

# Contrary Legacy, LLC

## FORM ADV – PART 2A

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**This brochure (the “Brochure”) provides information about the qualifications and business practices of Contrary Legacy, LLC (referred to herein as “Contrary Legacy”, “Legacy”, or the “Firm”). If you have any questions about the contents of this brochure, please contact us at (415) 223-4884 or via email at [compliance@contrary.com](mailto:compliance@contrary.com). 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.**

**Additional information about Contrary Legacy is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

**REGISTRATION WITH THE SEC AS AN INVESTMENT ADVISER DOES NOT IMPLY THAT CONTRARY OR ANY OF THE PERSONNEL OR EMPLOYEES OF CONTRARY LEGACY POSSESS A PARTICULAR LEVEL OF SKILL OR TRAINING IN THE INVESTMENT ADVISORY OR ANY OTHER BUSINESS.**

## **Item 2 - Material Changes**

Contrary Legacy, LLC's last ADV was filed in March 2023. This annual updating amendment includes additional information regarding Contrary Legacy's fees and compensation (see Item 5), risk of loss (see Item 8), and brokerage practices (see Item 12).

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#### **Item 4 - Advisory Business**

Contrary Legacy, LLC (“Contrary Legacy”, “Legacy”, or the “Firm”) is a wealth management firm that was founded in January 2023 and provides investment advisory services to individuals, private pooled investment vehicles, pension and profit sharing plans, charitable organizations, corporations and other business entities (collectively, “Client” or “Clients”). The principal owner of Contrary Legacy is Eric Tarczynski. Mr. Tarczynski is also the principal owner of Contrary, LLC, an affiliated investment adviser (the “Affiliate”), that manages private funds (the “Affiliate’s Private Funds”) in the venture capital sector.

Contrary Legacy’s services primarily focus on developing an investment policy with each Client, determine an asset allocation, establish performance evaluation reports, identify and select portfolio managers, assist in changing portfolio managers when necessary, provide discretionary management of an account by Contrary Legacy, amongst other actions that may be deemed necessary or desirable in accordance with the Client Agreement and Client Direction Letter.

**Investment Policies:** Contrary Legacy will assist Clients in the preparation, review and evaluation of investment policies, parameters, restrictions, and objectives (collectively “investment policy” or “investment policies”) for the accounts and investments being managed by Contrary Legacy and any sub-advisors/co-advisor (“External Portfolio Managers”) as agreed to in the Client Agreement and Client Direction Letter. There can be no assurance that any of the Clients’ investment objectives will be achieved.

**Asset Allocation:** Contrary Legacy will assist Clients in the establishment of an asset allocation model consistent with the Client’s investment objectives, any applicable investment policy, market conditions and/or other factors in accordance with the Client Agreement and Client Direction Letter. Contrary Legacy shall assist Clients on a periodic basis in reviewing and adjusting Clients’ asset allocation model.

**Performance Evaluation Report:** Contrary Legacy will provide periodic evaluation reports summarizing each Client’s assets managed by Contrary Legacy, the Affiliate, and the External Portfolio Managers as applicable. The report will include detailed performance information and summary of allocations.

**Identification, Selection, and Changes to External Portfolio Managers:** Contrary Legacy will assist Clients with identifying and selecting External Portfolio Managers that are appropriate and consistent with each Client Agreement and Client Direction Letter, as well as each respective investment policy. Additionally, Contrary Legacy will assist the Client with making changes to the External Portfolio Managers and their allocations.

**Discretionary Management:** Clients have the choice to have Contrary Legacy manage a portion of their separate accounts on a discretionary basis. When doing so, Contrary Legacy will invest in the following products on behalf of such Clients: Exchange Traded Funds (“ETFs”), Index Funds (“IFs”), Mutual Funds (“MFs”), Alternative Investments (“AIs”) and other Securities (“OS”) that are consistent with the Client’s overall investment

allocation plan, Client Agreement, and Client Direction Letter, including investment vehicles managed by affiliates of Contrary Legacy.

The foregoing is not a comprehensive list of services that are provided by the Firm to Clients, nor are the descriptions necessarily the only ways in which the services are provided. Clients should refer to their Client Agreements and Client Direction Letters for information regarding the services applicable to them.

