

**Item 1 – Cover Page**



**Part 2A of Form ADV: Firm Brochure**

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Form ADV Part 2A (the “Brochure”) provides information about the qualifications and business practices of X Cubed Capital Management LLC. If you have any questions about the contents of this Brochure, please contact us at (612) 756-6353 or. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

X Cubed Capital Management LLC is an investment adviser that registered with the SEC under the Investment Advisers Act of 1940, as amended (the “Advisers Act”). Registration of an investment adviser does not imply any level of skill or training.

Additional information about X Cubed Capital Management LLC also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## Item 2 - Material Changes

This section of the Brochure addresses “material changes” that have taken place since its last Brochure filing and will be posted to the SEC’s public disclosure website (IAPD). The Adviser’s last filing took place on December 14, 2023. There were no material changes since the last filing.

*The information set forth in this Brochure is qualified in its entirety by reference to a Client’s Governing Documents (as defined herein). In the event of a conflict between the information set forth in this Brochure and the information set forth in a Client’s Governing Documents, the Client’s Governing Documents shall take precedence.*

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#### Item 4 - Advisory Business

X Cubed Capital Management LLC (“X Cubed”, the “Adviser” or “us”) is organized as a Delaware limited liability company. with its headquarters in Minneapolis, MN. Andrew J. Redleaf is the Manager of the Adviser. The Managing Member

X Cubed provides investment advisory services to privately offered pooled investment funds (the “Funds”) and provides advisory services to managed accounts (collectively with the Funds, the “Clients”). X Cubed manages each Client’s assets on a fully discretionary basis in accordance with the investment objectives outlined in the relevant Governing Documents.

Currently, the Adviser serves as the investment manager with discretionary trading authority to X3 Higher Moment Fund LLC, a Delaware limited liability company (the “**Master Fund**”), and X3 Higher Moment Offshore Fund LP, a Cayman Islands exempted limited partnership (the “**Offshore Feeder Fund**” which are offered to investors on a private placement basis on January 1, 2022.

Any Fund restrictions on investments are set forth in each respective Fund’s Governing Documents. X Cubed does not tailor its investment advice to the individual investors in each Fund that is manages. As such, investors cannot impose restrictions on the types of investments made through the Funds.

X Cubed’s primary investment strategy seeks superior risk-adjusted returns over time utilizing a multi-strategy investment approach. Among other things, the Adviser seeks to capture “arbitrage” profits that arise out of different templates for prices based on economic factors across diverse markets. X Cubed does not participate in any wrap fee programs.

As of December 31, 2023, the Adviser managed approximately \$159,570,149 of regulatory assets on a discretionary basis. X Cubed does not manage any Client assets on a non-discretionary basis.

#### Item 5 - Fees and Compensation

X Cubed generally receives a management fee (the “**Management Fee**”) monthly in arrears According to the terms of the relevant agreement with each Client. The Management Fee shall be prorated for partial periods. X Cubed may waive, reduce, or modify any or all of the Management Fee or agree to a management fee arrangement that differs from that set forth in the Governing Documents.

Unless otherwise agreed upon with a Client, Management Fees and performance-based compensation are generally debited directly from Fund accounts and are generally billed to separated managed accounts.

As more fully described in each Fund’s respective Governing Documents and the investment management agreement establishing each separately managed account. The Fund and the separately managed accounts, shall pay such costs and expenses, directly or indirectly to carry on its business and realize its objective (and shall reimburse the manager associates for any such costs and expenses incurred by them on behalf of the Fund or separately managed accounts) (collectively, “**Expenses**”), including, as applicable: (i) all costs and expenses in connection with purchasing, holding, valuing, selling or exchanging securities or other assets (whether or not ultimately consummated), including, but not limited to, brokerage fees, private placement fees, finder’s fees and other execution and clearing

