



## FORM ADV PART 2A

March 26, 2024

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This brochure provides information about the qualifications and business practices of Alkert Global LLC (“Alkert” or the “Firm”). If you have any questions about the contents of this brochure, please contact us at telephone 415.675.7300. The information in this brochure has not been approved or verified by the U.S. Securities and Exchange Commission (the “SEC”) or by any state authority.

Alkert is a registered investment adviser. Registration as an investment adviser does not imply that Alkert or any of its principals or employees possesses a particular level of skill or training in the investment advisory business.

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

## **ITEM 2 - MATERIAL CHANGES FROM PRIOR FORM ADV PART 2A**

Algert is updating its brochure as of March 26, 2024 as part of an annual amendment filing. The following is a summary of the material changes made since Algert submitted its brochure for an annual amendment filing on March 31, 2023.

- During July 2023, Algert's business address changed from 101 California Street, Suite 4225 San Francisco, California 94111 to 101 California Street, Suite 3240 San Francisco, California 94111.
- Algert World Equity Extension Master Fund, L.P. and Algert World Equity Extension Fund, L.P. were liquidated during 2023 and did not have any assets as of December 31, 2023. As such, references to such Funds have been removed from the brochure.
- Algert made some clarifying amendments to the description of its investment strategy within Item 8.

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## ITEM 4 - ADVISORY BUSINESS

Registration Status -	Registered with the SEC on March 11, 2003 <sup>1</sup>
Principal Owners -	Peter M. Algert and Ryan LaFond

### ADVISORY SERVICES

Algert serves as the general partner and/or discretionary investment adviser to private investment funds (“Funds”). Algert employs systematic, model-based quantitative investment strategies for management of the Funds’ portfolios. The Funds’ investment objective is to build portfolios of publicly traded investments that generate returns in excess of those realizable through other investments of similar risk. There can be no assurance that these objectives will be achieved. Investments in the Funds are subject to significant risks and conflicts of interest, described in the confidential private placement memorandum and other offering documents for each Fund.

Currently, the Funds are: (1) Algert Global Equity Market Neutral Master Fund, L.P., a Cayman exempted limited partnership, which is fed by one fund, Algert Global Equity Market Neutral Fund, L.P., a Delaware limited partnership (onshore); and (2) Algert International Small Cap Fund, L.P., a stand-alone Delaware limited partnership. Algert acts as general partner and investment manager to the partnerships. Collectively, all of the identified funds are referred to within this document as the “Funds.” Algert may decide to sponsor or manage additional private investment funds in the future.

Investments in the Funds are made available to individual qualified investors. Algert restricts the number of investors and offers the interest in the Funds only through non- public transactions in order to maintain the Funds’ exemption from “investment company” status under the Investment Company Act of 1940, as amended (the “Investment Company Act”).

Algert does not tailor its advisory services to the individual needs of investors in the Funds and does not accept investor-imposed investment restrictions. Notwithstanding the above, Algert and/or the Funds have side letters or other arrangements (“Side Letters”) with certain investors. The Side Letters include the following: additional notifications, heightened reporting, inspection and audit rights, varying withdrawal pay-out provisions, expense caps, trade error provisions, fund expenses, most favored nation provisions, indemnification provisions and reduced management fees and performance-based allocations. As a result of the Side Letters, certain investors receive rights, terms and other benefits that other investors will not receive.

<sup>1</sup> Registration means only that Algert meets the minimum requirements for registration as an investment adviser and does not imply that the SEC guarantees the quality of our services or recommends them.

Prospective investors in the Funds should carefully read the confidential private placement memorandum (if applicable) and other offering documents for each Fund in which they invest. The memorandum contains a complete copy of the Fund's limited partnership agreement (as applicable) and other important information. However, the confidential private placement memorandum should not be construed as legal or tax advice to the investor and investors are advised to consult with their own legal and financial advisors as to all matters concerning an investment in a Fund.

The Firm manages separately managed investment accounts ("Account Clients"), which include, but are not limited to, Algert serving as sub-adviser to an investment company registered under the Investment Company Act ("Investment Company Client") that follow the Funds' strategies and another investment strategy - U.S. small cap.