Contrary Legacy does not participate in any wrap fee programs.

Contrary Legacy manages accounts on a non-discretionary basis. As of December 31, 2023, Contrary Legacy had on a non-discretionary basis \$39,660,000 of regulatory assets under management.

## **Item 5 – Fees and Compensation**

### *Compensation and Fee Schedules*

Our fee schedules are negotiated on a client-by-client basis. Advisory fees are generally flat fees and based on the anticipated amount of advisory services needed by the Client over the term of the contract. Fees are generally deducted from Client accounts on a quarterly basis.

### *Deduction of Fees; Timing of Payments; Termination*

Contrary Legacy's fees for its services are billed, and in accordance with the Client's agreement, on a pro-rata annualized basis quarterly. Contrary Legacy's fees may be deducted from more than one account of a Client and in accordance with each Client Agreement and Client Direction Letter. Certain investments may be subject to different or additional fees. Fees charged may be negotiated based on a variety of factors, and the fee may be modified by Contrary Legacy upon notice to the Client and in accordance with the Client's Agreement and Client's Direction Letter. Unless otherwise agreed to with respect to any specific investment, Contrary Legacy shall not be compensated on the basis of a share of capital gains upon or capital appreciation of the Client's assets or any portion of assets, although Contrary Legacy may be compensated based upon the total value of the assets as of definite dates. The fee provisions of the relevant External Portfolio Manager's agreement(s) with Contrary Legacy governing their specific advisory programs and the fee confirmations that Client receives shall control if there are any inconsistencies between the terms of those documents and the Client's Agreement and Client's Direction Letter.

Contrary, LLC receives a management fee from each Private Fund it advises. A related person of Contrary, LLC receives certain allocations and distributions calculated and charged based on a share of capital gains on the assets of each Private Fund. This compensation creates a conflict of interest and incentive for Contrary Legacy to recommend the Affiliate's Private Funds over other similar funds which may have lower fees.

Either party may terminate the Client Agreement at any time by providing a written notice of at least thirty (30) days to the other party. After notice of termination has been received by the other party, Contrary Legacy shall continue to charge its advisory fees to the Client up to the actual date of termination. The Affiliate and each External Portfolio Manager's termination provisions may differ and such provisions shall govern with respect to the Affiliate and External Portfolio Manager's termination.

#### *Other Fees and Expenses*

In addition to any advisory fees payable to Contrary Legacy, a Client may be charged additional fees by External Portfolio Managers, account custodians, broker-dealers, fund managers, investment funds, or other service providers. Trade costs, fund expenses (including those of Contrary Legacy-affiliated investment vehicles), advisory fees of External Portfolio Managers, and other similar fees and expenses are all separate from Contrary Legacy's fees and additional fees and expenses.

External Portfolio Manager's advisory fees are not set by Contrary Legacy and their fees, method of billing (advance or arrears), timing of billing (quarterly or monthly) and basis for billing (time-weighted daily average versus the last day of a calendar quarter or month, or some other method) may differ from Contrary Legacy's billing practices. Clients shall receive an explanation of External Portfolio Manager's fees and billing practices from Contrary Legacy or the External Portfolio Manager. Said explanation may be set forth in the External Portfolio Manager's Form ADV, advisory agreement or other documentation.

A Client could invest directly in a mutual fund, ETF, index fund, private fund, other securities, or in certain instances, an External Portfolio Manager, without the services of Contrary Legacy. Clients should review both fees charged by Contrary Legacy and any External Portfolio Manager or investment fund, including the Affiliates' Private Funds, to fully understand the total amount of fees to be paid by the Client.

#### *Timing of Payments*

Please refer to the subsection titled "*Deduction of Fees; Timing of Payments; Termination*" and "*Other Fees and Expenses*" described above.

#### *Transaction-Based Compensation*

Contrary Legacy does not receive any transaction-based compensation or commissions for the sale of securities or other investment products.

