

Cover Page



Martin Fund Management LLC

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Part 2A of Form ADV:

FIRM BROCHURE

This brochure provides information about the qualifications and business practices of Martin Fund Management, LLC (the “Firm”, “MFM”, or “we”). If you have any questions about the contents of this brochure, please contact us at (212) 257-5799 or info@MartinFundManagement.com. 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 Martin Fund Management LLC 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 is not an offering or solicitation of interests in funds managed or investments offered by MFM or our affiliates.

Item 2 – Material Changes

The Firm considers the following information contained in this version of the Brochure to represent a material change from the information contained in its most recent previous version dated March 19, 2019:

Effective June 1, 2019, David Martin became the Chief Compliance Officer of the Firm.

Our current and future investors are encouraged to read this Brochure, as well as all of the governing documents applicable to their current or prospective investment, in their entirety.

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* The meanings of certain capitalized terms used throughout this Brochure are as intended in the Disclosure Document (or governing documents).

Item 4 – Advisory Business

Firm Description

Martin Fund Management, LLC (the “Firm”, “MFM”, the “Advisor” or “we”) was organized as a New York limited liability company on May 2, 2012. The Firm is a registered investment adviser with the SEC under the Investment Advisers Act of 1940, as amended (the “Advisers Act”). In addition to being a registered investment adviser, the Firm has been a registered commodity trading adviser since January 2013. As a registered commodity trading adviser MFM is regulated by the Commodity Futures Trading Commission (the “CFTC”) and the National Futures Association (the “NFA”).

Principal Owners

The Firm is managed by David Stephen Martin (the “Principal”), the founder and managing member of the Firm. Mr. Martin is the sole person responsible for making trading decisions on behalf of the Firm and will identify, investigate and select investment opportunities for the Firm. Mr. Martin owns 100% of MFM.

Types of Advisory Services

The Firm provides investment advisory services to pooled investment vehicles and separately managed accounts. The Firm’s separate account clients pursue the investment objectives and strategies set forth in their individual investment management agreements. Separate account clients may impose restrictions on investing in certain sectors or markets, or the use of margin or leverage employed in trading the client’s account.

Currently, the pooled investment vehicles that the Firm advises include, Martin Fund, L.P. (the “Fund”), and Martin Fund Offshore Feeder SP (the “Offshore Fund”; collectively the “Funds”).

MFM contacted Emerging Asset Management Ltd. (“EAM”) in mid-2016 as a result of its existing relationship with Apex Fund Services (US) Inc. (“Apex US”), the administrator at the time of the Fund. EAM worked with MFM to set up the Offshore Fund on EAM’s Cayman Emerging Manager Platform SPC (“CEMP”) as a feeder fund for non-US investors into the Fund, as is disclosed in the private placement memorandum for CEMP and the supplement for the Offshore Fund (the “Supplement”), both of which are filed with the Cayman Islands Monetary Authority (“CIMA”). As regulated entities under Cayman Islands Mutual Fund Law, EAM is the Investment Manager of CEMP and the Offshore Fund. MFM is the designated Investment Advisor to the Offshore Fund, as per the Investment Advisory Agreement signed by EAM, the Offshore Fund, and MFM.

The Funds are managed in accordance with the investment objectives and strategies set forth in the Fund’s Confidential Private Placement Memorandum (the “PPM”) and the Offshore Fund’s Supplement.

As of December 31, 2018, the Firm had approximately \$ 124,969,622 in regulatory assets under management (as defined by the SEC), all of which is managed on a discretionary basis.

For a further discussion of these and related items, see Item 7 (Types of Clients), Item 8 (Methods of Analysis, Investment Strategies and Risk of Loss) and Item 10 (Other Financial Industry Activities and Affiliations).

Item 5 – Fees and Compensation

The Firm bases its fees on a percentage of assets under management and other fees as explained below.

Management Fees

A management fee (the “Management Fee”) is paid monthly in advance to the Firm. The Management Fee charged to clients is dependent upon the client’s selected series investment in the Funds, as set forth in the Fund’s PPM and the Offshore Fund’s Supplement (the “Investor Series”). The Management Fee is typically equal to 1/12 of 1.5%-2.0% (1.5%-2.0% per annum), depending on the Investor Series, of the net assets in the client’s account as of the beginning of each month. Net assets consist of the client’s beginning account balance, plus or minus gains and losses (including unrealized gains and losses), increased for additional contributions and decreased for withdrawals, as applicable. If the account is traded for less than a month, the Management Fee will be appropriately prorated according to the number of days it was traded.