services, interest on borrowed money, costs and expenses associated with short sales, costs and expenses in connection with the registration of investments under applicable securities laws and related legal, accounting and other fees and expenses; (ii) all borrowing and other leverage costs including interest and other fees and expenses; (iii) all fees and expenses in connection with the opening and maintenance of bank, brokerage or custodial accounts; (iv) all legal, accounting, outside director, administration, valuation, auditing, bookkeeping, tax return and K-1 preparation and other professional and consulting fees and expenses, including the fees and expenses charged by any administrator for the Fund; (v) all director and officer, errors and omissions, fidelity bond and other insurance premiums for insurance for the benefit of the Fund, X Cubed, the manager parties and their affiliates to the extent related to their respective management of the Fund; (vi) the costs of research products and services that are of benefit to the Fund and separately managed accounts and not otherwise provided by brokers, including the costs of Bloomberg and other research subscriptions, software products and services, live market data feeds, pricing and valuation data and services and other research products and services; (vii) the costs of internet and other line charges, data storage, transfer and backup and record retention; (viii) information technology systems, services, consulting and software, including without limitation systems, consulting and software for portfolio and order management, pre- and post-trade compliance, portfolio reconciliations and accounting, risk management and other activities of the Fund; (ix) all expenses in connection with meetings of and communications with the investors and prospective investors; (x) all costs and expenses related to the maintenance and legal and regulatory compliance of the Fund, X Cubed and its affiliates to the extent related to its management of the Fund, including all costs and fees relating to preparation and filing of required regulatory filings and reports (including without limitation filings under the 1933 Act, such as Form D, filings under the 1934 Act, such as Section 13 filings, investment company related filings under the 1940 Act and the Advisers Act, such as Form PF, filings under the CE Act and state “blue sky” filings) and all registered agent and office and other regulatory costs and expenses; all investment- and operations-related travel expenses; (xi) all taxes applicable to the Fund on account of their operations; (xii) all costs and expenses arising out of the Fund’s indemnification obligations, including those arising under the limited partnership agreement; (xiii) all extraordinary or non-recurring charges such as litigation expenses; (xiv) all organizational costs, fees and expenses in connection with the formation and organization of the Fund; (xv) all costs, fees and expenses in connection with the liquidation of the Fund and its assets; and all expenses attributable to the formation, operation or administration of any Feeder Fund or restructuring of the Fund for it to serve as a “master fund”; and (xvii) a Fund’s audited financial statements.

The Adviser, in its sole discretion, reserves the right to reimburse the Fund for, or itself to bear, any or all Fund Expenses that would otherwise be allocable to the Fund. X Cubed’s decision to bear or reimburse any such Fund Expenses should not at any point be taken to imply that the Managing Member will do so in the future.

X Cubed is responsible for all of its own overhead costs, including office space and equipment, utilities, telephone and telecopier costs and other similar items.

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

X Cubed will only receive performance based compensation is in compliance with Rule 205-3 under the Investment Advisers Act of 1940, as amended (the “Adviser Act”).

Performance based compensation arrangement could create an incentive for X Cubed to make investments that are riskier and more speculative than would be the case in the absence of a performance

based compensation arrangement. In addition, any performance based compensation will be made or based on unrealized gains and losses. As a result, the performance compensation earned could be based on unrealized gains that may never be realized by the Fund.

## **Item 7 - Types of Clients**

The Adviser provides investment advice to the Funds and separately managed accounts, as described above. It may provide investment advisor services to additional clients in the future. X Cubed is under no obligation to accept any client and may decline acceptance of a client in its sole discretion.

Interests in the Fund are offered on a private placement basis, and where applicable, in reliance on Section 3(c)(7) of the Investment Company Act of 1940, as amended (the “Company Act”), or on another applicable exclusion from the definition of an “investment company” under the Company Act, to persons who generally are “accredited investors” as defined under the Securities Act of 1933, as amended (the “Securities Act”), and “qualified purchasers” as defined under the Company Act, and who are subject to certain other conditions, which are fully set forth in the Governing Documents of such Fund.

At this time, it is not anticipated that X Cubed will provide advice to advisory clients that are “retail investors” as defined by Rule 204-5(d)(2) under the Advisers Act. Investors in Funds are not Clients of X Cubed by virtue of their investment in a Fund. Each Fund’s Governing Documents impose a minimum contribution for investment, which may vary, and is subject to X Cubed’s sole discretion to accept contributions in lesser amounts. X Cubed may waive the minimum investment or contribution amount with respect to any Client in its sole discretion.

In order to invest in a Fund that is subject to a performance fee, an investor must be a “qualified client” as defined by Section 205 of the Advisers Act, and Rule 205-3 thereunder.