### **Item 6 – Performance-Based Fees and Side-by-Side Management**

#### *Performance-Based Fees*

At this time, Contrary Legacy does not intend to charge performance-based fees, however, does maintain the right to enter into Client Agreements that do charge such fees as well as modify existing agreements with the approval of the respective Clients. If Contrary Legacy were to charge such fees, the Firm will ensure the performance-based fee arrangement is

in compliance with the Investment Advisers Act of 1940 (the “Advisers Act”) including Rule 205-3. However, a Client may be charged performance-based fees when investing in the Affiliate’s Private Funds or via an External Portfolio Manager.

Differences in compensation arrangements among Clients, particularly if some Clients pay performance-based compensation and others do not, creates an incentive for the Firm to allocate investment opportunities to those Clients who pay higher compensation. To seek to address this conflict of interest, among other actions, we allocate investment opportunities among our Clients in accordance with the Firm’s allocation policy.

### **Item 7 – Types of Clients**

#### *Types of Clients*

Contrary Legacy generally provides investment advice to individuals and family offices. However, Contrary Legacy maintains the right to provide similar services to other types of clients, such as corporations, financial institutions, private funds, funds-of-funds, governmental bodies or agencies, insurance companies, endowments, foundations, charitable organizations, trusts, estates, and pension and profit-sharing plans.

Contrary Legacy does not have a minimum account size, but anticipates typically targeting an account value of at least \$25M. However, Contrary Legacy maintains the right to accept clients of any account size.

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

#### *Investment Strategies*

Contrary Legacy utilizes a wide array of investment strategies that vary based on each Client’s investment guidelines and objectives. These investment strategies may differ between those directed by Contrary, its Affiliate, and the External Portfolio Managers for each Client, if any. In general, a Client’s investment strategy is created through discussions with the Client and the development of their Client Direction Letter. Some Clients may have more limited mandates, including, for instance, those that can be constructed with portfolios composed solely of the Affiliate’s Private Funds or those where Contrary Legacy manages existing liquid and illiquid portfolios in conjunction with investments managed by External Portfolio Managers.

#### *Methods of Analysis*

Contrary Legacy’s methods of analysis vary across Clients in respect to their goals. Contrary Legacy may utilize analysis methods such as technical, fundamental, and other tools or techniques in order to best meet our Clients’ objectives. Contrary Legacy further considers potential investment returns and risks (see *Material Risks* below), covariances among different asset classes, tax considerations, liquidity, leverage constraints, the Client’s risk tolerance and objectives, as well as other factors in constructing and managing portfolios. Contrary Legacy will also benchmark asset class and portfolio returns to relevant benchmarks on the Clients’ performance report summaries.

For instances where a Client allocates a portion of their investment to the Affiliate's Private Funds or External Portfolio Managers, Contrary Legacy will analyze information that is available to them such as market data, investment performance, risk management techniques, performance volatility, investment philosophies and factors relating to their senior managers and investment professionals such as experience, industry relationships, insight, and commitment. Additionally, Contrary Legacy will also consider other factors such as a specific investments' historical and expected risk-return profile, fees and expenses, covariance with other investments and the market, and fund terms.

The above investment strategies and methods of analysis is not a full list and Contrary Legacy may utilize other information and factors in the development of the services offered. Client's that are invested in the Affiliate's Private Funds and External Portfolio Managers shall review the corresponding private funds governing documents for a full list of methods and strategies utilized.

### *Material Risks*

**Risk of Loss.** Investing in securities involves a high degree of risk. Contrary Legacy's investment recommendations are subject to various market, currency, economic, political, and business risks. Such investment recommendations may not be profitable and Clients should be prepared to bear losses. Asset classes in which Contrary Legacy and External Managers invest are more volatile than bonds or short-term instruments and can decline significantly. Contrary Legacy and External Managers' strategies may be concentrated. A lack of diversification subjects Clients to increased sector and industry-specific risks. Certain investments utilize leverage. The use of leverage by an investment fund or External Portfolio Manager increases the risk to a Client's portfolio.

**Mutual Funds, ETFs, and Index Funds.** Clients bear all of the risks of investment strategies employed by mutual funds and ETFs, including the risk that a mutual fund or ETF will not meet its investment objectives. Clients should review the prospectuses of each relevant mutual fund or ETF. Index funds are passively managed and might not correlate with the underlying asset or index the fund seeks to track.