The Firm has the right to reduce or waive the Management Fee with respect to certain clients or investors in the Funds.

Incentive Fee

See Item 6 for a description of the Incentive Fee charged to clients.

Expenses

Separate account clients will generally incur transaction fees on purchases or sales of commodity futures and securities. These transaction charges are usually small and incidental to the purchase or sale of a contract.

The Funds will pay all of their operating expenses not borne by the Firm or the General Partner (as defined herein). Such expenses are disclosed in the PPM and the Supplement and will generally include brokerage commissions (see Item 12); fund administration, accounting, and audit expenses; legal, compliance and other professional expenses; and the Management Fee.

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

Performance Based Fees

In addition to the Management Fee described in Item 5, the Firm will receive a performance fee from clients dependent upon clients’ selected series investment in the Funds, as set forth in the Fund’s PPM and the Offshore Fund’s Supplement. The performance fee is typically equal to 15%-20% of any increase in the profits (the “Incentive Fee”) over the previous high point in profits (the “High-Water Mark”). Profits equal the cumulative gain on the value of the account resulting from

net realized gains and losses on the account's trading, plus or minus the change as of the end of the period in unrealized gains or losses on open positions, plus interest income, as applicable, and are reduced by the Management Fee and other expenses.

Performance fees and allocations create an incentive for the Firm to recommend investments that may be riskier or more speculative than those that would be recommended under a different fee arrangement.

Side-by-side investing with differing fees raises the possibility of preferential treatment of certain investors. As a fiduciary, we exercise due care that investments are allocated in a fair and equitable manner as we may determine in good faith, using reasonable discretion, including by taking into consideration the client circumstances and the terms and size of the investment.

We structure any performance fees and allocations subject to applicable federal rules and in accordance with the available exemptions granted under those rules.

Item 7 – Types of Clients

Our clients consist of (1) Qualified Eligible Persons, as defined in CFTC Rule 4.7, who are eligible to open separate accounts and (2) the Funds, which pursue the investment program described in the Fund's PPM and Offshore Fund's Supplement. Interests in the Funds are available to qualified investors, which may include high net-worth individuals, charitable organizations, public and private pension and retirement plans, corporations, universities, trusts, governmental entities, financial advisers, and other sophisticated investors. The minimum account balance necessary to open a separate account is \$25,000,000, and the minimum investment in the Funds is \$250,000 (individuals) and \$1,000,000 (institutional investors), both subject to waiver or reduction in the Firm's, or, in regards to the Fund, the General Partner's, sole and absolute discretion.

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

Investment Objective. The Firm seeks to generate annual returns of 15%-20%, employing short-to medium-term trade structures with low macro correlation and disciplined risk management.

Principal Investment Strategies. The Firm trades exchange-listed derivatives (futures and options) of global soft commodities (coffee, cocoa, sugar and cotton), grains (corn, wheat and soybeans), energy (crude oil and heating oil) and metals (gold). The Firm's proprietary trade structures have been derived from the Principal's multi-decade history of trading commodity markets, and have been tested through several multi-year commodity market cycles, seeking low macro correlation and utilizing disciplined risk management.

The Firm intends to trade commodity futures and options in the agricultural, energy, and metals sectors via three discretionary strategies: (1) the use of options spreads to express the Firm's views on major market trends; (2) arbitrage of futures spreads and spread butterflies, where the Firm will buy one futures spread and sell another related futures spread, to benefit from seasonal and time-to-expiration-based price ranges; and (3) event trading of the S&P GSCI futures roll, where the Firm seeks to capitalize on the roll-over flows of soon-to-expire futures contracts, utilizing the front month futures spread.

Risks Associated with Our Strategies

Clients should carefully consider the risks described herein and, as applicable, in the Fund's PPM and Offshore Fund's Supplement (investment management agreements or other governing documents). The risk factors described below are not meant to be an exhaustive listing of all potential risks associated with an investment with the Firm, and are not set forth in any particular order of importance. Furthermore, the following risk factors are not designed to provide investment advice, or educate investors, about the potential issues associated with an investment in commodities, securities, or other money market instruments. These risk factors include only those risks we believe to be material and relate to the particular significant investment strategies or methods of analysis employed by us. Not all risks apply to all investments.

