

PART 2A OF FORM ADV: FIRM BROCHURE



Goodhart Partners LLP

Queensland House
393 Strand
London
WC2R 0LT
United Kingdom

Telephone: + 44 (0)20 7379 3000

Facsimile: +44 (0)20 7520 9548

www.goodhartpartners.com

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This Brochure provides information about the qualifications and business practices of Goodhart Partners LLP (“Goodhart”). If you have any questions about the contents of this Brochure, please contact Peter Taylor at +44 (0)20 7520 3000 or by email at ptaylor@goodhartpartners.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority, and references in this Brochure to Goodhart as a “registered investment adviser” are not intended to imply a certain level of skill or training.

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

Item 2: Material Changes

Goodhart is required to identify and discuss any material changes that have been made to the brochure since its last annual update.

Since the most recent filing of the Form ADV Part 2A in June 2018, the following events have occurred:

- The Firm ceased all third party marketer arrangements in December 2018, although legacy agreements remain in place.
- The Japanese Equity team has spun out of the Firm and formed its own Japanese entity, Granmiznar, which is authorised and regulated by the Japanese financial services regulator. Granmiznar will continue to provide investment advisory services to the Firm. As a result, the Firm no longer has an office in Japan.
- In August 2018, the Firm formed a new subsidiary, Goodhart Partners (US) LLP. This entity will provide investment advisory services to the Firm in relation to a newly launched fund, the Volunteer Park Capital Fund, SCSp.
- There have been changes to the indirect ownership of Goodhart as detailed in Schedule B of the Form ADV1.

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Item 4: Advisory Business

Goodhart Partners LLP (hereinafter “Goodhart” or the “Firm”) is a United Kingdom-based investment management firm with its principal place of business in London, United Kingdom. Goodhart has no place of business in the United States. The Firm is a limited liability partnership formed under the laws of England and Wales, Partnership No. OC342690 and is authorised and regulated by the Financial Conduct Authority of the United Kingdom (the “FCA”), Firm Reference No. 496588. Goodhart is an independent institutional manager founded in 2009.

Goodhart’s principal owners are Alan Bartlett, Peter Taylor and Nairn Capital Limited. Nairn Capital is the private investment vehicle of Dr Alasdair Nairn.

Goodhart primarily offers fundamental, research driven, discretionary investment advisory services to professional and institutional investors through a range of pooled collective investment vehicles (collectively referred to herein as the “Goodhart Funds” and individually a “Goodhart Fund”) and to separately managed accounts (“Managed Accounts”; collectively, the Goodhart Funds and Managed Accounts will be referred to herein as “Clients”). Goodhart Funds are organized in jurisdictions outside the United States and are not registered as investment companies under the Investment Company Act of 1940. However, interests in certain of the Goodhart Funds may be offered to certain pre-qualified U.S. persons who must be “Qualified Purchasers” as defined by Section 2(a)(51) of the Investment Company Act. Such offerings are made only in private placements pursuant to exemptions under the Investment Company Act and the Securities Act of 1933. Goodhart provides advice to Clients based on specific investment objectives and strategies. Clients may impose restrictions on investing in certain securities or certain types of securities.

Generally, Goodhart does not expect to tailor its advisory services to the individual or particular needs of investors in the Goodhart Funds. Such investors will accept the terms of advisory services as set forth in each Goodhart Fund’s governing documents. Goodhart expects to have broad investment authority with respect to the Goodhart Funds and, as such, investors should consider whether the investment objectives of the Goodhart Funds will be in line with their individual objectives and risk tolerance prior to investment. Goodhart may tailor its advisory services to the individual needs of its Managed Accounts by negotiating the terms of its advisory contracts. Managed Accounts may also be tailored for legal, regulatory or tax purposes. Each investment management agreement (“IMA”) and related account documentation for a Managed Account will specify the particular investment program and any related investment restrictions.

As of 31 March 2019, Goodhart had \$1,037,428,641 assets under management, all of which was managed on a discretionary basis.

Item 5: Fees and Compensation

As adviser to the Clients, Goodhart is compensated by various combinations of fixed asset-based fees and performance-based fees.

Goodhart charges a fee to each Client that is based on a percentage of net assets under management (the “Management Fee”). The Management Fee is accrued monthly and payable quarterly in arrears, as outlined in each Client’s offering memoranda or IMA. For any subscription or redemption by an investor that is effective other than as of the first business day of a quarter, such investor will pay a pro-rated fee.