**Asset Allocation.** Asset allocation strategies recommended by Contrary Legacy do not assure profit or diversification and do not protect against loss.

**Asset Class Risk.** Securities in an asset class in a portfolio have in the past and likely will in the future underperform in comparison to the general securities markets, a particular securities market, or other asset classes.

**Concentration Risk.** Concentrating investments in an issuer or issuers, in a particular region, market, industry, sector or asset class means that performance will be more susceptible to loss due to adverse occurrences affecting the issuer or issuers, region, market, industry, sector or asset class than a more diversified mix of investments.

**Interest Rate Risk.** When interest rates rise, fixed income securities or instruments will

generally decline in value. Long-term fixed income securities or instruments will generally have more price volatility because of this risk than short-term fixed income securities or instruments.

**Private Asset Risk.** Contrary Legacy's task of identifying opportunities in private assets, including those of its Affiliate or External Portfolio Managers, managing such investments and realizing a significant return for Clients is difficult. Investments in private investments, including debt or equity investments in operating and holding companies, private investment funds, and similar types of investments are highly illiquid and long-term.

**Russia-Ukraine Conflict.** There is currently an ongoing military conflict between Russia and the Ukraine which, in a relatively short period of time, has caused disruption to global financial systems, trade and transport, among other things. In response, multiple other countries have put in place global sanctions and other severe restrictions or prohibitions on the activities of individuals and businesses connected to Russia. However, the ultimate impact of the Russia-Ukraine conflict and its effect on global economic and commercial activity and conditions, and on the operations, financial condition and performance of the Funds or any particular industry, business or investee country and the duration and severity of those effects, is impossible to predict.

The Russia-Ukraine conflict may have a significant adverse impact and result in significant losses to Clients. This impact may include reductions in revenue and growth, cyber-attacks, unexpected operational losses and liabilities and reductions in the availability of capital. It may also limit the ability of the Adviser to source, diligence and execute new investments and to manage, finance and exit investments in the future. Developing and further governmental actions (military or otherwise) may cause additional disruption and constrain or alter existing financial, legal and regulatory frameworks and systems in ways that are adverse to the investment strategy which any Client intends to pursue, all of which could adversely affect a Client's ability to fulfill its investment objectives.

**Cybersecurity Risk.** Contrary Legacy, the Clients' service providers and other market participants increasingly depend on complex information technology and communications systems to conduct business functions. These systems are subject to a number of different threats or risks that could adversely affect the Clients, despite the efforts of Contrary Legacy (or the Affiliate) and the Clients' service providers to adopt technologies, processes and practices intended to mitigate these risks and protect the security of their computer systems, software, networks and other technology assets, as well as the confidentiality, integrity and availability of information belonging to a Client. For example, unauthorized third parties may attempt to improperly access, modify, disrupt the operations of, or prevent access to these systems of Contrary Legacy, the Clients' service providers, counterparties or data within these systems. Third parties may also attempt to fraudulently induce employees, customers, third-party service providers or other users of Contrary Legacy's systems to disclose sensitive information in order to gain access to Contrary's data or that of the Clients' investors. A successful penetration or circumvention of the security of the Contrary Legacy's systems could result in the loss or theft of a Clients' data or funds, the inability to access electronic systems, loss or theft of proprietary information or corporate data, physical damage to a computer or network system or costs associated with system

repairs. Such incidents could cause the Clients, Contrary or their service providers to incur regulatory penalties, reputational damage, additional compliance costs or financial loss.