Option Transactions. The purchase or sale of an option by clients involves the payment or receipt of a premium payment and the corresponding right or obligation, as the case may be, to either purchase or sell the underlying investment for a specific price at a certain time or during a certain period. Purchasing options involves the risk that the underlying investment does not change in price in the manner expected, so that the option expires worthless and the investor loses its premium as well as any commissions and fees. Selling options, on the other hand, involves potentially greater risk because the investor is exposed to the extent of the actual price movement in the underlying investment in excess of the premium payment received (reduced by any commissions and fees). The risk of loss when selling options is potentially unlimited because there is theoretically no upper limit to the market price to which the underlying investment could rise.

Futures Contracts and Options on Futures Contracts. In entering into futures contracts and options on futures contracts, there is a credit risk that a counterparty will not be able to meet its obligations to clients. The counterparty for futures contracts and options on futures contracts traded in the United States exchanges is the clearinghouse associated with such exchange. In general, clearinghouses are backed by the corporate members of the clearinghouse who are required to share any financial burden resulting from the non-performance by one of its members and, as such, should significantly reduce this credit risk. In cases where the clearinghouse is not backed by the clearing members, it is normally backed by a consortium of banks or other financial institutions. There can be no assurance that any counterparty, clearing members or clearinghouse will be able to meet its obligations to clients.

In addition, under the Commodity Exchange Act, futures commission merchants are required to maintain customers' assets in a segregated account. If the Firm engages in futures and options contract trading on behalf of a client and the futures commission merchants with whom the client maintains accounts fail to so segregate the client's assets or are not required to do so, the client will be subject to a risk of loss in the event of the bankruptcy of any of its futures commission merchants. The Firm will not engage in futures trading with a futures commission merchant that is not required to segregate assets. Even where customers' funds are properly segregated, the client might be able to recover only a pro rata share of its property pursuant to a distribution of a bankrupt futures commission merchant's assets.

Futures Cash Flow. Futures contracts gains and losses are marked-to-market daily for purposes of determining margin requirements. Option positions generally are not, although short option positions will require additional margin if the market moves against the position. Due to these

differences in margin treatment between futures and options, there may be periods in which positions on both sides must be closed down prematurely due to short-term cash flow needs. Were this to occur during an adverse move in the spread or straddle relationships, a substantial loss could occur.

Each exchange on which futures are traded and the CFTC typically have the right to suspend or limit trading in the contracts that each such exchange lists. Such a suspension or limitation could render it impossible for the Firm to liquidate the client's positions and thereby expose it to losses. In addition, there is no guarantee that exchange and other secondary markets will always remain liquid enough for the Firm to close out existing futures positions. It is also possible that an exchange or the CFTC could order the immediate liquidation and settlement of a particular contract, or order that trading in a particular contract be conducted for liquidation only.

Futures Markets May Be Illiquid. Most United States commodity exchanges limit fluctuations in commodity futures contract prices during a single day by regulations referred to as "daily price fluctuation limits" or "daily limits." During a single trading day, no trades may be executed at prices beyond the daily limit. Once the price of a futures contract for a particular commodity has increased or decreased by an amount equal to the daily limit, no positions in the commodity can be either taken or liquidated unless traders are willing to effect trades at or within the limit. Futures prices have moved the daily limit for several consecutive days with little or no trading. Similar occurrences could prevent the Firm from promptly liquidating unfavorable positions and could subject the client to substantial losses, which could exceed the margin initially committed to such trades.

Futures Trading is Highly Leveraged. The margin deposit required to enter into a futures position is typically 2-10% of the total value of the contract. As a result, if the client's account is margined, a relatively small price movement in a commodity futures contract may result in a loss to the investor equal to or substantially greater than the amount of the deposit. Combined with the volatility of futures prices, the leveraged nature of futures trading can cause futures traders to sustain large and sudden losses of their capital. When the market value of a particular open position changes to a point where the margin on deposit in a participating investor's account does not satisfy the applicable maintenance margin requirements imposed by the client's Futures Commission Merchant ("FCM"), the client will receive a margin call from the FCM. If the client does not satisfy the margin call within a reasonable time (which may be as brief as a few hours), the FCM will close out the client's position.