## **Item 8 - Investment Objective, Strategy and Certain Risk Factors**

X Cubed pursues opportunistic, low-beta investment strategies utilizing a multi-strategy investment approach, there are no material limitations on the investment strategies pursued or the financial instruments acquired. Among other things, the Adviser seeks to capture “arbitrage” profits that arise out of different templates for prices based on economic factors across diverse markets. X Cubed trades risk reversals and conversions in both indexes and individual stocks, often in combination, as well as long/short index options against short/long options on a representative basket of individual components. The Adviser may, among other things, trade options on the yield curve and forward yield curve, treasuries versus swaps and short/long credit against long/short equity options or shares.

X Cubed intends to take an opportunistic approach in sourcing investment opportunities, and such flexibility is an essential element to the Fund’s overall investment approach.

The Adviser may utilize leverage through bank borrowings, swaps and other derivatives as well as trading stocks on margin, repurchase agreements, futures and other means, subject to the availability of leverage in the marketplace on acceptable terms.

X Cubed's activities for each Fund are further described in each Fund's Offering Documents. Such documents also detail the various investment restrictions on types of investments in a Fund, if any.

Please note that the use of the term "investor" in this section may refer to either an investor in a Fund or an account holder of a separately managed account.

*Investing in securities involves risk of loss that Clients should be prepared to bear. The investment performance and the success of any investment strategy or particular investment can never be predicted or guaranteed, and the value of a Client's investments will fluctuate due to market conditions and other factors. The investment decisions made and the actions taken in managing Client assets are subject to various market, liquidity, currency, economic, political and other risks, and investments may lose value.*

The information contained in this Brochure cannot disclose every potential risk associated with an investment strategy, or all of the risks applicable to X Cubed or a particular security or investment. Rather, it is a general description of the nature and risks of the advisory services provided by X Cubed and the related investments. This summary is qualified in its entirety by reference to the Governing Documents that apply to each of the Funds or the investment management agreements for separately managed accounts managed by X Cubed. Investors should carefully read such documentation before making an investment and should refer to the applicable Offering Documents for a particular Fund for the risk factors associated with that Fund or the investment management agreement of a separately managed account.

***Possible Loss of Capital; Risk of Ruin.*** An investment involves a high degree of risk, including the risk that an investor may lose all or substantially all of its investment.

***Nature of Investments.*** X Cubed has broad discretion in making investments. There can be no assurance that the Adviser will correctly evaluate the nature and magnitude of the various factors that could affect the value of, and return on, investments. No guarantee or representation is made that the investment objective will be achieved. Securities prices may be volatile, and securities price movements are influenced by many unpredictable factors. Investors may experience heightened volatility during turbulent market periods.

***General Economic Conditions.*** The success of any investment activity is influenced by general economic and financial conditions that may affect the level and volatility of equity prices, interest rates, general levels of economic activity, and the extent and timing of investor participation in the markets for both equity and interest-rate-sensitive securities. Unexpected volatility, illiquidity, governmental action, currency devaluation, or other events in global markets in which Clients directly or indirectly holds positions, or national and international circumstances (such as terrorist acts, wars, or security operations) or acts of God (including tornadoes, hurricanes, epidemics, and earthquakes), could impair the ability of X Cubed to carry out its business and could cause its Clients to incur substantial losses. In recent years, U.S. and non-U.S. securities markets and exchanges experienced high volatility, market disruption and substantial losses and resulted in governmental reform affecting the hedge fund industry. Prospective investors should be aware that similar market conditions in the future may present significant challenges to investors, including managers with past success under other market conditions.

Private investment funds are likely to be further impacted by the recent events in financial markets around the world.

***Acts of God and Geopolitical Risks.*** The performance of our Clients could be impacted by acts of God or other unforeseen and/or uncontrollable events (collectively, “Disruptions”), including, but not limited to, natural disasters, 10 public health emergencies (including any outbreak or threat of COVID-19, SARS, H1N1/09 flu, avian flu, other coronavirus, ebola, or other existing or new pandemic or epidemic diseases), terrorism, social and political discord, geopolitical events, national and international political circumstances, and other unforeseen and/or uncontrollable events with widespread impact. These Disruptions may affect the level and volatility of security prices and liquidity of any investments. There is a risk that unexpected volatility or lack of liquidity will impair an investment’s profitability or result in its suffering losses. Economies and financial markets throughout the world are becoming increasingly interconnected, which increases the likelihood that events or conditions in one country or region will adversely impact markets or securities industry participants in other countries or regions. The extent of the impact of any such Disruptions on X Cubed, its Clients, and any underlying portfolio company’s operational and financial performance will depend on many factors, including the duration and scope of such Disruptions, the extent of any related travel advisories and restrictions implemented, the impact of such Disruptions on overall supply and demand, goods and services, investor liquidity, consumer confidence and levels of economic activity, and the extent of its interference with important global, regional and local supply chains and economic markets, all of which are highly uncertain and cannot be predicted. A Disruption may materially and adversely impact the value and performance of any investment, the X Cubed’s ability to source, manage and divest investments, and our ability to achieve its Clients’ investment objectives, ultimately resulting in significant losses to Clients and investors. In addition, there is a risk that a Disruption will significantly impact the operations of X Cubed, its Clients, and their underlying portfolio companies, or even temporarily or permanently halt their operations.