Account Clients and the Investment Company Client (collectively with the Funds, "Clients") are governed by investment advisory agreements that specify the investment objectives and/or restrictions established by that Client.

#### **REGULATORY ASSETS UNDER MANAGEMENT AS OF DECEMBER 31, 2023**

Discretionary Assets - \$4,442,498,935

Non-Discretionary Assets - N/A

#### **TERMINATION OF AGREEMENT**

Investors in a pooled investment vehicle such as one of the Funds are limited in their ability to terminate their participation. Investor withdrawal and termination limitations are established for each of the Funds and explained in the offering memorandum, subscription or limited partnership agreements for each of the Funds. These offering and subscription materials should be read carefully by each investor. Upon termination of any investor account, any prepaid, unearned fees will be promptly refunded and any earned unpaid fees will be due and payable.

#### **ITEM 5 - FEES AND COMPENSATION ADVISORY FEES**

For its services to the Funds, Algert receives a management fee payable monthly in advance at a rate of 0.0% - 0.083% per month (0.0% - 1.0% per annum). The management fees are based on the net market value of the assets in the Funds as of the first day of the month. In addition, Algert receives a performance-based fees (in the form of an incentive allocation or incentive fee) based on the profit allocated to each investor (other than investors for whom Algert agrees at its sole discretion to vary the performance-based fee) to the extent the profit exceeds any prior un-recouped losses. Performance-based fees range from 0% - 30% of profits. It should be noted that Algert International Small Cap Fund, L.P. is not subject to any performance-based compensation.

All performance-based fees are made in a manner that complies with Rule 205-3 under

the Investment Advisers Act of 1940, as amended (the “Advisers Act”).

The foregoing describes Algert’s basic fee schedule; however, fees may be negotiable in certain limited circumstances and arrangements with any particular Client may vary.

The expenses of the Funds, including Algert’s management fee and performance-based fee, may constitute a higher percentage of average net assets than would be charged in other investment vehicles. The performance-based fee may also create an incentive for Algert to cause a Fund to make investments that are riskier than it would otherwise make. In addition, since Algert’s performance-based fee is calculated on a basis which includes unrealized appreciation of a Fund’s assets it may be greater than if that allocation were based solely on realized gains.

For its services to the Account Clients, Algert expects to receive a management fee payable quarterly in advance at an annual rate generally ranging from 0.20% - 1.50%. Certain Account Clients are subject to a performance-based fee of 20% of profits in excess of certain benchmark hurdles.

In the case of the Investment Company Client, the management fee is paid on daily net assets at an annual rate ranging from 0.45% - 0.90%.

Algert does not advise individual investors as to the appropriateness of investing in the Funds or other investment strategies, and Algert does not receive any compensation for doing so (except to the extent that Algert received advisory and other fees from the advisory services it provides to the Funds) or for selling interests in the Funds.

The fees payable by the Funds are deducted from the assets of the Funds (or reallocated from the capital accounts of the Funds’ investors with respect to performance-based incentive allocations) and paid to Algert. Fees for Account Clients and the Investment Company Client are typically billed to those Clients and paid from the assets of the Clients’ accounts.

## **FUND EXPENSES**

Each Fund bears all of its ongoing operating costs although, in certain circumstances, Algert may bear a portion of operating expenses. Those costs include, among other things, (a) all trading costs and expenses (such as, for example, brokerage commissions and charges, expenses relating to short sales, commission sharing arrangements, clearing and settlement charges, option premiums, custodial and service fees, and higher commissions or markups related to outsourced trading services), (b) all interest and commitment fees on loans and debit balances, (c) all costs and expenses of negotiating and entering into contracts and arrangements and making investments (such as brokerage, legal, accounting, investment banking, appraisal and other professional and consulting fees and expenses arising from particular investments and potential investments) and similar expenses in terminating those contracts and arrangements and disposing of the Fund’s investments, (d) all costs and expenses associated with regulatory filings of the Fund, Algert or its affiliates relating to the Fund (including filings under section 13 of the Securities and Exchange Act of 1934, as amended and Form PF), (e) all costs and expenses associated with registering the Fund’s restricted securities, (f) all costs and expenses incurred in attempting to protect or enhance the value of the Fund’s investments (including the costs and expenses of instituting and defending lawsuits or