Futures Trading is Volatile and Speculative. Futures markets are highly volatile. Futures contracts are influenced by, among other things: changing supply and demand relationships, governmental actions, agricultural and commercial trade programs and policies, national and international political events, national and international economic events, weather and other natural occurring phenomena, and prevailing psychological characteristics of the marketplace. There is no assurance that the Firm will engage in profitable trades for the client or that the client will not incur substantial losses.

Default of Futures Commission Merchant. The client could be unable to recover assets held at the FCM in the event of a bankruptcy of the FCM. Although FCMs are required to segregate customer accounts pursuant to the CEA, there is no equivalent of Securities Investors Protection Corporation

insurance (applicable in the case of securities broker dealer bankruptcies) that would apply in the event of the FCM's bankruptcy. In such an event, the client may suffer a total loss of all funds on deposit with a defaulting FCM.

FCM Margin Requirement Adjustments. The FCM may, in such FCM's sole discretion, raise the margin requirements applicable to the client upon minimal notice or no notice at all, and such margin requirement adjustments may occur at any time, including during such periods in which the client's portfolio is undergoing a significant drawdown. A direct result if such an event is that the Firm may be forced to exit futures positions under extremely unfavorable conditions, thereby causing the client to incur substantial losses.

Spread Position May Be Riskier. If "spread" positions are used, the client must be aware that although all futures positions involve risk, a spread position may not be less risky than an outright "long" or "short" position and therefore the loss in a spread position can be substantial. The client should also be aware that commissions charged for spread positions will typically be higher than those for single positions since a commission for each "leg" of the spread is usually charged.

Substantial Fees and Expenses. The client is subject to substantial brokerage commissions and other transaction costs, as well as management and incentive fees. Accordingly, the client's account will have to earn substantial trading profits to avoid depletion of the client's funds due to such commissions, costs and fees.

The client, and not the Firm, is directly responsible for paying to the FCM all margins, options premiums, brokerage commissions and fees, and other transaction costs and expenses incurred in connection with transactions the Firm effects for the client's account. No assurance can be given as to any minimum or maximum number of transactions which will be entered into for the client's account during any period for which the account is managed by the Advisor.

Tax Liability. The client should satisfy its income tax and other tax consequences of an investment in a managed account program with specific reference to its own tax situation by obtaining advice from its own tax counsel before participating in such program.

Electronic Trading. The Firm may place trades on the various electronic trading platforms offered by the exchanges. In the event that there is a failure or disruption of these platforms, it is possible that, for a certain time period, the Advisor may not be able to enter new orders, execute existing orders, or modify or cancel orders that were previously entered. In addition, a system failure may also result in loss of orders, order priority or losses on the trade when attempting to close a position.

General Investment Risk Factors

Investments are Generally Risky and Offer No Guarantee of Success. All investments generally bear the risk of loss of capital. There is no guarantee that the Firm's investment objectives will be achieved, that we will be successful in executing the Firm's investment strategies or that the Firm's investments on behalf of clients will be profitable.

Risks of Price Movements Inhibit the Ability to Predict Profitability. The profitability of the Firm's overall investment program depends to a great extent upon correctly assessing the future course of

movements in interest rates and credit quality. There can be no assurance that the Firm will be able to predict accurately these movements.

Changes in Capital Markets and the Economy Generally May Materially and Adversely Affect Operations. The Firm's results of operations are materially affected by conditions in the global capital markets and the economy generally. Concerns over inflation, energy costs, geopolitical issues, the availability and cost of credit have contributed to increased volatility and diminished expectations for the economy and the markets going forward. These factors, combined with volatile oil prices, wavering business and consumer confidence and sustained unemployment, have resulted in an unstable economy. All of these factors have contributed to increased likelihood of borrower default. In addition, small businesses borrowing at higher-than-average interest rates may be particularly susceptible to such factors.

Change in Tax Law. The tax law may change with regard to tax rates, deduction limitation, or other items. Any such changes, which could be retroactive, could adversely affect the consequences, including the tax consequences, of an investment in the Firm.