***Political and Economic Considerations.*** Changes in political, social and economic conditions could have substantial impact on the investments made in a Client’s portfolio. Such potential changes include, but are not limited to, (a) currency exchange rate fluctuations, (b) exchange control regulations, (c) risks associated with different (and lower quality) information being available, (d) higher rates of inflation, (e) greater governmental involvement in the economy, (f) stricter or more expansive governmental regulations in the healthcare services, business services and/ industrial sectors, or (g) contraction of economies, in particular, loss of consumer confidence and an economic slowdown in the markets in which Clients are invested in, which may impact a Client’s financial performance and the value of its investments. In addition, laws and regulations of non-U.S. countries may impose restrictions or approvals that would not exist in the U.S. and may require financing and structuring alternatives that differ significantly from those customarily used in the U.S. Foreign countries may also impose taxes on a Fund or its investors.

***Future Legal, Tax and Regulatory Risks for Private Funds.*** Future legal, tax and regulatory changes could occur that may adversely affect X Cubed or its Clients. The regulatory environment for private funds is evolving, and changes in regulations that impact private funds may adversely affect the value of investments held by Clients and the ability of a Client to pursue its investment strategy. The SEC, other regulators and self-regulatory organizations and exchanges have taken various extraordinary actions in connection with recent and past market events and may take additional actions. A Client may also be adversely affected by changes in the enforcement or interpretation of existing laws, rules and regulations, including tax laws, by federal, state and non-U.S. agencies, courts, authorities or regulators.

The effect of any future regulatory changes on a Client or X Cubed could be substantial and potentially adverse.

**Leverage.** The Fund employs leverage, which may be substantial, in the execution of certain investment strategies and through leverage typically embedded in the various derivative instruments in which it invests. The more the Fund leverages itself, the more likely a substantial change will occur, either up or down, in the value of the Interests. The Fund may be subject to major losses in the event that market events disrupt the structured nature of its positions or it is forced to liquidate positions at a disadvantageous time.

**Competition.** The type of investing conducted by the Fund is extremely competitive. Competitive investment activity by other firms tends to reduce the Fund's opportunity for profit by reducing the magnitude as well as the duration of the market inefficiencies that the Fund seeks to exploit.

**Concentration.** The Fund's portfolio will at times be relatively concentrated with respect to geographic areas or types of securities and issuers or specific assets. The Fund is not subject to any limits on concentration.

**Inflation.** The Fund will be exposed to inflation risk. High inflation, including the levels of inflation in effect in the United States as of the date of this Memorandum, may tighten credit and otherwise adversely impact the Fund. Further, if interest rates rise during an inflationary period, the cost of capital to purchase investments may also rise, which could adversely impact the Fund's ability to implement its investment strategies.

**Equity Securities.** The Fund's investment portfolio includes equity and equity-related securities. The Fund may suffer losses if it invests in an equity instruments of issuers whose share price performance diverges from the Managing Member's expectations. The Fund also may be exposed to risks that issuers will not fulfill contractual obligations such as, in the case of convertible securities or private placements, delivering marketable common stock upon conversions of convertible securities and registering restricted securities for public resale.

**SPAC Investments.** The Fund's investment portfolio currently includes investments in "special purchase acquisition vehicles" (SPACs). A SPAC is a development stage companies that have no specific business plan or purpose or has indicated its business plan is to engage in a merger or acquisition with an unidentified company or companies. Due to the broad discretion of SPAC sponsors to select potential business combinations, it is not possible for the Managing Member to fully ascertain the merits and risks of investing in a particular SPAC, and there can be no assurance that a business opportunity will be presented to any SPAC in which the Fund has made an investment.

