by the adviser.

Item 8 – Updated to reflect the new investment strategy and material risk of the new client, the Sub-Advised Fund. Also updated to remove the prior investment strategy and material risks of the former clients, including the privately offered funds and 40-Act fund.

Item 12 – Updated to reflect the Adviser no longer is responsible for selecting brokers. Also, removed previous language regarding soft-dollar policies.

Item 15 – Updated to reflect the Adviser no longer may be considered to have custody of client assets due to its discretionary authority.

Item 3. **Table of Contents**

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Item 4. **Advisory Business**

PhaseCapital LP, a Delaware limited partnership, (“PhaseCapital”) currently provides investment management services on a discretionary basis to one investment company registered under the Investment Company Act of 1940, as amended (the “1940 Act”) for which it acts as sub-advisor (the “Sub-Advised Fund” or “Client”). The investment objective of the Sub-Advised Fund is to seek high current income with a secondary goal of capital appreciation. For a further description of this investment strategy, please see Item 8 below.

PhaseCapital was established in February 2008 (f/k/a as Denham Quantitative Management LP). The general partner of PhaseCapital is PhaseCapital GP LLC (the “General Partner”). The principal owners of PhaseCapital and the General Partner is Three Curve Capital LP. The principal owner of Three Curve Capital LP is Stuart Porter.

PhaseCapital provides investment advice to its Clients in a manner that is consistent with the investment objectives and strategies set forth in the prospectus, the investment management agreement, and the sub-advisory agreement (each a “Governing Document”) pertaining to its Client, as applicable.

The Sub-Advised Fund imposes restrictions on PhaseCapital with respect to investing in certain securities or types of securities, as set forth in the prospectus.

PhaseCapital does not participate in fee-wrap programs.

As of December 31, 2018, PhaseCapital managed approximately \$162,860,688 in assets on a discretionary basis. PhaseCapital does not manage any assets on a non-discretionary basis.

Item 5. **Fees and Compensation**

PhaseCapital receives a management fee (the “Management Fee”) from the Sub-Advised Fund as set forth in the prospectus. No refunds of any Management Fees will be made. PhaseCapital, in its sole discretion, may reduce, waive or rebate the Management Fee with respect to the Sub-Advised Fund.

The following table describes the fees and expenses PhaseCapital receives from the Sub-Advised Fund. This table does not include the brokerage commissions that investors may pay on their purchases and sales of Shares.

| Annual Fund Operating Expenses <i>(expenses that you pay each year as a percentage of the value of your investment)</i> | |
|---|--------------|
| Management Fee | 1.25% |
| Distribution and Service (12b-1) Fees | 0.00% |
| Other Expenses | 0.00% |
| Total Annual Fund Operating Expenses | 1.25% |

Clients incur brokerage and other transaction costs as described above. See Item 12 for further information regarding brokerage.

Clients are not required to pay fees in advance.

PhaseCapital and its supervised persons do not accept any compensation for the sale of securities or other investment products, including any interests in Clients.

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

Clients are not currently charged a performance-based fee.

Item 7. Types of Clients

PhaseCapital currently provides investment management services to the Clients. The Sub-Advised Fund's investment strategy is set forth in the prospectus. The Sub-Advised Fund PhaseCapital manages is a Registered Investment Company. The Sub-Advised Fund will issue (or redeem) Shares to certain institutional investors (typically market makers or other broker-dealers) only in large blocks of at least 50,000 Shares. There is no minimum investment or account size requirement.

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

PhaseCapital seeks to achieve its investment objective for the Sub-Advised Fund by selecting a focused portfolio of high-yield debt securities, which include senior and subordinated corporate debt obligations (such as loans, bonds, debentures, notes and commercial paper). High yield debt securities are rated below 2 investment grade (that is, securities rated below the top four rating categories of a ratings organization or, if unrated, determined to be of comparable credit quality by the sub-adviser) and are commonly referred to as "high yield" or "junk" bonds. Under normal circumstances, the Sub-Advised Fund invests at least 80% of its net assets (plus any borrowings for investment purposes) in high-yield debt securities. The Sub-Advised Fund does not have any portfolio maturity limitation and may invest its assets in instruments with short-term, medium-term or long-term maturities. In selecting securities for the Fund's portfolio, PhaseCapital performs an independent investment analysis of each issuer to determine its creditworthiness. PhaseCapital views credit as either of the highest quality or "D" (i.e., it either pays or does not). PhaseCapital takes a deep value contrarian approach to the credit markets, focusing on absolute value. PhaseCapital largely focuses on the secondary market, often investing in assets at a discount to par (\$100), allowing for a potential opportunity to generate capital gains in addition to current yield. PhaseCapital believes that structural and technical inefficiencies exist in the secondary credit markets, which create attractive investment opportunities, and that, by holding a diversified but limited number of securities, the portfolio will be constructed of securities that provide exposure to industries believed to offer the most value to the Sub-Advised Fund. Companies in the energy sector have significant representation in the high-yield debt securities market. The Sub-Advised Fund also may invest in equity securities that PhaseCapital believes will yield high dividends or are otherwise consistent with the Sub-Advised Fund's investment

objective and in repurchase agreements. The Sub-Advised Fund's strategy may frequently involve buying and selling securities, which may lead to relatively high portfolio turnover