**Systemic and Counterparty Risk.** "Over-the-counter" or "interdealer" markets typically are not subject to credit evaluation and regulatory oversight as are members of "exchange-based" markets. Investing in swaps, derivatives or synthetic instruments, or other over-the-counter transactions on these markets may involve credit risk with regard to trading counterparties and may introduce the risk of settlement default. These risks may differ materially from those entailed in exchange-traded transactions, which generally are backed by clearing organization guarantees, daily marking-to-market and settlement, and segregation and minimum capital requirements applicable to intermediaries. Transactions entered directly between two counterparties generally do not benefit from such protections and pose the risk that a counterparty will not settle a transaction in accordance with its terms and conditions because of a dispute over the terms of the contract (whether or not bona fide) or because of a credit or liquidity problem, thus causing a loss. Such "counterparty risk" is accentuated for contracts with longer maturities where events may intervene to prevent settlement, or where transactions are concentrated with a single or small group of counterparties. Credit risk may arise through a default by one of several large institutions that are dependent on one another to meet their liquidity or operational needs, so that a default by one institution may cause a series of defaults by the other institutions. This is sometimes referred to as a "systemic risk" and it may adversely affect financial intermediaries, such as clearing agencies, clearing houses, banks, securities firms and exchanges, with which the Clients interact on regularly. In the case of a default, a Clients could become subject to adverse market movements while replacement transactions are executed. There are no restrictions from dealing with any particular counterparty or from concentrating any or all transactions with one counterparty. Moreover, there is no internal credit function that evaluates the creditworthiness of such counterparties.

**Economic Conditions.** Changes in economic conditions, including, for example, interest rates, credit availability, inflation rates, industry conditions, government regulation, competition, technological developments, political and diplomatic events and trends, tax and other laws and innumerable other factors, can affect a Client's investments and prospects materially and adversely. None of these conditions is within the control of the investing personnel, and it will not always be able to effectively anticipate these developments. These factors will affect the volatility and the liquidity of a Client's investments. Unexpected volatility or illiquidity could impair profitability or result in losses.

**Possible Misconduct by External Portfolio Managers.** Because Clients may invest in third-party investment managers or private funds unaffiliated with Contrary Legacy or the Affiliate and which Contrary Legacy or the Affiliate does not have custody or control of assets, an underlying manager could divert or abscond with those assets, fail to follow its stated investment strategies, issue false reports, or engage in other misconduct.

**Service Providers.** The service providers or their affiliates (including any administrators, lenders, brokers, attorneys, consultants and investment banking firms) of Contrary Legacy, the Affiliate, or the Affiliate's Private Funds may be investors in the Affiliate's Private

Funds or sources of investment opportunities and co-investors or counterparties therein. This may influence Contrary Legacy or the Affiliate in deciding whether to select such a service provider or have other relationships with Contrary Legacy or the Affiliate.

**Liquidation.** If the Affiliate's Private Fund should become insolvent, the investors may be required to return with interest any property distributed that represented a return of capital, repay any distributions wrongfully made to them and forfeit any undistributed profits.

**Limited Access to Information.** Clients' rights to information regarding the Affiliates Private Funds or External Portfolio Managers will be specified, and strictly limited, in each funds limited partnership agreement and governing documents. In particular, it is anticipated that the Affiliate or External Portfolio Manager will obtain certain types of material information from portfolio investments that will not be disclosed to Clients because such disclosure is prohibited for contractual, legal, fiduciary or similar obligations outside of the Affiliate or External Portfolio Manager's control. Decisions by the Affiliate or External Portfolio Manager to withhold information may have adverse consequences for investors in a variety of circumstances. For example, an investor that seeks to transfer its interests may have difficulty in determining an appropriate price for such interests. Decisions to withhold information also may make it difficult for Clients to monitor Contrary Legacy, the Affiliate and External Portfolio Manager and their performance.

#### **Item 9 - Disciplinary Information**

Contrary Legacy, the Affiliate, and its management persons have not been the subject of any material legal or disciplinary proceeding required to be disclosed in response to this item.

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

##### *Registered Broker-Dealers*

Neither Contrary Legacy, the Affiliate, nor any of its management persons are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.

##### *Registered Futures Commission Merchants, Commodity Pool Operators and Commodity Trading Advisors*

Neither Contrary Legacy, the Affiliate, nor any of 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 any of the foregoing.

##### *Relationships with Related Persons*

Contrary Legacy, the Affiliate, and its related persons engage in a broad range of activities, including investment activities for their own accounts. As a result, the interests of a Client account may conflict with the interests of Contrary Legacy, the Affiliate, or its related persons or one or more other Clients. Certain of these conflicts of interest are described

below (although the discussion below does not necessarily describe all of the conflicts that may potentially be faced by a Client). Please also refer to the subsection titled “*Participation or Interest in Client Transactions; Personal Trading*” in Item 11 below and the Client Agreement and Client Direction Letter for each account for more information, including with respect to transactions that may be subject to specific consent requirements.

