

Item 1. Cover Page

RED ARTS CAPITAL MANAGEMENT, LLC

200 W. Madison Street, Suite 3840
Chicago, Illinois 60606

Tel: 312-678-4251

Website: <https://www.redartscapital.com/>

**Part 2A of Form ADV
(The “Brochure”)**

March 25, 2024

This Brochure provides information about the qualifications and business practices of Red Arts Capital Management, LLC (the “Adviser” or “Red Arts”). If you have any questions about the contents of this Brochure, please contact the Adviser’s Chief Compliance Officer (“CCO”), Vanessa D’Cunha, at vdcunha@redartscapital.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.

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

Item 2. Material Changes

This item provides a summary of any material changes contained in this Brochure from the last brochure filed on June 29, 2023. The Adviser's current and potential 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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Item 4. Advisory Business

The Adviser is a Chicago-based private equity management firm that provides investment management and advisory services to its private fund (the “Fund” or the “Client” and collectively, including any future pooled investment vehicle for which the Adviser may serve as an investment adviser, the “Funds,” “Clients” or “Client Accounts”). Particularly, the Fund makes long-term private equity investments in private companies operating in supply chain and logistics.

The Adviser was formed in 2021 and organized as a Delaware limited liability company. Chad Strader and Nicholas Antoine are the owners and Co-Managing Members (the “Co-Managing Members”) and Co-Chief Executive Officers of the Adviser.

The Adviser provides investment advisory services to the Fund based on the Fund’s specific investment objectives and strategies. The Adviser does not tailor its advisory services to the individual needs of any investor or prospective investor in the Fund (an “Investor”). Any restrictions are set forth in the private placement memorandum, limited partnership agreement, investment advisory agreement and other governing documents of the applicable Fund (collectively, “Governing Documents”). An Investor or prospective Investor should closely review the applicable Governing Documents with respect to, among other things, the terms, conditions and risks of investing.

As of December 31, 2023, the Adviser had approximately \$280,291,000 in regulatory assets under management all of which were managed on a discretionary basis.

The Adviser does not currently provide investment advisory services to clients apart from its management of the Fund and does not participate in wrap fee programs.

Item 5. Fees and Compensation

The fees and expenses that are applicable to an investment with the Adviser are set forth and agreed to in the Funds’ Governing Documents. Prospective Investors must carefully review the Governing Documents of the Fund, to review the specific fees and expenses applicable to their potential investment.

The Adviser generally charges an annual investment management fee of 2% based on the amount of the commitment under management (the “Management Fee”) which is set forth in more detail in the Governing Documents. The Management Fee will be payable in advance on a quarterly basis. Investors are generally not eligible for partial refunds in the case of early withdrawals or redemptions, but specific details are set forth in the Governing Documents. In addition, the Adviser may from time to time receive monitoring fees, consulting fees, closing fees, investment banking fees, director’s fees, transaction fees, management contract termination fees, corporate services fee, commitment fees, professional services fees, advisory fees and certain other fees from portfolio companies or proposed portfolio companies and break-up fees.

Further, the general partner of the Fund earns a performance-based fee (the “Carried Interest”) based on the profits of the Fund that is deducted from the investment proceeds of the limited partners. Generally, the general partner receives Carried Interest of 20% of the profits of a Fund, subject to an 8% hurdle rate. The Fund’s Governing Documents include further detail concerning the Carried Interest calculation. These performance fee arrangements have been structured subject to Section 205(a)(1) of the Investment Advisers

Act of 1940 (the “Advisers Act”) in accordance with the available exemptions thereunder, including the exemption set forth in Rule 205-3.

The Adviser, in its sole discretion, may waive or modify the Management Fee or Carried Interest for Investors that are members, employees or affiliates of the Adviser, relatives of such persons, and for certain large, strategic or other investors.