Goodhart also receives performance based fees (“Performance Fees”) with respect to certain Clients as discussed further in Item 6. Performance Fees are payable annually in arrears upon crystallization, subject to any applicable hurdle or high water mark.

The applicable Management Fee and Performance Fee schedule for each Client is described in each Client’s offering memorandum or IMA. Clients do not have the ability to choose to be billed directly for Management Fees or Performance Fees incurred.

In addition to the Management Fee and Performance Fees, each Client will bear its own expenses, including but not limited to: investment expenses (e.g., expenses that, in Goodhart’s discretion, are related to the investment of assets, whether or not such investments are consummated, such as brokerage commissions, clearing and settlement charges, custodial fees, bank service fees and interest expenses); research costs; professional fees (including expenses of consultants, investment bankers, attorneys, accountants and other experts) relating to investments; administrative expenses (including fees and expenses of an administrator); legal expenses; external accounting and valuation expenses (including the cost of accounting software packages); audit and tax preparation expenses; directors fees; costs of preparing, printing and mailing reports, offering materials and notices; entity-level taxes; corporate licensing; regulatory expenses (including filing fees); insurance premiums (to the extent not prohibited by ERISA); organizational expenses including the costs of maintaining the Funds’ registered office(s); expenses incurred in connection with the offering and sale of shares and other similar expenses related to the Fund; income taxes, withholding taxes, transfer taxes, stamp duties, filing fees or other governmental fees imposed on the Funds and extraordinary expenses (including litigation and indemnification expenses, if any).

Further information can also be found in Item 12 under Brokerage Practices.

Please refer to the relevant Goodhart Fund’s offering memoranda for a complete understanding of each Fund’s fees and expenses. The information contained herein is a summary only and is qualified in its entirety by the relevant Fund’s offering memoranda.

Expenses charged on Managed Accounts will be negotiated separately at the time of the applicable accounts’ opening.

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

Performance Fees are fees paid to Goodhart based upon a percentage of the net profits of the Managed Account or Fund being managed. When calculating net profits, performance fees may be based on absolute or benchmark relative returns and may be subject to high water marks. Goodhart reserves the right to negotiate the rate of performance fees with individual investors.

With respect to Goodhart's management of assets, performance fees may give rise to certain conflicts of interest. Specifically, our entitlement to a performance fee in managing one or more accounts may create an incentive for us to take risks in managing assets that we would not otherwise take in the absence of such arrangements. Additionally, since performance fees reward us for performance in accounts which are subject to such fees, we may have an incentive to favor these accounts over those that have only fixed asset-based fees with respect to areas such as trading opportunities, trade allocation, and allocation of new investment opportunities.

Side-by-Side Management

Goodhart's investment professionals may simultaneously manage multiple types of Client accounts according to the same or a similar investment strategy (i.e., side-by-side management). The simultaneous management of these different investment products gives rise to the types of conflicts described above, as the fees for the management of certain types of products are higher than for others. Nevertheless, when managing the assets of such accounts, Goodhart has an affirmative duty to treat all such accounts fairly and equitably over time. Side-by-side management of various types of Client accounts raises the possibility of favorable or preferential treatment of an account or a group of accounts arising from differences in fee arrangements. As a registered investment adviser and a fiduciary, Goodhart exercises due care to ensure that investment opportunities are allocated equitably among all Clients, regardless of their corresponding fee structure. Goodhart has procedures designed and implemented in furtherance of its efforts to treat all portfolios fairly and equitably over time. By utilizing these procedures, Goodhart believes that Client accounts that are subject to side-by-side management alongside other Client accounts are receiving fair and equitable treatment over time. Please see Item 12 for a more detailed discussion of Goodhart's trade allocation and aggregation policy and procedures.

Although Goodhart has a duty to treat all Clients fairly and equitably over time, such Clients will not necessarily be managed the same at all times. Specifically, there is no requirement that Goodhart use the same investment practices consistently across all Clients. In general, investment decisions for each Client will be made independently from those of other Clients, and will be made with specific reference to the individual needs and objectives of each Client. In fact, different account guidelines and/or differences within particular investment strategies may lead to the use of different investment practices for Clients within a similar investment strategy. Goodhart may not purchase or sell the same securities at the same time, in the same direction, or in the same proportionate amounts for all eligible Clients, particularly if different accounts have different amounts of investable cash available, different strategies, or different risk tolerances. As a result, although Goodhart manages accounts with similar or identical investment objectives, or may manage accounts with different objectives that trade in the same securities, the portfolio decisions relating to these accounts, and the performance resulting from such decisions, may differ from Client to Client.