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

#### *Code of Ethics*

Contrary Legacy has adopted a code of ethics (“Code of Ethics”) under Rule 204A-1 of the Advisers Act, expressing Contrary Legacy’s commitment to ethical conduct. Contrary Legacy’s Code of Ethics describes its fiduciary duties and responsibilities to its advisory clients, and sets forth, among other things, Contrary Legacy’s policies and procedures for: (i) identifying, escalating and addressing any potential conflicts of interest; (ii) monitoring and preventing Contrary Legacy, the Affiliate, or its supervised persons from engaging in insider trading; (iii) pre-clearance requirements, trading restrictions and reporting requirements for Contrary Legacy’s supervised persons’ personal securities transactions; (iv) the receipt of gifts by supervised persons and the making of political campaign contributions; and (v) pre- approval of the engagement by Contrary Legacy’s employees in certain outside business activities. Under Contrary Legacy’s Code of Ethics, all of its supervised persons have a duty to act only in the best interests of the Clients and are required to promptly report all violations of the Code of Ethics to Contrary Legacy’s Chief Compliance Officer (“CCO”). All supervised persons must acknowledge receipt of the Code of Ethics and any amendments thereto.

Investments by Contrary Legacy’s personnel (or the Affiliate’s) pose conflicts of interests that may not be present with other investment advisers, including:

- Contrary Legacy’s personnel (or the Affiliate’s) are often offered the opportunity to invest in unregistered offerings, generally of venture-stage companies.
- Contrary Legacy’s personnel may invest in offerings of entities related to Clients, including offerings in which the Affiliate’s Private Funds invest, and at times do so earlier or later than Clients or the Affiliate’s Private Funds that also invest in the opportunity. When these opportunities fall within the investment programs of one or more Clients, Contrary Legacy and the Affiliate will have a conflict of interest. The personal trading and allocation policies are designed to address these situations, but assessments of these opportunities are inherently subjective and current and prospective Clients should understand that lucrative investment opportunities may be offered to (and accepted by) Contrary Legacy’s (and the Affiliate’s) personnel without being offered to Clients.

Contrary Legacy will provide a complete copy of its Code of Ethics to any client or prospective client upon request.

### *Participation or Interest in Client Transactions; Personal Trading*

Contrary Legacy, the Affiliate, and related persons may buy or sell securities for themselves at or about the same time they buy or sell the same securities for its Clients. To minimize the potential conflicts of interest of this practice, Contrary Legacy, the Affiliate, and its personnel will adhere to the Code of Ethics and the personal trading requirements contained therein. Specifically, Contrary Legacy personnel are required to obtain pre-approval for personal securities transactions and trade within certain limitations designed to mitigate the potential for conflicts of interest. Generally, Contrary Legacy, the Affiliate, or its related persons do not buy securities from or sell securities to Clients. However, under exceptional circumstances Contrary Legacy, the Affiliate, or related persons may engage in principal transactions. In such circumstances, Contrary Legacy will disclose to the Client in writing the capacity in which we are acting and obtain Client consent to the transaction.

Contrary Legacy may cause a Client to engage in “cross transactions” via the purchase of a portfolio investment from, or the sale of a portfolio investment to, another Client, provided that the transaction is consistent with Contrary Legacy’s fiduciary obligations to each Client participating in the cross transaction and subject to any conditions or required consents under a Client’s Agreement and Client Direction Letter.

While Contrary Legacy endeavors at all times to act in the best interests of their Clients, the Clients should be aware that the types of transactions described above create potential conflicts of interest with respect to Contrary Legacy, the Affiliate, and Clients.