Lastly, in addition to the Management Fee and Carried Interest, the Fund will bear its own expenses, generally including organizational and partnership expenses as set forth in its respective Governing Documents or other agreements between the Fund and the Adviser. Expenses borne by the Fund may differ from expense borne by other Funds that the Adviser may serve as an investment adviser to in the future. A Fund is generally responsible for all costs associated relating to the Fund’s activities, investments, and business. These expenses will include but will not be limited to: (i) legal, accounting, research, auditing, advisory, administrator, custodian, consulting, finders’, investment banking, appraisal, break-up, due diligence, financing, filing, printing and other fees and expenses (including, without limitation, expenses associated with the preparation, filing and distribution of the Fund’s reporting, financial statements, tax returns, Schedule K-1 and associated or required schedules (including the costs of establishing and maintaining any portal or website in which the foregoing items are made available); (ii) any taxes, fees, duties and other governmental charges levied against the Fund; and (iii) fees, compensation and expenses of third parties retained to provide management, consulting or other business services to or with respect to the Fund, its investments or potential investments and portfolio companies.

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

As described in Item 5 above, the general partner has the right to receive Carried Interest. Given the performance-based fee, the Adviser may be incentivized to tolerate more risk in the Fund’s portfolio than it otherwise would. The receipt of performance-based compensation creates a potential conflict of interest between the Adviser’s interest in generating revenue for itself, and its personnel and affiliates, and the interests of the Fund and its investors. Specifically, performance-based fee arrangements create an incentive for the Adviser to make investments that are considered riskier or more speculative than those that would be otherwise recommended under a different fee arrangement. This incentive is mitigated, however, due to the fact that any losses the Fund sustains will reduce the general partner’s Carried Interest distribution and by the fact that the Adviser’s ability to attract future investors is tied to the performance of the Fund’s investments.

Item 7. Types of Clients

As described in Item 4, the Adviser’s Client is a pooled investment vehicle. The Adviser limits the investors in the Fund to persons who are “accredited investors” as defined in the Securities Act of 1933 and “qualified purchasers” as defined in the Investment Company Act of 1940 and “qualified clients” as defined in the Advisers Act, eligible to be charged a performance fee. Investors in the Adviser’s Fund include, among others, individuals, trusts, pensions, endowments, and other institutional investors. In addition, employees and other people associated with the Adviser and/or its affiliates are investors in the Fund. Any minimums for investors are disclosed in the applicable Governing Documents. However, the Adviser has the discretion to waive minimum investment requirements for investment in the Client.

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

The Adviser seeks to make equity investments in supply chain and logistics companies based in North America. As described in Item 4, the Adviser seeks for the Fund to make equity investments in middle-market platform companies across six core categories in the supply chain and logistics sectors: third-party

logistics (“3PLs”), specialty transportation, rail & intermodal services, airport & aviation services, automotive & heavy-duty vehicle, and business services. The Adviser generally targets platform businesses in the range of \$50 million to \$300 million in revenue and \$5 million to \$20 million in EBITDA. The Adviser’s operating partners will be engaged with respect to a particular portfolio company as a board member and serve as a resource to the portfolio company.

Key Elements in Strategy:

Sector Focus

Red Arts is well positioned to take advantage of the fact that there are so few sponsors focused exclusively on the supply chain and logistics sectors. Since Red Arts was founded, the team has stayed true to building both deep knowledge and networks in the industry, and it continues to build on that foundation. Being so sector focused has enabled Red Arts to develop a distinct set of investment parameters that more thoroughly analyze companies in the industry, and, therefore, equips the team to make better investment decisions. The team’s hyperawareness of the landscape allows it to identify new opportunities more readily than a generalist firm would be able to, and its immense network of industry relationships provides many avenues for strategic insight and consulting to meet operational needs.

Disciplined Investment Approach

Red Arts’ laser focus on the supply chain sector provides Red Arts with fertile ground for sourcing, evaluating, and executing investments. In addition to that, the team’s combined knowledge, experience, and discipline in the industry has allowed it to develop a prudent approach in its evaluation of investment opportunities. Red Arts has developed a unique sourcing process supported heavily by its reputation and network of relationships, and its thorough, researched-based methodology leads it to reaches of the middle-market landscape that other sponsors would likely bypass.

Risk Factors

No Assurance of Investment Return

The Fund’s investment portfolio will consist primarily of investments in privately held entities, and results in a specified period will be difficult to predict. While private equity investments offer the opportunity for capital appreciation, such investments also involve a high degree of risk. Many organizations operated by persons of competence and integrity have been unable to make, manage and realize a return on such investments successfully. There is no assurance that the Fund will be able to invest its capital with attractive terms or generate returns for its investors. The past investment performance of portfolio managers and their respective prior entities and investment vehicles is not necessarily indicative of the fund’s future results. While the general partner intends for the Fund to make investments that have estimated returns commensurate with the risks undertaken, there can be no assurances that any rate of return will be achieved.