Material Risks

As with all funds, a shareholder is subject to the risk that his or her investment could lose money. The principal risks affecting shareholders' investments in the Fund are set forth below. An investment in the Fund is not a bank deposit and is not insured or guaranteed by the FDIC or any government agency.

Authorized Participants, Market Makers and Liquidity Providers Concentration Risk.

Because the Fund is an exchange-traded fund ("ETF"), only a limited number of institutional investors (known as "Authorized Participants") are authorized to purchase and redeem Shares directly from the Fund. In addition, there may be a limited number of market makers and/or liquidity providers in the marketplace. To the extent either of the following events occur, Shares may trade at a material discount to net asset value ("NAV") and possibly face delisting: (i) Authorized Participants exit the business or otherwise become unable to process creation and/or redemption orders and no other Authorized Participants step forward to perform these services, or (ii) market makers and/or liquidity providers exit the business or significantly reduce their business activities and no other entities step forward to perform their functions.

Credit Risk. The Fund is subject to the risk that an issuer of a fixed income security, such as a corporate bond, may be unable or unwilling to make interest and principal payments when due. The Fund is also subject to the related risk that the value of a fixed income security may decline because of concerns about the issuer's creditworthiness. Credit risk is heightened to the extent the Fund invests in high-yield debt securities.

Energy Sector Risk. Issuers in energy-related industries can be significantly affected by fluctuations in energy prices and supply and demand of energy fuels. Markets for various energy related commodities can have significant volatility, and are subject to control or manipulation by large producers or purchasers. Companies in the energy sector may need to make substantial expenditures, and to incur significant amounts of debt, in order to maintain or expand their reserves. Oil and gas exploration and production can be significantly affected by natural disasters, as well as changes in exchange rates, interest rates, government regulation, world events and economic conditions. These companies may be at risk for environmental damage claims.

Equity Risk. The prices of equity securities rise and fall daily. These price movements may result from factors affecting individual issuers, industries or the securities market as a whole. In addition, equity markets tend to move in cycles which may cause stock prices to fall over short or extended periods of time.

Fixed Income Securities Risk. The market value of fixed income investments in which the Fund may invest may change in response to interest rate changes and other factors. During periods of falling interest rates, the value of outstanding fixed income securities may rise. Conversely, during periods of rising interest rates, the value of fixed income securities may decline.

High-Yield Risk. High yield or non-investment grade securities (commonly referred to as “junk bonds”) and unrated securities of comparable credit quality are subject to the increased risk of an issuer’s inability to meet principal and interest payment obligations and are generally considered to be speculative. These securities may be subject to greater price volatility due to such factors as specific corporate developments, interest rate sensitivity, negative perceptions of the noninvestment grade securities markets generally, real or perceived adverse economic and competitive industry conditions and less secondary market liquidity. If the issuer of non-investment grade securities defaults, the Fund may incur additional expenses to seek recovery.

Illiquid Investments Risk. This risk exists when particular Fund investments are difficult to purchase or sell, which can reduce the Fund’s returns because the Fund may be unable to transact at advantageous times or prices.

Issuer Risk. The value of a debt security may decline for a number of reasons directly related to the issuer of such security, such as management performance, financial leverage and reduced demand for the issuer’s goods or services.

Loan Participation Risk. The Fund may not have a readily available market for loan participation interests and, in some cases, the Fund may have to dispose of such securities at a substantial discount from face value. Loan participations also involve the credit risk associated with the underlying corporate borrower.

Management Risk. The Sub-Adviser continuously evaluates the Fund’s holdings, purchases and sales with a view to achieving the Fund’s investment objective. However, the achievement of the 4 stated investment objective cannot be guaranteed. The Sub-Adviser’s judgments about the markets, the economy, or companies may not anticipate actual market movements, economic conditions or company performance, and these judgments may affect the return on your investment.

Market Risk. Due to market conditions, the value of the Fund’s investments may fluctuate significantly from day to day. Price fluctuations may be temporary or may last for extended periods. This volatility may cause the value of your investment in the Fund to decrease. Because of its link to the markets, an investment in the Fund may be more suitable for long-term investors who can bear the risk of short-term principal fluctuations, which at times may be significant.