Item 7: Types of Clients

Goodhart offers its investment management services primarily to Goodhart Funds, operated as either Undertakings for Collective Investments in Transferable Securities (“UCITS”) or Alternative Investment Funds (“AIF”) pooled investment vehicles and to Managed Accounts. Investors in Clients include a wide range of institutional investors including, but not limited to, endowments, pension and profit sharing plans, trusts, estates, individuals, and corporations and other business entities, and pooled investment vehicles. Goodhart may impose minimum account requirements on Managed Accounts, which would be described in the written IMA entered into by and between Goodhart and the Managed Account Client. U.S. Persons must be Qualified Purchasers in order to be eligible to invest in Goodhart Funds.

Managed Account minimums vary by strategy. Limits may be waived, at Goodhart’s discretion. Goodhart Funds impose minimum initial investment and subsequent minimum investment amounts as stated in their offering documents, but which may be waived at the discretion of Fund’s governing body. The minimum investment limit for Goodhart Partners Longitude Fund - Hanjo Fund is \$500,000.

Item 8: Methods of Analysis

Goodhart may employ various methods of securities analysis, including fundamental, technical, macro-economic, charting, cyclical and quantitative investment modelling. Sources of information include relevant publicly filed financial and reporting documents, such as annual and periodic reports and other filings with regulators and exchanges, investment conferences, interviews with company managements and participation in public phone calls held by companies for investors and analysts, review of relevant trade journals, industry publications, investment banking and other investment industry research reports, industry trade conferences and other events, company press releases and websites, internal and external assessments, analysis of general and specific events and other sources of material deemed relevant.

No method of securities analysis will necessarily result in a particular investment result or outcome; the use of investment tools cannot guarantee investment performance. Goodhart's methods of analysis involve inherent risk that any valuations, pricing inefficiencies or other opportunities identified may not materialize or have the anticipated impact. Prices of securities may not react as expected or predicted. Each method of analysis relies in varying degrees on external information which presents the risk that analysis may be compromised by inaccurate, incomplete, false, biased or misleading information. Securities prices may be affected by various factors, such as overall market movement or natural disasters, independent of the methodology used to select securities. Certain analytical techniques involve the use of mathematical models that are based on assumptions that may prove incorrect, unreasonable or incomplete.

Investment strategies used to implement investment decisions include long term investments; short term investments; trading activities; hedging activities; investments in specific sectors and geographic regions or countries; investments in convertible fixed income, fixed income, absolute return, value, and growth securities; long/short portfolios; short sales and margin transactions. Clients may use one or more strategies, as disclosed in a Client's governing documents (Fund's prospectus or offering memorandum or a Managed Account's IMA) and related materials and reports to investors.

Goodhart's investment strategies involve various material risks, as outlined in the summary below. Certain risks may not apply to all strategies or apply to a material degree. There are risks that each Goodhart Fund investor must be prepared to bear and as a result each Goodhart Fund investor must read the prospectus and related material for further information on the risks associated with a particular Goodhart Fund.

Japan Equity. Investment objective/strategy: to provide long-term capital appreciation from a portfolio comprised of equity securities listed in Japan.

Global Emerging Markets Equity. Investment objective/strategy: to achieve significant capital growth over the long term (at least five years) through investing primarily in a diversified portfolio of emerging and frontier market equities. The strategy is not managed in a way that attempts to track any particular index or benchmark and it is not proposed to concentrate investments in any one industry or sector.

Risk of Loss. Investing in securities involves risk of loss, including possible loss of principal.

Equity Market Risk. Equity securities, such as common stocks, preferred stocks, convertible securities, rights, warrants and depositary receipts are subject to market risks that may cause their prices to

fluctuate over time. Historically the equity markets have moved in cycles and the value of a specific strategy's securities may fluctuate substantially from day to day, and during other periods of time.

Market Capitalization Risk. (Small-, Mid- and Large-Cap Stocks Risk). Small-, mid-, or large-cap stocks, each have associated risks. Compared to small- and mid-cap companies, large-cap companies may be less responsive to changes and opportunities. At times, the stocks of larger companies may lag other types of stocks in performance. The stocks of small- and mid-cap companies are often more volatile and less liquid than the stocks of larger companies and may be more affected than other types of stocks by the underperformance of a sector or during market downturns. Compared to large-cap companies, small and mid-cap companies may have a shorter history of operations, and may have limited product lines, markets or financial resources.