Past Results are not Indicative of Future Results

Although the portfolio managers may have achieved favorable returns with some of their previous investments, the performance of past investments (whether or not of the type and scope of the Fund’s) cannot be relied upon to predict the Fund’s success. There can be no assurance that the Fund will achieve its investment objective. The Fund’s lack of an operating history and identified investments increase the risk and uncertainty an Investor faces in making an investment in the Fund. Investors cannot be assured that historic performance of the portfolio managers will be repeated with the Fund.

No Assurance of Projected Results

The general partner will generally determine the appropriate capital structure for each entity in which the Fund invests based upon financial projections for that company. Projected operating results will normally be based primarily on management judgments. In all cases, projections are only estimates of future results based upon assumptions made at the time the projections are developed. There can be no assurance that the projected results will be obtained, and actual results may vary significantly from the projection. General economic conditions, which are not predictable, can have a material adverse impact on the accuracy of projections.

Portfolio Company Risk, Suitable Investment Risk

The Fund will invest in a limited number of portfolio companies. Hence, the aggregate return of the Fund may be affected by the performance of a few holdings. To the extent that less capital is raised than targeted, the Fund may make fewer investments and, thus, be less diversified. The identification of attractive investment opportunities is difficult and involves a high degree of uncertainty. The general partner anticipates encountering competition in connection with its selection of investments from other investors, some of which have greater financial and other resources. In addition, there can be no assurance that the general partner and/or management company will be able to identify a sufficient number of attractive opportunities to meet the investment objectives of the Fund or deploy any amount of the commitments, or that the Fund will be able to negotiate favorable terms with respect to the acquisition (or disposition) of any target portfolio companies.

Risk of Private Company Investments

The Fund's investment portfolio will consist primarily of investments in privately held entities, and results in a specified period will be difficult to predict. While private company investments offer the opportunity for significant gains, such investments also involve a high degree of business and financial risk and can result in substantial losses. Among these risks are the general risks associated with investing in companies at an early or middle-stage of development, companies operating at a loss or with substantial variations in operating results from period to period and companies with the need for substantial additional capital to support expansion or to achieve or maintain a competitive position. Such companies may face intense competition, including competition from entities with greater financial resources, more extensive development, manufacturing, marketing and service capabilities and a larger number of qualified managerial and technical personnel. Many organizations operated by persons of competence and integrity have been unable to make, manage and realize a return on such investments successfully.

No Guaranteed Distribution

The date that distributions to the limited partners will actually commence, or their subsequent timing or amount, cannot be accurately predicted. There is no guarantee that any such distribution will, in fact, be made or, whether they will be made when anticipated. Delays in making distributions could result from the inability of the Fund to make profitable investments or liquidate such investments at a gain once made. In addition, the terms of any Fund borrowings may also limit the Fund's ability to make distributions to limited partners.

Income from the Fund will be taxable to the limited partners whether or not any amounts are actually distributed to them. There can be no assurance that distributions will be regularly made or that such distributions, if made, will exceed the amount of a limited partner's investment or the amount of taxes payable by a limited partners with respect to its investment in the Fund.

Illiquidity of Investments; Long Term Investment

An investment in the Fund should be viewed as illiquid. It is uncertain as to when profits, if any, will be realized. Losses on unsuccessful investments may be realized before gains on successful investments are realized. The return of capital and the realization of gains, if any, will generally occur only upon the partial or complete disposition of an investment. While an investment may be sold at any time, it is not generally expected that this will occur for a number of years after the initial investment. Prior to such time, there often will be no current return on the investments. Furthermore, the expenses of operating the Fund (including the annual management fee payable to the general partner) may exceed its income, thereby requiring that the difference be paid from the Fund's capital. The Fund is not intended to be a short-term investment. Even if the investment strategy of the Fund proves successful, it is unlikely to produce a realized return to the limited partners for a number of years.