Operational Risk. The Fund and its service providers may experience disruptions that arise from human error, processing and communications errors, counterparty or third-party errors, technology or systems failures, any of which may have an adverse impact on the Fund. Portfolio

Turnover Risk. The Fund may experience relatively high portfolio turnover, which may result in increased transaction costs and may lower Fund performance.

Repurchase Agreement Risk. The Fund will be subject to credit risk with respect to the counterparties with which the Fund enters into repurchase agreements, including with respect to recovering or realizing on collateral.

Trading Risk. Shares may trade on the NYSE Arca, Inc. (the “Exchange”) above or below their NAV. The NAV of Shares will fluctuate with changes in the market value of the Fund’s holdings. In addition, although the Shares are currently listed on the Exchange, there can be no assurance that an active trading market for Shares will develop or be maintained. Trading in Fund Shares may be halted due to market conditions or for reasons that, in the view of the Exchange, make trading in Shares inadvisable.

Item 9. Disciplinary Information

There are no legal or disciplinary events to report that are material to a Client’s or prospective client’s evaluation of our advisory business or the integrity of our management.

Item 10. Other Financial Industry Activities and Affiliations

Phase GP LLC, an affiliate of PhaseCapital, serves as general partner to Phase Master Fund and Phase Onshore Feeder. PhaseCapital also is affiliated with three other entities that operate within the financial industry:

- Denham Capital Management L.P. (“Denham”) is an investment adviser registered with the SEC and based in Boston. PhaseCapital is under common control with Denham, and two PhaseCapital employees use limited space in Denham’s office on a part-time basis. PhaseCapital also utilizes the services of certain administrative and back office personnel of Denham, but such personnel have no operational role in PhaseCapital’s business.
- Potamus Trading, LLC (“Potamus”) is a registered broker dealer and based in Boston. PhaseCapital is under common control with Potamus. PhaseCapital does not execute any trade orders through Potamus and has no plans to do so in the future.
- Raptor Capital Management LP (“RCM”) is an investment adviser registered with the SEC and based in Boston. PhaseCapital is under common control with RCM. RCM is an affiliate of Raptor Holdco LLC.

PhaseCapital, the General Partner and their affiliates, and their respective members, partners, principals, managers, affiliates and employees (collectively, the “Management Affiliates”) may engage in other activities, including providing investment management and advisory services to other accounts, and shall not be required to refrain from any activity, to disgorge profits from any such activity or to devote all or any particular amount of time or effort of any of their officers, directors or employees to PhaseCapital Funds and their affairs. The Management Affiliates are not restricted from forming managed accounts or other investment partnerships or funds, from entering into other investment advisory relationships, or from engaging in other business activities, even though such activities may be in competition with the Clients and/or may involve substantial time and resources of one or more of the Management Affiliates. These activities could be viewed as creating a conflict of interest in that the time and effort of the Management Affiliates will not be devoted exclusively to the business of the Clients, but will be allocated between the business of the Clients and other business activities of the Management Affiliates.

PhaseCapital and any of the Management Affiliates may give advice or take action with respect to other accounts, if any (including those that have investment objectives and/or investment strategies similar to the Clients), which may be the same as or differ from the advice given or the timing or nature of any action taken with respect to investments of the Clients. Allocation of investment opportunities among any such accounts or funds will be made on a basis that PhaseCapital determines in good faith to be fair and reasonable over time, taking into account considerations that it deems relevant, such as the investment objectives and investment portfolio of the Clients and such other accounts.

The Management Affiliates may trade in securities for their own accounts, subject to restrictions and reporting requirements as may be required by law or otherwise determined from time to time by the General Partner or PhaseCapital, as the case may be. Certain Clients may engage in certain transactions with its affiliates provided the terms thereof are commercially reasonable, as determined by the General Partner.

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

PhaseCapital has adopted a Code of Ethics pursuant to Rule 17J-1 under the 1940 Act and Rule 204A-1 under the Advisers Act. Copies of the Code of Ethics will be provided to any client or prospective client by PhaseCapital, upon request. All officers and employees of PhaseCapital are required to follow the Code of Ethics. The Code of Ethics has been adopted based on the general principle that PhaseCapital aims to conduct its business according to the highest ethical standards. Persons subject to the Code of Ethics are subject to, among other things, various restrictions relating to their acquisition of securities. These restrictions include pre-clearance by PhaseCapital's Chief Compliance Officer (the "CCO") of certain personal securities transactions by officers and employees of PhaseCapital in securities (other than certain excluded securities and transactions). The Code of Ethics also includes policies and procedures designed to prevent our officers and employees and the Clients from trading on material non-public information.