Country Risk. Japan equity strategies are exposed to the market risk and political, legal, economic and social risks of one single country, namely Japan. The country risk is thus less diversified than the risk of strategies that invest in more than one country.

Foreign and Emerging Market Risk. Foreign securities involve risks in addition to those associated with U.S. securities, including exposure to less developed or less efficient trading markets; social, political, or economic instability; fluctuations in foreign currencies; nationalizations or expropriation of assets; settlement, custodial or other operational risks; and less stringent auditing and legal standards. As a result, foreign securities can fluctuate more widely in price, and may also be less liquid, than comparable U.S. securities, and foreign markets can perform differently than U.S. markets. World markets may all react in similar fashion to important economic or political developments. Investing in emerging market countries involves additional risks such as increased volatility of individual securities and the markets themselves, along with less liquidity than securities of issuers in countries with more developed economies or markets.

Issuer Specific Risk. The value of an individual security or particular type of security can be more volatile than the market as a whole and can perform differently from the value of the market as a whole.

Sector Risk. Performance of investments in particular sectors will be especially sensitive to developments that significantly affect those sectors. Individual sectors may move up and down more than the broader market. The several industries that constitute a sector may all react in the same way to economic, political or regulatory events.

Growth Stock Risk. Because the prices of most growth stocks are based on future expectations, these stocks tend to be more sensitive than value stocks to bad economic news and negative earnings surprises. Bad economic news or changing investor perceptions can negatively affect growth stocks across several industries and sectors simultaneously.

Value Stock Risk. Value stocks may remain undervalued during a given period or may not ever realize their full value. This may happen, among other reasons, because of a failure to anticipate which stocks or industries would benefit from changing market or economic conditions.

Illiquidity Risk. A strategy may hold securities that are illiquid and cannot be transferred or redeemed for a substantial period of time, and there may be little or no near-term cash flow available to investors in the interim. Likewise, a portfolio may not receive any distributions representing the return of capital on an illiquid security for an indefinite period of time.

Brokerage Commissions/Transactions Costs/High Portfolio Turnover Risk. A high portfolio turnover rate increases transaction costs, including brokerage commissions and dealer costs. Additionally,

there is the risk that a broker may become insolvent, which could lead to a lower return and adversely impact the strategy's performance. Further, higher portfolio turnover may result in the realization of more short-term capital gains than a lower portfolio turnover.

Concentration of Investments. A high percentage of investment in the assets in any one issuer could increase the risk of loss and volatility, because the value of issue holdings would be more susceptible to adverse events affecting the issuer.

Investment Strategy and Portfolio Management Risk. There can be no assurance that an investment strategy will produce an intended result, which would result in losses to an investor, including, potentially, a complete loss of principal. The performance of a strategy depends on the skill of Goodhart and its Portfolio Manager(s) in making appropriate investment decisions.

All Clients must assume the risk that investment returns will fluctuate, may be positive or negative, hold the potential for loss of principal and return or may result in delivery of returns that are higher or lower than those of other investment advisers, market indices or investment products. Though all of Goodhart's strategies seek positive returns, the strategies may not achieve their stated objectives. Investing in securities involves risk of loss that Clients should consider.

The foregoing list of risk factors is not complete. Prospective investors in any Goodhart Fund should review the Fund's Prospectus and consult with their own advisors before deciding to subscribe.

Item 9: Disciplinary Information

Goodhart is required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Goodhart or the integrity of Goodhart's management.

Goodhart and its management persons have not been subject to any material legal or disciplinary events required to be discussed in this brochure.

Item 10: Other Financial Industry Activities and Affiliations

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

Goodhart operates pursuant to the exemptions to registration provided by Commodity Futures Trading Commission Rule 4.13(a)(3) and Rule.14(a)(8).

Goodhart may recommend that investors in a Client consider investing in other Clients in which Goodhart and its affiliates may have a financial interest by virtue of serving as investment manager and promoter. However, Goodhart and its affiliates do not receive commissions for the sale of shares or interests of the Goodhart Funds.

Certain employees of Goodhart may serve as officers and directors of Funds for which Goodhart serves as investment advisor. Officers and employees of Goodhart and its affiliates also serve as officers of certain pooled vehicles that pay fees to Goodhart. As such, it is possible that the Goodhart affiliated officers and employees who serve as directors may have potential conflicts of interest with the pooled vehicle. Goodhart's Conflicts of Interest Policy requires any officer or employee who serves as a director of a pooled vehicle to be mindful of his or her obligations to the pooled vehicle and to endeavour to ensure that such conflicts are resolved fairly.