Leverage

The Fund does not intend to use leverage by incurring debt directly as part of its investment strategy. Portfolio companies may incur debt to finance growth. Leverage generally magnifies both the portfolio company's opportunities for gain and its risk of loss. The use of leverage will also result in interest expenses and other costs to the portfolio company that may not be covered by distributions made to the Fund or by appreciation of its investments in a portfolio company. In addition, to the extent the Fund provides such guaranties to a portfolio company, such amounts may be secured by capital commitments made by the Fund's investors and such investors' contributions may be required to be made directly to the lenders instead of the Fund.

Leverage often imposes restrictive financial and operating covenants on a company, in addition to the burden of debt service, and may impair its ability to finance future operations and capital needs. The use of leverage involves a high degree of financial risk. The failure of a portfolio company to obtain indebtedness on favorable terms (or at all) could adversely affect the returns of the Fund.

The leveraged capital structure of portfolio companies will increase the exposure of the Fund's investments to any deterioration in a company's condition or industry, competitive pressures, an adverse economic environment or rising interest rates and could accelerate and magnify declines in the value of the Fund's investments in the leveraged portfolio companies in a down market. In the event any portfolio company cannot generate adequate cash flow to meet debt service, the Fund may suffer a partial or total loss of capital invested in the portfolio company, which could adversely affect the returns of the Fund. Furthermore, the companies in which the Fund will invest generally will not be rated by a credit rating agency.

The extent to which a portfolio company uses leverage may have important consequences to investors, including, but not limited to, the following: (i) use of cash flow (including capital contributions) for debt service and related costs and expenses, rather than for additional investments, distributions, or other purposes, (ii) to the extent that revenues are required to meet principal payments, investors may be allocated income (and therefore incur tax liability) in excess of cash available for distribution, (iii) in certain circumstances it may be necessary to prematurely harvest investments to service its debt obligations, (iv) limitations on flexibility to make distributions to investors or sell assets that are pledged to secure the indebtedness and (v) increased interest expense if interest rate levels were to increase significantly. There can also be no assurance that a portfolio company will have sufficient cash flow to meet its debt service obligations. As a result, the Fund's exposure to losses may be increased due to the illiquidity of its investments generally.

Use of Alternative Investment Vehicles

To the extent necessary to address legal, tax or regulatory considerations, the general partner or its affiliates has the authority to structure, and to cause Limited Partners to participate in, particular investments through Alternative Investment Vehicles (“Alternative Investment Vehicles”), other than the Fund. While the economic and other substantive provisions governing any Alternative Investment Vehicle are intended to be the same as those of the Fund, the rights of the limited partners as investors in, and the obligations and duties of the general partner, management company or their respective affiliates as general partner or manager of, the Alternative Investment Vehicle may differ from those applicable to the Fund by virtue of the specific terms, jurisdiction of, or establishment of the Alternative Investment Vehicle. In addition, the structural attributes of certain Alternative Investment Vehicles may result in divergent return characteristics for certain limited partners.

Risk of Bridge Financing

If the Fund makes an investment with the intent of subsequently financing a portion of that investment, there is a risk that the Fund will be unable to successfully complete such a financing. This could lead to the Fund having a larger amount of capital invested in an investment than anticipated as well as reduced diversification.

Restrictions on Transfer and Withdrawal

The interests in the Fund have not been registered under the Securities Act or any other applicable securities laws. There is no public market for the interests and none is expected to develop. Additionally, the interests in the Fund are not transferable except with the consent of the general partner, which generally may be withheld by the general partner at its sole discretion, and are subject to the terms and conditions of the fund agreement. Investors generally may not withdraw from the Fund and the interests are not redeemable. Consequently, investors may not be able to liquidate their investments prior to the end of the Fund’s term. INVESTORS WHO DO NOT WISH TO REMAIN AS PARTNERS FOR THE ENTIRE DURATION OF THE FUND ARE ADVISED AGAINST INVESTING.

Risk of Default or Bankruptcy of Third Parties

As a result of increasing interest rates, reserves held by banks and other financial institutions in bonds and other debt securities could face a significant decline in value relative to deposits and liabilities which, coupled with general economic headwinds resulting from a changing interest rate environment, creates liquidity pressures at such institutions. This pressure may be greater for midsized or regional banks that have less diversified customer bases or whose customer bases are concentrated in certain industries, causing them to be placed into receivership. Because of the nature of the Fund, there is a risk that they will have exposure to midsized or regional banks that face liquidity pressure. As a result of this environment, certain sectors of the credit markets could experience significant declines in liquidity, and it is possible that the Adviser will not be able to manage this risk effectively.