Item 9 – Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to an evaluation of us or the integrity of our management. We have no disclosure applicable to this Item.

Item 10 – Other Financial Industry Activities and Affiliations

Martin Fund Capital Partners, LLC, a Delaware limited liability company, is the general partner of the Fund (the "General Partner") and is registered with the CFTC as a commodity pool operator since June 2014.

Neither we nor our affiliates are obligated to devote any specific amount of time to the affairs of our investors.

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

Code of Ethics

The Firm has adopted a Code of Ethics ("Code") pursuant to Rule 204A-1 of the Investment Advisers Act. The Code sets forth standards of ethical and business conduct expected of supervised persons and addresses conflicts that may arise. The Code requires full compliance with all applicable laws and regulations governing the provision of investment management services to our clients. In addition, the Code highlights that we are a fiduciary to our clients and expect each supervised person to act with integrity, competence, dignity, and in an ethical manner and to report any potential conflicts of interest.

From time to time, MFM or one of its supervised persons may buy or sell securities that MFM also recommends to clients since certain supervised persons may be invested in the Fund and therefore indirectly invest in the same securities, or a supervised person may buy or sell the same securities

as MFM recommends to clients in his or her own personal account. However, the Firm has adopted policies and procedures to avoid potential conflicts of interest to the detriment of its clients.

Our Code contains guidelines relating to personal trading by supervised persons (and their immediate family members, as defined in the Code). In general, our supervised persons must get pre-approval to purchase: (1) any U.S. initial public offering, and (2) any other security or other product that the Chief Compliance Officer has designated as a pre-clearance security or product.

The Code also requires supervised persons to provide us with certain securities holdings and periodic transaction reports, as required by Investment Advisers Act Rule 204A-1.

The Code includes policies and procedures on serving as officers, trustees and/or directors of outside organizations and participating in outside business activities. Additionally, the Compliance Manual establishes preclearance requirements for political contributions and provisions relating to accepting offers of business gifts or business entertainment from third parties.

All supervised persons are required to contact our Chief Compliance Officer regarding any actual or suspected violation of the Code. All of our personnel must acknowledge they understand the Code and agree to comply with it upon employment and annually thereafter, and must certify annually that they have complied with the Code. Additionally, we conduct periodic compliance training that addresses the requirements of the Code.

Clients or prospective clients may obtain a copy of our Code, free of charge, upon request.

Potential Conflicts of Interest

Clients should carefully consider the conflicts of interest described herein and, as applicable, in the Disclosure Document (or other governing documents).

The Advisor and/or its affiliates, shareholders, members, partners, managers, directors, officers and employees (collectively the “Affiliated Persons”) will only devote so much time to the affairs of the client’s account as is reasonably required in the judgment of the Advisor. The Affiliated Persons will not be precluded from engaging directly or indirectly in any other business or other activity, including exercising investment advisory and management responsibility and buying, selling or otherwise dealing with investments for their own accounts, for the accounts of family members, for the accounts of other funds and for the accounts of individual and institutional clients (collectively, “Other Accounts”). Clients will not be permitted to inspect the Advisor’s and its Principal’s proprietary trading records and any written policies relating to Other Accounts. Such Other Accounts may have investment objectives or may implement investment strategies similar to those of the client. The Affiliated Persons may also have investments in certain of the Other Accounts. Each of the Affiliated Persons may give advice and take action in the performance of their duties to their Other Accounts that could differ from the timing and nature of action taken with respect to the client. The Affiliated Persons will have no obligation to purchase or sell for the client any investment that the Affiliated Persons purchase or sell, or recommend for purchase or sale, for their own accounts or for any of the Other Accounts.

As a result of the foregoing, the Affiliated Persons may have conflicts of interest in allocating their time and activity between the client’s account and the Other Accounts, in allocating investments

among the client's account and the Other Accounts and in effecting transactions for the client's account and the Other Accounts, including ones in which the Affiliated Persons may have a greater financial interest.

The Advisor will receive an Incentive Fee based on a percentage of any net realized and unrealized profits. Incentive Fees may create an incentive for the Advisor to make investments that are riskier or more speculative than would be the case in the absence of such incentive compensation arrangements. In addition, the Advisor's Incentive Fee will be based on unrealized as well as realized gains. There can be no assurance that such unrealized gains will, in fact, ever be recognized. Furthermore, the valuation of unrealized gain and loss may be subject to material subsequent revision.