Goodhart serves as investment manager and global distributor to Luxembourg based umbrella investment funds with multiple sub-funds. Goodhart also serves as distributor for various other-unaffiliated pooled investment vehicles. Goodhart receives Distribution Fees from third party investment managers with respect to investments made by investors introduced by Goodhart into products managed by the third party investment managers. Goodhart does not invest any Client assets in third party products directly. For more information on this arrangement see Item 14.

HMG Finance UK Ltd ("HMG Finance UK") (UK FCA Firm Reference Number 620097) is an Appointed Representative to Goodhart. HMG Finance UK is an independent investment advisory business located in the UK providing non-discretionary investment advisory services to HMG Finance S.A., an independent French Asset Management Company, founded in 1991 and officially approved by Autorité des Marchés Financiers, with respect to the HMG Global Emerging Markets Equity Fund, a sub-fund of the Goodhart Partners Horizon Fund which Goodhart is the investment manager. Goodhart has delegated discretionary investment management of the HMG Global Emerging Markets Equity Fund to HMG Finance S.A. in accordance with a Sub-Investment Management Agreement.

Goodhart Partners S.à r.l., a Luxembourg private limited liability company (société à responsabilité limitée), having its registered office at 49, Avenue J.F. Kennedy, L-1855 Luxembourg, registered with the Luxembourg trade and companies registry under number B.146869, is a 100% owned subsidiary of Goodhart and operates as the general partner to the Goodhart Partners Longitude Fund, a Luxembourg-based Alternative Investment Fund (AIF). Goodhart Partners S.à r.l has appointed Goodhart Partners LLP as the fund's investment manager. Goodhart Partners S.à r.l operates pursuant to the exemptions to registration provided by Commodity Futures Trading Commission Rule 4.13(a)(3) and Rule.14(a)(8).

Goodhart Partners (US) LLP, a UK limited liability partnership, was formed in August 2018. This entity will provide investment advisory services to Goodhart with respect to the Volunteer Park Capital

Fund, SCSp, a Luxembourg-based AIF, in accordance with an Investment Advisory Agreement. Goodhart Partners (US) LLP will be notified to the SEC as an Exempt Reporting Adviser.

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

Goodhart has adopted a Code of Ethics (the “Code”) describing its fiduciary duty to act in the best interests of its Clients. The Code explains this duty and the general standards of conduct and practices to be followed by all Employees (as defined in the Code). Goodhart’s Code includes provisions relating to required standards of conduct and personal securities trading procedures. Goodhart will provide a copy of the Code to Clients or prospective clients upon request.

Goodhart will not recommend to investment advisory Clients the purchase or sale of securities in which Goodhart’s Employees may have a position or interest. Goodhart’s Code contains guidelines that Goodhart and its Employees must follow with regard to securities transactions. These guidelines are designed to provide reasonable assurance that the personal securities transactions, activities and interests of Goodhart’s Employees will not interfere with the interests of Goodhart’s Clients while, at the same time, allowing Employees to invest for their own accounts.

Under the Code, certain classes of securities have been designated as exempt based upon a determination that these do not materially interfere with the best interests of Goodhart’s Clients. Apart from these securities, the Code requires pre-clearance of transactions. Because the Code in some circumstances permits Employees to invest in the same securities as Goodhart’s Clients, there is a possibility that Employees might benefit from market activity by a Client in a security held by an Employee. Employee trading is routinely monitored to provide reasonable assurance that conflicts of interest between Goodhart, Goodhart’s Employees and Goodhart’s Clients are addressed.

Goodhart Employees with access to Client information may potentially use this knowledge to their personal advantage by seeking to influence the price of a security that both Clients and the Employee own. An Employee could therefore seek to transact ahead of Clients for personal gain or sell prior to Clients to prevent or diminish loss. Accordingly, the policies and procedures outlined above assist in mitigating this conflict. Additionally, the Code contains restrictions on the buying or selling of securities while an Employee is in possession of material, non-public, “inside information” concerning a security or issuer.

The Code also contains guidelines and restrictions related to gifts and entertainment. Giving or accepting gifts on the part of Employees creates a conflict of interest as it raises questions about the independent judgment of the Employees who receive gifts and the intent of third parties who provide them.