For information regarding the types of securities and portfolio companies in which the Fund invests, please see Item 4 and Item 8, respectively, above.

Item 9. Disciplinary Information

There is no disciplinary information to disclose.

Item 10. Other Financial Industry Activities and Affiliations

There are no other financial industry activities and/or affiliations to disclose.

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

The Adviser has adopted a Code of Ethics (the “Code”) that obligates the Adviser and its related persons to put the interests of the Adviser’s Clients before their own interests and to act honestly and fairly in all respects in their dealings with the Clients. All of the Adviser’s personnel are also required to comply with applicable federal securities laws. For additional information about the Code or to request a copy, please contact Vanessa D’Cunha at vdcunha@redartscapital.com. See below for further provisions of the Code as they relate to the pre-clearing and reporting of securities transactions by related persons.

The Adviser, in the course of its investment management and other activities, may come into possession of confidential or material nonpublic information (“MNPI”) about issuers of securities, including issuers in which the Adviser or its related persons have invested or seek to invest on behalf of the Fund. The Adviser is prohibited from improperly disclosing or using such information for its own benefit or for the benefit of any other person, including the Fund. The Adviser maintains written policies and procedures reasonably designed to prohibit the communication of such information to persons who do not have a legitimate need to know such information and to otherwise ensure that the Adviser is acting in compliance with applicable law. In certain circumstances, the Adviser may possess certain confidential or MNPI that, if disclosed, might be material to a decision to buy, sell or hold a security. A restricted list is maintained regarding issuers about which the Adviser has MNPI. Pre-clearance is required for certain personal securities transactions, including initial public offerings and certain limited offerings such as private placements. In addition, supervised persons are required to submit annual reports of security transactions for their own accounts or any account in which they have a direct or indirect beneficial interest.

To the extent that the Adviser or its related persons invest in the same securities that the Adviser or a related person recommends to the Fund, such practices present a conflict where, the Adviser or its related person is in a position to trade in a manner that could adversely affect the Fund. The Adviser has adopted the following procedures in an effort to minimize such conflicts: the Adviser requires its related persons to preclear certain transactions in their personal accounts with the CCO, who may deny permission to execute the transaction if such transaction will have any adverse economic impact on the Fund. The Code contains a securities trading policy, which sets forth standards of conduct that are expected of supervised persons, and addresses conflicts that may arise from personal trading. The Code covers standards of business conduct, prohibited business practices, personal trading requirements, reporting of personal securities transactions, insider trading, restrictions on accepting and giving significant gifts, and reporting of certain gifts and business entertainment items, among other things.

Supervised persons of the Adviser may directly or indirectly own an interest in the Fund. It is the Adviser’s policy that it will not affect any principal or agency cross-securities transactions for Client accounts. The Adviser also will not cause Clients to enter into securities trades with each other without the appropriate limited partner advisory committee or Client consent. Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory client. A principal transaction may also be deemed to have occurred if a security is crossed between an affiliated fund and another client account. An agency cross transaction is defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser, acts as broker for both the advisory client and for another person on the other side of the transaction. Agency cross transactions may arise where an adviser is dually registered as a broker-

dealer or has an affiliated broker-dealer. Currently, neither of these circumstances apply to the Adviser at this time as it only has one Fund.

The times, Supervised persons will serve on the boards of applicable Fund portfolio companies. Serving in such capacity may give rise to conflicts to the extent that a supervised person's fiduciary duties to a portfolio company as a director may conflict with the interests of a Fund in general; however, as the Fund will generally be significant shareholders of such companies, it is expected that such interests will generally be aligned. Each such supervised person may be entitled to compensation, at rates that the general partner and portfolio company board believe to be commensurate with the financial resources of the portfolio company and such person's role in respect of the applicable portfolio company.