## **Item 12 - Brokerage Practices**

### *Selection and Recommendation of Broker-Dealers*

Though Contrary Legacy's preferred custodian is Charles Schwab, an independent and unaffiliated SEC-registered broker-dealer, we do not generally have discretionary authority to select brokers. We seek to recommend broker-dealers that we believe will provide the best services at the lowest commission. Contrary Legacy seeks to satisfy its best execution obligation by considering all relevant facts and circumstances, including, but not limited to, the price and size of the order, the trading characteristics of the securities involved, the value of research and other services provided by the broker, and the broker's execution abilities, commission rates, financial responsibility, disaster planning infrastructure, backend and client-facing technology, customer service, investment platform, cashiering platform, and responsiveness. Contrary Legacy will not necessarily use or recommend the broker-dealer offering the lowest commission cost.

### *Research and Soft Dollar Benefits*

Contrary Legacy generally does not engage in soft dollar arrangements with respect to securities transactions. Any research services and/or other products or services that are provided to Contrary Legacy by brokers or dealers may be used for the benefit of all Clients of Contrary Legacy and do not necessarily benefit solely Clients from which the commissions were generated. The receipt of research and/or other products or services is not directly connected to the recommendation of brokerage services to the Clients, but does create a potential conflict of interest of which Clients should be aware in assessing Contrary Legacy's choice of broker-dealers.

### *Brokerage for Client Referrals*

In determining its selection of broker-dealers, Contrary Legacy does not consider whether Contrary Legacy receives referrals of potential Clients from a broker-dealer or third party.

### *Directed Brokerage*

In certain instances, Clients seek to limit or restrict Contrary Legacy's discretionary authority in making the determination of the brokers with whom orders for the purchase or sale of securities are placed for execution, and the commission rates at which such securities transactions are effected. Any such Client direction must be in writing, and may contain a representation from the client that the arrangement is permissible under its governing laws and documents, if this is relevant.

Additionally, Contrary Legacy may have Clients who direct trades to particular brokers. With respect to their directed trades, a Client will be treated as if they have retained the investment discretion that we otherwise would have in selecting brokers to effect transactions and in negotiating commissions and that such direction may adversely affect our ability to obtain best price and execution. In addition, Client-directed trade orders generally are not aggregated with other Clients' orders and direction of brokerage may

hinder best execution.

### *Trade Aggregation*

Contrary Legacy will, to the extent possible, generally place a combined order for two or more Client accounts it manages engaged in the purchase or sale of the same public security at the same time if, in its good faith determination, joint execution would be consistent with its duty to seek best execution, consistent with the terms of the relevant Clients' agreement, and otherwise in the best interest of the relevant Clients.

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

### *Review of Client Accounts*

Contrary Legacy will regularly monitor portfolio investments on behalf of the Clients. Investments are reviewed in the context of each Client's stated investment objectives, guidelines and restrictions as set forth in each respective Client agreements. Contrary Legacy reviews the investment portfolios of the Clients for consistency with such objectives, guidelines and restrictions as needed in connection with the investment activities of the Client.

### *Reports to Clients*

Contrary Legacy will distribute reporting on at least an annual basis to each client. Reports generally contain unaudited financial data and will show relevant balance sheet and net performance data.

In cases where Clients are invested in private funds, Clients should refer to the governing documents of the relevant fund for which they are invested for further information on the reports.

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

### *Economic Benefits Received from Third Parties*

In connection with investments made by Clients, Contrary Legacy's Affiliates (or persons associated with Contrary Legacy) may receive an annual management fee and/or monitoring, consulting, directors' or other fees (whether in cash or options or other securities) from a portfolio company of an Affiliate's Private Fund while the applicable fund continues to have an investment in such portfolio company. Contrary Legacy or the Affiliate may receive a "break-up" fee from a prospective portfolio company if an investment does not close for certain reasons after a letter of intent related to such investment has been signed with such portfolio company. Contrary Legacy or the Affiliate may also receive commitment, structuring and/or other transaction fees from portfolio companies in which one or more of the funds that a Client invests in invests or intends to invest. The amount of any fees that Contrary Legacy or affiliates or any of its associated persons receives from portfolio companies is determined by negotiations between Contrary Legacy or the Affiliate and the applicable portfolio companies. These types of

arrangements present potential conflicts of interest and provide Contrary Legacy or the Affiliate with an incentive to recommend investments based on compensation received rather than the best interests of a fund or Client. To help mitigate potential conflicts, such benefits received by Contrary Legacy, the Affiliate, or its employees in connection with services rendered to portfolio companies or transactions of a fund that a Client invests are generally offset in whole or in part (and therefore reduce) advisory fees payable by the relevant fund, to the extent provided in the governing documents. To the extent that such fees do not result in any offset (or result in only a partial offset) against the advisory fees payable by the relevant fund or Client, however, such potential conflicts shall remain.