Involvement in any outside employment or business activity may create a conflict of interest when it interferes with an Employee’s ability to perform the duties of his or her job. All outside employment or business activity must be disclosed upon employment and/or prior to engaging in the activity or employment. Goodhart prohibits engagement in outside activity that interferes with its business activities of Goodhart or potentially creates a conflict of interest with an Employee’s responsibilities.

The Code has strict guidelines all Employees must follow to minimize these conflicts noted above. All Employees at Goodhart must acknowledge the terms of the Code of Ethics upon employment, annually thereafter, and upon amendment. Goodhart may impose sanctions for violations of the Code of Ethics. Sanctions may include termination of employment in the case of serious offenses or other penalty.

Participating in Client Transactions

Goodhart is not permitted to deal as a principal, therefore, it cannot, and does not, buy an investment from a Client, sell an investment to a Client or share in an aggregated transaction for a Client.

Cross Trades

From time to time, it may be beneficial for one Client to purchase a security from another Client in order to minimize or eliminate transaction costs and to limit the market impact of the transaction. These cross trades create a potential conflict of interest as there is the potential to favor one account over another as Goodhart represents both the Client-seller and the Client-buyer in the transaction. Cross transactions are permitted only if the Portfolio Manager believes the transaction is in the best interest of both accounts, disclosure is provided to each Client about the potential conflict of interest, and each Client consents to the transaction. Both Client accounts are to receive best execution and Goodhart will not charge a brokerage commission or mark-up or mark-down. Goodhart will generally not place cross trades for Clients that are subject to the Employee Retirement Income Security Act of 1974, as amended, and will only place cross trades for a U.S. registered investment company in accordance with Section 17(a) of the Investment Company Act of 1940, as amended.

Conflicts of Interest Created by Contemporaneous Trading.

Goodhart manages investments on behalf of a number of Clients. Certain Clients have investment programs that are similar to or overlap and may, therefore, participate with each other in investments. It is the policy of Goodhart to allocate investment opportunities among all Clients fairly, to the extent practical and in accordance with each Client's applicable investment strategies, over a period of time. Goodhart will have no obligation to purchase or sell a security for, enter into a transaction on behalf of, or provide an investment opportunity to any Client solely because Goodhart purchases or sells the same security for, enters into a transaction on behalf of, or provides an opportunity to any Client if, in its reasonable opinion, such security, transaction or investment opportunity does not appear to be suitable, practical or desirable for the Client.

Item 12: Brokerage Practices

Broker Selection

A number of factors are considered for the selection of brokers with the goal being best execution of orders.

In selecting appropriate execution venues, or brokers with access to required execution venues, Goodhart generally seeks best price (taking account of commissions and other transaction costs). However, each execution venue may not necessarily reflect the best price or lowest commission rate since, consistent with its regulatory obligations, Goodhart evaluates trading execution periodically and systematically and considers alternative methods designed to improve the execution process, taking account of a wide variety of execution factors, such as:

- size of order;
- service;
- timing of execution;
- likelihood of execution and settlement; and
- any other consideration Goodhart believes to be relevant in the execution of the order.

Goodhart has a list of approved brokers that its Portfolio Managers use for transactions, Portfolio Managers use their discretion to choose a broker from the list.

Goodhart has full discretion in selecting which brokers and dealers to trade with for the Clients and does not permit Clients to direct brokerage.

Soft Dollars and Research

Goodhart monitors the charges of eligible brokers and dealers to minimise the expense incurred for effecting transactions for the Clients. However, Goodhart will not select broker-dealers solely on the basis of commission rates. Although Goodhart seeks competitive commission rates, it will not necessarily pay the lowest commission or commission equivalent. Transactions may involve specialist services on the part of the broker-dealer involved resulting in higher commissions or their equivalents than would be the case with transactions requiring more routine services.

Goodhart monitors commissions paid, rates and quality of execution to ensure Clients are being treated fairly.

As a UK investment manager impacted by MiFID II regulations, Goodhart operates a research payment account where the research budget is agreed with clients, and trade execution is priced separately with the broker. These arrangements are unbundling the cost of research and execution services as required by the UK Financial Conduct Authority and are consistent with Section 28(e) of the Securities Exchange Act 1934 (including SIFMA AMG No-Action letter dated 26 October 2017) which permits the use of “soft dollars” in certain circumstances.