***First-Loss Account Investing.*** The Fund currently invests in a “first-loss account” whereby it provides a minority amount of capital in an account and another capital provider provides additional capital in the account, all to be traded consistent with the Fund’s trading strategy. First-loss accounts expose the Fund to greater losses, but all potentially greater returns, than trading the same amount of minority capital outside of a first-loss account. Any losses are first allocated to the Fund before being borne by the other capital provider. As a result, the Fund could lose all or substantially all of its capital allocated to the account. However, the Fund will participate in a substantial percentage of any profit generated as well, although there can be no assurance this will occur. The other capital provider has the ability to withdraw capital from the managed account on little or short notice under certain circumstances. A termination could occur after the Fund’s capital has been offset substantially or entirely by losses and, as a result, the Fund would no longer have the ability to recoup those losses with the benefit of the other capital provider’s capital, making it difficult if not impossible to attempt to earn back the lost funds. In addition, termination of a first-loss account could result in the quick liquidation of assets that are also held by the Fund outside of the account, which could depress prices or otherwise adversely impact the Fund.

***Management and Key Person Risk.*** The Adviser has broad discretion to expand, revise or contract the Fund’s business without the consent of the Investors. Any decision to engage in a new activity could result in the exposure of the Fund’s capital to additional risks, which may be substantial. The operations of the Fund substantially depend upon the skill, judgment and expertise of Andrew J. Redleaf. In the event of the death, disability or other unavailability of Mr. Redleaf, the business of the Fund will be materially and possibly adversely affected. Investors do not have a right to participate in the management of the Fund or in the conduct of its business.

***Cybersecurity Breaches.*** The Managing Member, the Fund and their service providers are subject to a possible cybersecurity attack or breach. Cybersecurity is a broad term referring to the body of technologies, processes and practices designed to protect networks, computers, programs and data from attack, damage or unauthorized access. If a cybersecurity breach were to occur, the Fund may incur substantial costs and expose the Managing Member and/or the Fund to civil liability as well as regulatory inquiry and/or action. In addition, any such breach could cause substantial withdrawals from the Fund.

***Absence of Regulatory Oversight.*** The Fund is not registered under the Investment Company Act in reliance upon an exemption available to privately-offered investment companies, and, accordingly, certain protections of the Advisers Act and the Investment Company Act will not be afforded to investors.

## **Item 9 - Disciplinary Information**

There currently are no legal or disciplinary events that are material to a client’s or prospective client’s evaluation of X Cubed’s advisory business or the integrity of X Cubed’s management.

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

Neither the Adviser nor any of its management persons is registered, or has an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.

Neither X Cubed nor its management persons are registered or have an application pending to register as a futures commission merchant, commodity pool operator, commodity trading advisor, or an associated person of the foregoing entities.

Each Fund's general partner or managing member is an affiliate of X Cubed and is controlled by Mr. Redleaf. X Cubed and the general partners or managing members, as applicable, share personnel who are responsible for managing the investments of multiple Clients. Although X Cubed believes its research efforts are synergistic for all of its Clients, this simultaneous management creates conflicts as to the amount of time and resources committed by X Cubed's personnel to managing each Client's portfolio of investments. X Cubed will devote as much time to each of its Clients as it deems appropriate to perform its duties in accordance with each Client's applicable Governing Documents. X Cubed also mitigates this conflict through disclosure to its Clients and investors, as well as through policies and procedures that prohibit X Cubed's personnel from unduly favoring any one client over another.

## **Item 11 - Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

X Cubed has adopted a written Code of Ethics (the "Code") for all supervised persons that describes, among other things, X Cubed's standard of business conduct and fiduciary duty to its Clients. The Code includes provisions relating to a prohibition on insider trading a personal securities trading procedures and reporting requirements, among other things. All supervised persons at X Cubed must acknowledge the terms of the Code annually and at any time the Code is materially amended.

X Cubed addressed potential conflicts through regular monitoring of each Client's portfolio for consistency with objectives, strategies, and target capacity. Further, X Cubed carefully considers the risks involved in any investments and provides extensive disclosure to Clients and investors regarding the risks related to investing with X Cubed.

Per X Cubed's, employees of X Cubed (and their immediate family members) and its affiliates are required to preclear transactions in publicly traded securities. In addition, employees of X Cubed (and their immediate family members) and its affiliates are required to preclear certain securities transactions, including transactions involving securities in an initial public offering, in a private placement, or on the Adviser's "restricted list". The Code is designed to assure that the personal securities transactions, activities and interests of the employees of X Cubed will not interfere with (a) making decisions in the best interest of its Clients and (b) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Employee trading is monitored to detect and prevent conflicts of interest between X Cubed and its Clients. X Cubed requires employees to submit initial and annual holdings reports detailing each employee's trading positions, as well as quarterly transaction reports.