Please refer to the Client agreements or governing documents of the relevant fund and the Affiliate's Form ADV Brochure for more complete information about advisory fee offsets.

#### *Third Party Compensation for Investor Referrals*

Contrary Legacy will not enter into compensation arrangements with third parties to introduce Clients to Contrary Legacy. However, the Affiliate and its related persons may utilize a placement agent from time to time in connection to the Affiliate's Private Funds. Refer to the Affiliate's Form ADV Brochure for additional information regarding these placement agent arrangements.

#### *Use of Client Information*

Contrary Legacy and affiliates provide Clients with a copy of its privacy policy, which describes certain limits on the use of Clients' personal information.

### **Item 15 - Custody**

The amended and revised Rule 206(4)-2 of the Advisers Act (the "Custody Rule") sets forth extensive requirements regarding possession or custody of Client funds or securities. The Custody Rule requires advisers that have custody of Client securities or funds to implement a set of controls designed to protect those client assets from being lost, misused, misappropriated, or subject to financial reverses.

Advisers with custody of Client funds and securities must maintain them with "qualified custodians". Qualified Custodians under the amended rule include banks and savings associations and registered broker-dealers. Contrary Legacy does not maintain direct custody or possession of any of its Clients' funds or securities. Through this arrangement, the Custodians will provide, among other things, clearing, custodial, brokerage and record keeping services. Clients will receive statements from their Custodians at least on a quarterly basis. Clients are urged to compare the statements received by Contrary Legacy to the statements received by their Custodians.

## **Item 16 - Investment Discretion**

Contrary Legacy will not have discretion to buy and sell securities on behalf of its Clients unless there is express written approval to do so in a separate client agreement. As of the date of this Brochure, Contrary Legacy has not entered into any discretionary agreement with any Client.

In the future, for Clients that enter into a discretionary agreement with Contrary Legacy, the Firm will maintain discretion to buy and sell securities and to trade on a fully discretionary basis in any and all forms of securities and financial instruments, in accordance with each Client's agreement. At times, Contrary Legacy may allow Clients to impose restrictions on investing in certain securities or types of securities in otherwise discretionary accounts.

External Portfolio Managers generally have the same level of discretionary trading authority as Contrary Legacy. It should be noted that Clients have the discretion to grant discretionary trading authority to External Portfolio Managers to execute transactions with the same manner as Contrary Legacy.

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

Contrary Legacy may vote proxies if authorized by a Client, such authorization is typically granted on an account-by-account basis. External Portfolio Managers selected or recommended by Contrary Legacy may also vote proxies on behalf of Clients on any accounts or assets managed by them. However, except where Clients authorize Contrary Legacy and/or External Portfolio Managers to vote proxies, Clients generally maintain the exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the Client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to securities held in clients' accounts. Where Contrary Legacy is authorized to vote proxies by Clients, Contrary Legacy will exercise that authority in their best interests and utilize the services of an independent third-party that specializes in evaluating corporate governance matters and making voting recommendations. Generally, Contrary Legacy will vote in accordance with the recommendations made by the independent third party, including in instances where a material conflict of interest exists between Contrary Legacy and the Affiliate and their Clients.

All documentation relating to how Contrary Legacy votes proxies will be maintained in accordance with the books and records requirements. If any Client seeks additional information of the proxy voting history or process, they should contact the CCO at [compliance@contrary.com](mailto:compliance@contrary.com). Contrary Legacy's policies and procedures related to proxy voting are available upon request.

## **Item 18 - Financial Information**

Contrary Legacy has no financial condition that is reasonably likely to impair its ability to meet contractual commitments to Clients, and has not been the subject of a bankruptcy proceeding. Contrary Legacy does not collect any fees over 6 months in advance.