When acquiring research, the research in question must be substantive and have meaningful conclusions. The criteria to be satisfied for research to meet the substantive test are as follows:

1. It is capable of adding value by providing new insights that inform decisions about customer portfolios;

2. It represents original thought, critical and careful consideration and assessment of new and existing facts (not a repeat/repackage);
3. It has intellectual rigour (doesn't state the obvious); and
4. It presents the investment manager with meaningful conclusions based on analysis or manipulation of data.

It is up to Goodhart to consider the information and only pay for substantive research using its research payment account.

In addition to the substantive research test above, in determining whether a service or product qualifies as research, Goodhart evaluates whether the service or product provides lawful and appropriate assistance to Goodhart in carrying out its investment decision-making responsibilities.

Brokerage for Client Referrals

Goodhart does not direct brokerage to any broker- dealer in return for Client referrals.

Directed Brokerage

Goodhart does not have any directed brokerage arrangements for the Clients.

Trade Aggregation

In making decisions regarding the placement and execution of Client trades, Goodhart's goal is to provide fair and equitable treatment over time to all Clients. However, in terms of priority of execution and allocation of shares, and the timeliness and efficiency of execution, it is possible, although unlikely, that a specific trade may have the effect of benefiting one account against another when viewed in isolation. Consistent with Goodhart's duty to seek best execution for each Client, Goodhart may aggregate trade orders that could be effected concurrently for more than one Client account.

Although allocating orders among Client accounts may create potential conflicts of interest because Goodhart may receive greater fees or compensation from some Clients than other Clients, or because Goodhart may be affiliated or have other relationships with certain Clients, Goodhart has policies that are intended to monitor and oversee that allocation decisions are not based on these differing interests, greater fees or compensation.

Goodhart's policy is to aggregate and execute as a block order trades for the same security or contract with consistent attributes. Orders in the same security with different execution limits set by the Portfolio Manager will not be aggregated unless the trade can be executed in accordance with each Portfolio Manager's limits. Where a block order is executed at multiple prices, all accounts participating in the order will receive the same average price, including trading costs. In the event that an aggregated order, including shares offered in an initial public offering, can only be partially filled, participating Client accounts will receive proportionate allocations on the basis of their order size subject to certain minimum trade values at the account level. In the event of a partially filled order, the Goodhart Portfolio Manager may determine that the proportionate allocation to a particular account is not material to that account or inefficient relative to the size of the order with respect to the cost of settling the transaction, and so may waive that account's allocation. If this occurs, the account's allocation will be reallocated to other participating accounts on a proportionate basis. In addition, Goodhart may determine that an account should not participate in a transaction, for example, because of cash flow or account-specific tax considerations or diversification or other portfolio management considerations. By not participating in an aggregate order Clients may pay higher commissions or other fees on the transaction. It is also possible that participation in an

aggregated order itself might result in a poorer execution than if a particular account's order had been executed by itself.

Item 13: Review of Accounts

Account Review

The investments of each Client are managed in accordance with the investment objectives and guidelines applicable to each Client as set out in the Fund prospectus, offering memorandum or IMA.

Portfolio Managers are responsible for reviewing the holdings in Client accounts each business day to ensure that each portfolio is managed in accordance with the investment objectives and guidelines. The compliance department monitors Client accounts for compliance with account guidelines and restrictions periodically. At least quarterly, the risk management function is also responsible for reviewing the performance of an account relative to the account's pre-established benchmark and the account's conformity with its investment objectives and restrictions.

In addition, all accounts are reviewed by the fund accounting department for the purpose of reconciling Goodhart's records with those of the account's custodian. Cash and portfolio holdings are reconciled by the fund accounting department in accordance with the Client's IMA. The risk management function prepares month-end separate account reconciliations (including cash, security positions, local market values, prices and accruals, where applicable) to a Clients' custodian bank account statement.

Client Reporting

Clients generally receive a quarterly report within 15 business days after quarter-end which includes performance, market values, attribution analysis, characteristics, largest holdings, and an investment commentary. In addition, Clients also receive a monthly preliminary performance and market value report within five business days after month-end. Clients generally receive electronic notifications. Hard copies are also available upon request. In addition to Goodhart's standard reports, Goodhart can provide additional reports upon request as needed. Investors in Goodhart Funds typically receive the relevant Fund's annual and semi-annual financial statements. Monthly commentaries and quarterly fund fact sheets are available on the Goodhart website at www.goodhartpartners.com.