X Cubed's Clients or prospective clients, and current and prospective Fund investors, may request a copy of the Adviser's Code by contacting Wendy Angeles ([wendy@x3cmllc.com](mailto:wendy@x3cmllc.com)).

## **Item 12 – Brokerage Practices**

X Cubed has a fiduciary duty to use its reasonable efforts to obtain best execution of securities transactions for its client, specifically, the Fund. X Cubed may at times choose to solicit competitive bids or offers to ensure the most favorable execution for the Fund. X Cubed, however, need not necessarily solicit competitive bids on every transaction, and may ultimately consider several factors in choosing a broker-dealer to execute transactions. Some of the factors X Cubed may consider in choosing a broker-dealer include, but are not limited to, reputation, financial strength, willingness to commit capital and confidentiality. X Cubed will periodically review its relationships with broker-dealers and the effectiveness of best execution.

## **Item 13 - Review of Accounts**

Client portfolios are under continues review by the investment committee at X Cubed Such reviews include, but are not limited to, the risk profile of the Fund in order to attempt to ensure that they are appropriate in light of prevailing market conditions and consistent with the Fund’s current investment objectives.

All investors in the Funds are expected to receive the following written reports: (a) unaudited investor statements on a monthly basis; (b) annual audited financial statements within 120 days of the fiscal year end; (c) a Schedule K-1 for investors in a U.S. Fund only; and (d) certain other reports.

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

X Cubed does not currently have any arrangements whereby it will compensate third parties for soliciting new investors for the Fund.

## **Item 15 - Custody**

Except as described below, X Cubed does not maintain physical possession over any Client funds or securities.

X Cubed uses third party unaffiliated qualified custodians to hold the funds and securities. All of the Fund’s assets are held in custody by unaffiliated broker-dealers, futures commission merchants or banks.

The Fund is subject to an annual financial statement audit by an independent public account registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board. The audited financial statements will be prepared in accordance with generally accepted accounting principles, and will be distributed to each investor or shareholder in the Fund within 120 days of the Fund’s fiscal year end.

## **Item 16 - Investment Discretion**

X Cubed maintains investment discretion and will be generally authorized to make the following determinations, subject to the Fund's investment objectives and restrictions, without obtaining prior consent from the Fund or its underlying investors: (i) which securities or other instruments to buy or sell; (ii) the total amount of securities or other instruments to buy or sell; (iii) the executing broker or dealer for any transaction; and (iv) the commission rates or commission equivalents charged for transactions.

## **Item 17 - Voting Client Securities**

The investment objectives of X Cubed Clients for which the Adviser provides investment advisory services involve investing assets in publicly traded securities. Proxy voting is a means by which shareholders of publicly traded securities can exercise their influence over the governance of their investments. X Cubed votes proxies in a prudent and diligent manner keeping in mind its fiduciary obligation and will base its voting decision on its reasonable judgement of what will serve the Client's best financial interests and is in line with each Client's investment objectives.

X Cubed will take into account all relevant factors, as determined in its discretion, including, without limitation: (i) the impact on the value of the securities or instruments owned by the Fund and the returns on those securities; (ii) the anticipated associated costs and benefits; (iii) the continued or increased availability of portfolio information; and (iv) industry and business practices.

In limited circumstances, X Cubed may refrain from voting proxies where it believes that voting would be inappropriate when considering the cost of voting such proxies weighed against the anticipated benefit to the Fund. As a general matter, investors in the Fund will not be able to direct X Cubed's vote in a particular solicitation.

Conflicts of interest may arise between the interests of the Fund, on the one hand and X Cubed on the other. If X Cubed determines that it may have, or is perceived to have, a conflict of interest when voting proxies, X Cubed will vote in accordance with its proxy voting policies and procedures. Investors may obtain a copy of X Cubed's proxy voting policies and its proxy voting record, when applicable, upon request.

## **Item 18 - Financial Information**

**Registered investment advisers are required in this Item to provide certain financial information or disclosures about their financial condition. X Cubed has no financial condition that impairs its ability to meet contractual and fiduciary commitments to its Clients, and has not been the subject of any bankruptcy proceeding.**