engaging in proxy contests or tender offers), (g) all income taxes, withholding taxes, transfer taxes and other governmental charges and duties, (h) all fees and charges of custodians, clearing agencies and banks, (i) all administration, bookkeeping, recordkeeping, legal, accounting, auditing, tax preparation and all professional, expert and consulting fees and expenses arising in connection with the Fund's activities, (including (1) research and legal costs and expenses related to investigative due diligence on potential portfolio acquisitions, (2) fees and expenses of counsel for the Fund, Algert, or one or more of its officers or managers, (3) service contracts related to research (including research reports, services and on-line and third party research fees), portfolio and risk management systems, quotation services and equipment (including computer hardware and software related thereto, such as those provided by Bloomberg, Refinitiv or similar providers), technical and performance measuring data, newswire charges and periodical subscription fees, (4) administrator fees charged for providing middle and back office services (such as order management and trade reconciliation), and (5) all fees, costs and expenses of accounting, bookkeeping and recordkeeping services of the administrator or any similar service provider retained by Algert to assist it in performing services for the Fund), (j) all fees, costs and expenses of offering and selling interests or shares and communicating with existing and prospective investors (including, without limitation, legal and accounting fees and expenses and governmental and self-regulatory agency filing fees), (k) all legal and accounting fees and expenses, and governmental and self-regulatory agency filing fees, (l) all costs and expenses of investing a Fund's assets indirectly through its master fund (to the extent applicable), including all of the items described in this paragraph as they might apply to the master fund and its portfolio, and Fund's proportionate share of the costs and expenses of organizing and operating the master fund, (m) all premiums and other costs and expenses of insurance policies as Algert considers appropriate, insuring the Fund, Algert and its affiliates against liabilities that may arise in connection with the business or management of the Fund, (n) all costs and expenses of proxy voting services, (o) and contingencies for which Algert determines reserves are required, and (p) any extraordinary expenses (such as litigation expenses).

Refer to Item 12 - Brokerage Practices for further information around fees associated with trade execution.

#### **ACCOUNT AND OTHER NON-FUND CLIENTS' EXPENSES**

Clients incur certain charges imposed by their custodians and other third parties such as custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Additionally, Clients will incur charges by the executing broker-dealer in the form of brokerage commissions and transaction fees on the investment transactions entered into for their account(s). All of these charges, fees and commissions are in addition to Algert's investment management fee.

*Details concerning applicable fees and expenses are set forth in each respective advisory Client's limited partnership agreement, limited liability company operating agreement, investment management agreement, and/or prospectus. The information contained herein is a summary only and is qualified in its entirety by those documents.*

## **ITEM 6 - PERFORMANCE-BASED FEES/ALLOCATIONS**

Algert may receive performance-based allocations or fees from certain of the Funds or Account Clients. Algert currently manages a Fund and separately managed accounts for which it does not receive any performance fees. Because Algert manages both accounts that receive performance-based allocations/fees and accounts that do not receive a performance-based allocation/fees, Algert and its supervised persons may have an incentive to favor accounts for which Algert receives a performance-based allocation/fee. Performance-based fee arrangements may provide a heightened incentive for portfolio managers to make investments that may present a greater potential for return but also a greater risk of loss and that may be more speculative than if only asset-based fees were applied.

Algert is guided by fiduciary principles in the management of conflicts of interest. Algert is expected to always act in the best interests of its Clients. Algert's fiduciary obligation applies in every aspect of Algert's dealings with Clients, regardless of the account relationship, assets under management or fee structure. To address these types of conflicts, Algert has adopted policies and procedures pursuant to which allocation decisions may not be influenced by fee arrangements, and investment opportunities will be allocated in a manner that Algert believes is consistent with its obligations as an investment adviser.

## **ITEM 7 - TYPES OF CLIENTS**

Algert's current Clients are the Funds, separately managed investment accounts (Account Clients), which include private funds, other institutional clients and a registered investment company (Investment Company Client).