Please see the relevant Prospectus of each Goodhart Fund for additional information related to the types of reporting and the frequency of reports provided to investors in each Goodhart Fund.

Item 14: Client Referrals and Other Compensation

Goodhart may occasionally enter into solicitation agreements with unaffiliated and affiliated third parties. Goodhart may compensate certain third parties in return for U.S. Client solicitations. The fees are not paid by Clients. Any such arrangements must comply with SEC Rule 206(4)-3.

Goodhart does not have any active third-party marketer arrangements in place. The Firm continues to compensate a legacy agreement in place.

Through a 15a-6 arrangement with a U.S. broker-dealer, Goodhart receives Distribution Fees from third party investment managers with respect to investments made by U.S. institutional investors introduced by Goodhart into products managed by the third party investment managers. Goodhart does not invest any Client assets in third party products directly. This practice presents a conflict of interest and gives Goodhart an incentive to recommend investment products based on the compensation received, rather than on Client's needs. Goodhart has adopted a standard of conduct under its Code of Ethics which emphasizes putting Clients' interest first and avoiding any conflicts of interest. Goodhart by only introducing investors to the third party products and not recommending or investing Clients in the products, believes Goodhart is upholding its fiduciary duty to its Clients. Potential conflicts are disclosed through required disclosures such as this document.

Item 15: Custody

Goodhart and its Affiliates may be deemed to have custody of Client funds or securities due to its role as general partner of a partnership or managing member of a limited liability company. However, in accordance with the ABA Subcommittee on Private Investment Entities, SEC No-Action Letter (Aug. 10, 2006), the substantive provisions of the Investment Advisers Act of 1940 (the “Act”) do not apply to Goodhart’s dealing with Goodhart’s offshore funds and offshore Clients. Goodhart complies with the Act and the U.S. Securities and Exchange Commission (“SEC”) rules thereunder with respect to any U.S. Clients (and any prospective U.S. clients) Goodhart has. Goodhart does not self-custody separate account Client funds or securities. Goodhart uses the services of a qualified, independent custodian selected by a Client prior to or at the time of contracting with Goodhart. Client custodians typically provide a statement to Clients on a quarterly basis or other intervals. We recommend that Clients compare the information in Goodhart’s account statements to the information in the statements provided by the custodian. Clients should contact the custodian about discrepancies or other questions.

Item 16: Investment Discretion

Goodhart generally receives discretionary authority to transact on behalf of a Client at the outset of an advisory relationship. Clients typically grant Goodhart discretion in a written IMA. To its best ability, Goodhart employs discretion in a manner consistent with the documented Client investment objectives and guidelines pertaining to that Client's account. Goodhart has full authority to determine the securities to be bought or sold, the brokers to be used and the commission rates paid. Purchases and sales must be suitable for the particular Client under its investment objective, strategies and any restrictions.

Item 17: Voting Client Securities

Where Goodhart has the authority to vote the securities owned by Goodhart's Clients on their behalf it has adopted a proxy voting policy (the "Proxy Policy") in connection with exercising this authority. Under the Proxy Policy, Goodhart considers proxy proposals, amendments, consents or resolutions relating to securities owned by the Goodhart Funds (collectively, "Proxies") in a manner that serves the best interests of the Goodhart Funds and the underlying investors, as determined by Goodhart in its discretion.

Goodhart's Proxy Policy provides that it will firstly take into account and direction or guideline properly provided by Clients. In the absence of any such Client direction or guideline Goodhart has determined that it will generally not vote, except in specific instances when the responsible Portfolio Manager believes that it is in the applicable Client's interest to vote.

Each Portfolio Manager with voting authority is required to disclose any material conflicts between his or her interest and that of the applicable Goodhart Fund. Possible examples are a material business, personal or family relationship with senior personnel of a portfolio company or a material arrangement with such a company. Disclosure is made to supervisory personnel and the Compliance Officer who will determine the manner in which Proxies should be voted.

Goodhart aims to limit the occurrence of conflicts of interest in connection with voting Proxies by operating in line with its Proxy Policy. In the unlikely event that a conflict of interest does occur, Goodhart's Chief Compliance Officer would be involved with a view to mitigating any such conflict.

Goodhart maintains records of proxy statements and its votes on behalf of Clients. Goodhart will provide Clients and Goodhart Fund investors a copy of its Proxy Policy and information on how Proxies were voted upon request.

Item 18: Financial Information

Goodhart has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to its Clients and has not been the subject of a bankruptcy proceeding.