There is not expected to be an actively traded market for most of the securities owned by the Funds. Valuations are subject to review and all Fund investments are fairly valued in accordance with the Adviser's valuation policy as in effect from time to time. However, the process of valuing securities for which reliable market quotations are not available – even if performed by a qualified third party – is based on inherent uncertainties. The resulting values may differ from values that would have been determined had an active market existed for such securities and may differ from the prices at which such securities may ultimately be sold. There can be no assurances that the projected results will be obtained, and actual results may vary significantly from the valuations. General economic, political, regulatory and market conditions and the actual operations of the portfolio companies, which are not predictable, can have a material impact on the reliability and accuracy of such valuations.

Item 12. Brokerage Practices

There are no brokerage practices to disclose.

Item 13. Review of Accounts

The Co-Managing Members of the Adviser closely monitor the operations of the Client's portfolio companies and maintain ongoing oversight. The Adviser performs reviews of the Client's accounts on a quarterly basis which include a review of, but is not limited to: profitability, management, and business developments.

Investors receive reports from the Fund as described in their respective Fund's Governing Documents. Certain investors may negotiate or request to receive reports from a Fund on a more frequent basis or that include information not provided to other investors (including, without limitation, more detailed information regarding portfolio positions) through the use of side letters or otherwise.

Item 14. Client Referrals and Other Compensation

The Adviser does not receive an economic benefit from non-Clients for providing investment advice or other advisory services to its Client. The Adviser does not compensate any person for Client referrals.

Item 15. Custody

The Adviser complies, and will continue to comply, with the requirements of the Rule 206(4)-2 of the Advisers Act ("Custody Rule") with regards to custody of Client assets. The Custody Rule imposes certain obligations on registered investment advisers that have custody or possession of any funds or securities in which any client has any beneficial interest. An investment adviser is deemed to have custody or possession of client funds or securities if the adviser directly or indirectly holds client funds or securities or has the authority to obtain possession of them (regardless of whether the exercise of that authority or ability would

be lawful). An investment adviser is deemed to have custody if it or its affiliate serves as a general partner to a limited partnership client of the Adviser.

If the Adviser has custody of client assets and securities, it is required to maintain such assets and securities (except for securities that meet the privately offered securities exemption in the Custody Rule) over which it has custody with a “qualified custodian.” Qualified custodians include banks, broker-dealers, futures commission merchants and certain foreign financial institutions.

Rule 206(4)-2 generally imposes on advisers with custody of clients’ funds or securities certain requirements concerning reports to such clients (including underlying investors in certain circumstances) and surprise examinations relating to such clients’ funds or securities. However, the Adviser need not comply with such requirements with respect to pooled investment vehicles if the pooled investment vehicle: (i) is audited at least annually by an independent public accountant, and (ii) distributes its audited financial statements prepared in accordance with generally accepted accounting principles to the client, or, in certain circumstances, all limited partners, members or other beneficial owners, within 120 days of its fiscal year end. The Adviser intends to rely upon this exception, and therefore will be exempt from the Rule 206(4)-2 reporting and examination requirements, with respect to the Fund. Investors should carefully review all account statements.

Item 16. Investment Discretion

The Adviser provides investment advisory services on a discretionary basis to the Fund. Please see Item 4 for a description of any limitations the Client may place on the Adviser’s discretionary authority. The Adviser entered into an investment management agreement with its Client, which set forth the scope of the Adviser’s discretion, prior to assuming full discretion in managing the Client’s assets.

Item 17. Voting Client Securities

The Adviser has adopted policies and procedures regarding the voting of securities with respect to Client securities. To the extent that the Adviser is deemed to have authority to vote on behalf of a Client and exercises that authority, it will do so according to its Client’s best interests to maximize shareholder value. If a material conflict of interest between the Adviser and the Fund exists, the Adviser will determine whether voting in accordance with the guidelines set forth in the security voting policies and procedures is in the best interests of the Funds or take some other appropriate action.

For additional information about the Adviser’s securities voting policies and procedures and information, please contact Vanessa D’Cunha at vdcunha@redartscapital.com.

Item 18. Financial Information

The Adviser is not required to include a balance sheet herein because it does not require or solicit the payment of fees six months or more in advance. The Adviser has no financial commitment that is reasonably likely to impair its ability to meet contractual and fiduciary commitments to clients nor has it been the subject of a bankruptcy proceeding.