Item 12 – Brokerage Practices

MFM has a relationship with Bank of America Merrill Lynch, which is registered as a securities broker-dealer and FCM. As such, representatives of the Firm can buy or sell securities, futures, and other derivative instruments for clients through Bank of America Merrill Lynch. Representatives may receive commissions due to such transactions. Clients should be aware that such services may be available elsewhere at a lower cost and are under no obligation to use Bank of America Merrill Lynch.

If a client directs MFM to use a particular registered representative or brokerage firm, such instructions must be in writing. The client may at any time change such instructions by giving written notice to the Firm. It is the responsibility of the account manager to advise the client in writing that as a result of such brokerage, client may pay a higher brokerage commission than might otherwise be paid if the Firm had been granted discretion to select a broker to handle the client's account. If a client directs MFM to use a particular registered representative or brokerage firm, the client will be advised that MFM may be unable to bunch, block or aggregate his/her trades with those of other clients. The inability to bunch trades may result in the client's trades being executed at a price different from trades that are bunched and which may be less favorable.

The Firm may receive research or brokerage services from a broker-dealer and/or a third party in connection with client securities transactions. This is known as a "soft dollar" relationship. To the extent the Firm enters into any soft dollar arrangements, the Firm will limit the use of "soft dollars" to obtain services that constitute research and brokerage within the meaning of Section 28(e) of the Securities Exchange Act of 1934.

Allocation of Investment Opportunities

From time to time, we may conclude that an investment opportunity is appropriate for more than one investor. If signed governing documents do not address the manner in which the investment opportunity should be allocated, we attempt to allocate the investment opportunity between or among investors on a fair and equitable basis. When making these determinations, we consider factors including: (i) the size, nature and type of investment or opportunity; (ii) principles of diversification of assets; (iii) the investment guidelines and limitations of a given client; (iv) cash availability; (v) the magnitude of the investment; (vi) a determination that the investment or

opportunity may be inappropriate, in whole or in part, for one or more of its clients; or (vii) such other factors as we may reasonably deem relevant.

Trade Errors

When an error is made on behalf of a client account, the Firm will use commercially reasonable efforts to break or otherwise correct the trade. The applicable client accounts will bear losses for trade errors, except for losses resulting from any act or failure to act that constitutes Improper Conduct. “Improper Conduct” shall mean fraud, willful misfeasance or gross negligence as finally determined by a court of competent jurisdiction.

When an error made on behalf of a client account results in a gain, the gain is realized by a client’s account and will remain in the account.

Trading Errors (i.e., when an order is not executed according to the supervising investment professional’s instructions due to a mistake of fact, processing error or other similar reason) and *Order Errors* (i.e., when an order is not suitable and/or appropriate for a client because of investment restrictions or regulatory limitations, changed circumstances, inadvertent duplication or other similar reason), collectively referred to as “Errors,” that are attributable to the Firm shall be corrected in accordance with the following principles:

(a) The Firm will use commercially reasonable efforts to ensure that orders are entered correctly. However, to the extent an Error occurs and a Supervised Person is aware of such occurrence, the Error should be (i) reported to the Compliance Officer and (ii) corrected as soon as practicable pursuant to the procedures below. The Firm is responsible for its own errors that result from Improper Conduct, and not the errors of other persons, including third-party brokers and custodians, unless otherwise expressly agreed to by the Firm.

(b) If an Error is discovered on the trade date or thereafter, the Error should be reported to the Compliance Officer. The Compliance Officer will complete a trading error report to document the Error. The Compliance Officer will investigate the matter and determine an appropriate resolution. The Compliance Officer will maintain a trade error log, which details a description of the Error (including the cause), the effect of the Error, and how the Error was resolved.

(c) After a complete investigation and evaluation of the circumstances surrounding an Error, the Compliance Officer has discretion to resolve a particular Error in a manner other than specified in these procedures. Any Errors resulting from unique circumstances shall be resolved on a case-by-case basis. In either event, an explanatory memorandum will be prepared and maintained by the Compliance Officer.