The Funds are private investment companies that are exempt from registration under Section 3(c)(7) of the Investment Company Act. In general, each U.S. investor in the Funds must be an "accredited investor" as defined in Regulation D under the Securities Act of 1933, as amended, and a "qualified purchaser" as defined in Section 2(a)(51) of the Investment Company Act. The Funds' confidential private offering memoranda and subscription applications provide potential investors' eligibility criteria, minimum investment requirements and other investment terms.

Algert's Account Clients currently include public pension funds and other institutional accounts. The minimum amounts required to open an individually managed account is negotiated on a deal-by-deal basis.

In addition, Algert is sub-adviser to an open-end investment company registered under the Investment Company Act.

As a result of the minimum requirements, Algert's services may not be appropriate for everyone. Other investment advisers may provide somewhat similar services for lower compensation, while others may charge more for similar services.



## ITEM 8 - METHODS OF ANALYSIS, INVESTMENT STRATEGIES, RISK OF LOSS

### METHODS OF ANALYSIS

Algert utilizes a combination of technical analysis and fundamental data in its quantitative analysis. Technical analysis involves analyzing statistics provided by market activity such as past prices and volume to identify patterns that can be used to predict future activity. In performing these analyses, the Firm consults third-party research materials, company annual reports, regulatory filings, and other publicly available data as appropriate. Fundamental data analysis involves analyzing real data, including overall economic and company-specific information available to determine the relative attractiveness of a particular investment. Algert may also review corporate activities as part of its analysis.

### INVESTMENT STRATEGY

Algert specializes in active, systematic equity investing. The Firm currently offers a range of active equity strategies including long only, active extension and global equity market neutral (collectively, “the Strategies”).

The investment process is based upon the belief that market participants exhibit many behavioral and cognitive biases which in turn lead to pricing discrepancies across various equity markets. The investment team follows a bottom-up, stock selection process that combines fundamental insights with repeatable, systematic techniques to identify securities that possess an attractive combination of value, quality and growth/catalyst characteristics relative to their peers.

### INVESTMENT RISKS

Algert’s investment objective is to build portfolios of public investments that generate returns in excess of those realizable through other investments of similar risk. There can be no assurance that this objective will be achieved. Specifically, investments in the Funds are subject to significant risks and conflicts of interest, described in the applicable governing documents for each Fund. Prospective investors should carefully read the applicable governing documents for each Fund or Client account in which they intend to invest. All security investments carry risk, including the risk that an investor may lose a part or all of his or her initial investment. Risk refers to the uncertainty that the actual return the investor realizes could differ from the expected return. Risks may be systematic, referring to factors that affect the returns on all comparable investments and that affect the market as a whole. Systematic risks include market risk, interest rate risk, reinvestment rate risk, purchasing power risk and exchange rate risk. Unsystematic risks depend on factors that are unique to the specific investment security. These risks include business risk and financial risk.

***General Economic and Market Conditions*** - The success of the Strategies’ investments may be affected by general economic and market conditions, such as interest rates, availability of credit, inflation rates, economic uncertainty, changes in laws, developments in governmental regulation and national and international political circumstances, health crises, such as pandemic and epidemic diseases (i.e., coronavirus), as well as other catastrophes that interrupt the expected course of events.

These factors may affect the success of the businesses in which the Strategies' portfolio companies are engaged as well as the markets for the securities the Strategies' hold. Unexpected volatility or illiquidity could impair the Strategies' profitability or result in losses.

***Non-U.S. Investments*** - The Strategies may invest a significant portion of their assets in securities of non-U.S. companies and/or securities denominated in currencies other than U.S. dollars. These may include securities issued by companies in, and traded in, so-called "emerging markets." Non-U.S. investing will subject the Strategies to certain risks not typically associated with investing in securities in the United States. The following discussion sets forth some of the more significant risks associated with this type of investing.

***Characteristics of Non-U.S. Securities Markets*** - The Strategies generally buy and sell securities on the principal stock exchange or over-the-counter market of the country in which the principal offices of the issuer of the security are located. Some non-U.S. stock markets may not be as developed or efficient as those in the United States and may be more volatile than the U.S. markets. In particular, there is generally less government supervision and regulation of non-U.S. exchanges, brokers and listed companies than there is in the United States. Further, as compared with trading volumes in U.S. markets, trading volumes in non-U.S. markets are usually lower and therefore are characterized by less liquidity and more rapid and erratic price fluctuations. Commissions for trades on non-U.S. stock exchanges are generally higher than negotiated commissions on U.S. exchanges, and custody expenses are generally higher as well. Settlement practices for transactions in non-U.S. markets may involve delays beyond periods customary in the United States, and the Strategies may be required to borrow securities to satisfy its obligations arising out of other transactions. In addition, there could be more "failed settlements," which can result in losses to the Strategies.