PhaseCapital and its personnel may invest in certain PhaseCapital Clients, subject to the investor eligibility requirements, as applicable. PhaseCapital and its personnel may also invest in securities or other assets in which Clients may invest, subject to applicable law and the Code of Ethics (including the pre-clearance requirements therein).

Item 12. Brokerage Practices

Given the sub-advised nature that PhaseCapital has with the Sub-Advised Fund, PhaseCapital is not responsible for selecting broker-dealers to execute trades and negotiating any commissions paid on such transactions. with respect to the Sub-Advised Fund.

Item 13. Review of Accounts

The strategies employed by PhaseCapital on behalf of the Clients are monitored on a regular basis by PhaseCapital's investment personnel to seek to ensure consistency with the Client's intended strategy. A key component of PhaseCapital's infrastructure is its proprietary portfolio management and risk management platform that enables real-time monitoring and back-test

capabilities together with the ability to report on a variety of metrics. These reviews are typically conducted by the CIO, Michael Ning, and Portfolio Managers. In monitoring the Client's portfolio of investments, Mr. Ning and the Portfolio Managers ensure (i) the management of investments and capital actions are in compliance and consistent with attainment of the Client's investment policy, financial objectives, and strategy goals, and (ii) the Client's portfolio is in compliance with legal and regulatory requirements.

The frequency and nature of reports prepared for Clients varies. Statements that set forth estimated monthly and year-to-date performance are publicly available and updated on a monthly basis.

Item 14. Client Referrals and Other Compensation

No person or entity that is not a Client or an investor in a Client provides PhaseCapital with an economic benefit for providing investment advice or other advisory services. PhaseCapital currently compensates no firm for investor referrals based on a percentage of revenue that PhaseCapital receives from investors referred by such firm. There are no sales charges payable by the PhaseCapital in connection with the sale of interests of the Sub-Advised Fund.

Item 15. Custody

PhaseCapital does not act as a qualified custodian for the Clients. Furthermore, the General partner, which is an affiliate of PhaseCapital is not deemed to have custody of PhaseCapital Client assets because of the authority PhaseCapital has over those assets.

Item 16. Investment Discretion

PhaseCapital has discretionary authority to manage the assets of its Client pursuant to the applicable prospectus. There are no specific limitations placed on this authority, provided that PhaseCapital will exercise its discretionary authority in accordance with the investment objectives and strategy and applicable limitations, if any, set forth in the prospectus.

Item 17. Voting Client Securities

PhaseCapital has adopted policies and procedures with respect to voting proxies on behalf of the Sub-Advised Fund. PhaseCapital will generally vote proxies on behalf of the Sub-Advised Fund, although it may elect to abstain from voting under the circumstances set forth in PhaseCapital's Proxy Voting Policies and Procedures for Clients that are no investment companies registered under the 1040 Act. It will only cast proxy votes in a manner consistent with the best interests of the Client. Absent special circumstances, which are described in PhaseCapital's Proxy Voting Policies and Procedures, all proxies will be voted consistent with guidelines established and described in PhaseCapital's Proxy Voting Policies and Procedures, as they may be amended from time to time. A summary of certain aspects of PhaseCapital's Proxy Voting Policies and Procedures is as follows:

- The CCO or her designee will be responsible for monitoring corporate actions, making voting decisions in the best interest of Clients and seeking to ensure that proxies are submitted in a timely manner.
- PhaseCapital will generally vote proxies in accordance with PhaseCapital's then current Proxy Voting Guidelines. The Proxy Voting Guidelines include many specific examples of voting decisions for the types of proposals that are most frequently presented.
- Although the Proxy Voting Guidelines are to be followed as a general policy, certain issues will be considered on a case-by-case basis based on the relevant facts and circumstances as determined by the CCO or his or her designee.
- In situations where the CCO or his or her designee determines that there is a conflict of interest in the voting of proxies due to business or personal relationships that PhaseCapital maintains with persons having an interest in the outcome of certain votes, the CCO or his or her designee will take appropriate steps to seek to ensure that its proxy voting decisions are made in the best interest of its clients and are not the product of such conflict.

Any holder of an interest in a Client may request a copy of PhaseCapital's proxy voting policies and procedures, as well as information regarding how PhaseCapital voted proxies on behalf of PhaseCapital Funds, by calling Lorena Timko at 617-587-5804, or by submitting a written request to her attention c/o PhaseCapital LP, 185 Dartmouth Street, 7th Floor, Boston, Massachusetts, 02116

Item 18. **Financial Information**

PhaseCapital believes that it has no financial condition that is reasonably likely to impair its ability to meet contractual commitments to its Client, and PhaseCapital has not been the subject of any bankruptcy proceeding.