(d) The Firm may not permit broker-dealers to assume responsibility losses that result from the Firm’s trading errors. The Firm also may not enter into reciprocal arrangements with a broker-dealer regarding the trade in question (or any other trade(s)) to encourage the broker-dealer to assume responsibility for such losses.

In cases where an Error is attributable to a broker or other third party, adequate records of the trade and its correction must be maintained together with an indication in such records of the reason for such correction, e.g., “broker error.”

Item 13 – Review of Accounts

On a monthly basis client accounts are reviewed by the Principal. Triggering factors for the reviews include performance of the overall client account. Included in the performance factors are current, month to date, and life to date returns, margin to equity usage, market participation, and performance within client accounts compared to other accounts traded by the Firm. Parameters regarding the reviews are detailed in the client agreement. Each reviewer is assigned to review only up to the maximum number of reports as is practicable. Other conditions that may trigger a review are changes in the tax laws, new investment information, and changes in a client’s own situation.

Investors receive regular reports from the custodian and operational reports from us upon request or as required in the governing documents.

Item 14 – Client Referrals and Other Compensation

We currently do not have referral arrangements with individuals who are compensated for such referrals. For any such arrangement we may enter into in the future, we will ensure that all such arrangements comply with applicable law, which may include Rule 206(4)-3 under the Advisers Act.

Item 15 – Custody

The Firm retains qualified custodians (“the Custodians”) to perform custodial services. Such custodians may be broker-dealers, prime brokers, banks, trust companies, or other qualified institutions. The Custodian is responsible for, among other things, opening and maintaining a custody account or accounts in the name of the Firm’s client and holding all assets of the client as shall be deposited by such client from time to time with and accepted by the Custodian. The Custodian is a service provider to the Fund or other Firm client and, as such, bears no responsibility for the content of the governing documents, the investments of the Firm, the performance of the client account or any other fund in which it invests nor any matter other than as specified in the custody agreement between the client and Custodian, as the same may be amended, supplemented or otherwise modified from time to time. While the Custodian will provide these services, the client reserves the right to engage other custodians to take custody of the assets of the client.

Fund investors who have not received audited financial statements in a timely manner should contact MFM immediately.

The Custodian will typically provide investors with at least quarterly account statements relating to the assets held within the account. Each investor should carefully review the Custodian’s statement upon receipt to determine that it accurately states all holdings in the account and all account activity over the relevant period. Any discrepancies identified by a client should be immediately reported to the Firm and the Custodian.

In the event that a client requests MFM to also send statements to them, such clients are urged to compare the statements provided to them by MFM against those provided to them by the Custodians who hold the assets of their accounts, and to report any questions, concerns, or discrepancies to both MFM and the Custodian promptly.

Item 16 – Investment Discretion

We provide investment advisory services on a discretionary basis to our clients. Such services are provided subject to execution by the investor of a subscription agreement, which sets forth the scope of our discretion.

The separate account clients are managed in accordance with the investment objectives and strategies set forth in the Firm's CFTC Disclosure Document (or other governing documents) and such investment can be tailored to the individual needs of any particular investor. There can be no assurance that the investment objective of the separate account clients will be achieved and investment results may vary substantially.

Item 17 – Voting Client Securities

Under the Advisers Act, an investment adviser is a fiduciary that owes each of its clients a duty of care and loyalty with respect to all services undertaken on its clients' behalf, including proxy voting.

Rule 206(4)-6 under the Investment Advisers Act of 1940 requires that the investment adviser:

- Adopt and implement written policies and procedures reasonably designed to ensure that the adviser votes client securities in the client's best interests. Such policies and procedures must address the manner in which the adviser will resolve material conflicts of interest that can arise during the proxy voting process;
- Disclose to clients how they may obtain information from the adviser about how the adviser voted with respect to their securities; and
- Describe to clients the adviser's proxy voting policies and procedures and, upon request, furnish a copy of the policies and procedures.

The Firm currently does not manage any equity securities or other assets that are traded on an exchange or other established market, subject to vote. Therefore, the Firm has not adopted any proxy voting policies and procedures at this time.

Item 18 – Financial Information

We do not require or solicit prepayment of fees six months or more in advance.

We are not aware of any financial condition that is reasonably likely to impair our ability to meet contractual commitments to clients.

We have not been the subject of a bankruptcy petition at any time during the past ten (10) years.