***Less Company Information and Regulation*** - Generally, there is less publicly available information about non-U.S. companies than there is about U.S. companies. This may make it more difficult for Algert to keep informed of corporate action that may affect the price of a particular security. Further, many countries lack uniform accounting, auditing and financial reporting standards, practices and requirements. These factors can make it difficult to analyze and compare the performance of non-U.S. companies.

***Currency Fluctuation*** - Some of the Strategies' investments may be denominated in non-U.S. currencies. A change in value of any currency against the U.S. dollar will cause a corresponding change in the U.S. dollar value of the Strategies' investments that are denominated in that currency. Those changes may affect the Strategies' income and profitability. Certain countries maintain the value of their currencies at artificially high levels relative to the value of the U.S. dollar. This practice may result in sudden and large adjustments in a currency's value, potentially resulting in losses to foreign investors, such as the Strategies. The Strategies may enter into currency hedging transactions to attempt to reduce their currency exposure (although it may not always be practicable to do so). These techniques may reduce but will not eliminate the risk of loss due to unfavorable currency fluctuations, and they may limit any potential gain that

might result from favorable currency fluctuations. Certain countries restrict conversion of their currency into foreign currencies, including the U.S. dollar, and for some currencies, there is no significant foreign exchange market.

***Restrictions on Investment and Repatriation*** - Certain countries impose restrictions and controls regarding investment by foreigners. Among other things, they may require that proposed investments be preapproved by regulatory authorities or impose limits on the amount or types of securities that may be held by foreigners or on the types of companies in which foreigners may invest. These restrictions may at times limit or preclude the Strategies' investments in certain countries and may increase the Strategies' costs and expenses. Foreign investors may, in some cases, be permitted to invest indirectly in certain countries through investment Strategies that have been specifically authorized for that purpose. However, because those countries grant only a limited number of authorizations, units or shares in most of the authorized investment Strategies may at times trade at a substantial premium over the value of their underlying assets. There can be no certainty that these premiums will be maintained, and if the restrictions on direct foreign investment in the relevant country were significantly liberalized, premiums might be reduced, eliminated altogether or turned into a discount. In addition, certain countries impose restrictions and controls on the repatriation of investment income and capital. Allert may cause the Strategies to use swaps or other derivatives to obtain exposure to certain non-U.S. markets or securities.

***Political and Economic Instability*** - Many non-U.S. economies are less stable than the U.S. economy, due to, among other things, volatile internal political environments, less stable monetary systems and/or external political risks. Some governments participate in their economies in ways that can have a significant effect on securities prices, such as through ownership of private companies or the enactment of certain regulations. The economies of certain countries depend heavily on international trade and can be adversely affected by the enactment of trade barriers or changes in the economic conditions of their trading partners. In some countries, especially developing or emerging countries, political or diplomatic developments could lead to programs that would adversely affect investments by U.S. persons, such as confiscatory taxation or expropriation.

***Investment Losses Due to Force Majeure***. All of the Strategies' investments are subject to the risk of loss arising from exposure that may incur, directly or indirectly, due to the occurrence of various force majeure events (i.e., events beyond the control of the firm, including, but not limited to, natural disasters, pandemic or any other serious public health concern, war, terrorism, failure of technology, government macroeconomic policies, social instability, etc.). Some force majeure events may adversely affect the ability of a party (including a Fund, the firm, a portfolio company or a counterparty to a Fund) to perform its obligations until the force majeure event is remedied. Certain force majeure events (such as war or an outbreak of an infectious disease) could have a broader negative impact on the world economy and international business activity generally, or in any of the countries in which a client may invest specifically. The risk of loss from such exposure could adversely affect the return of the Strategies.

***Withholding Taxes*** - Dividend and interest payments on certain non-U.S. securities the Strategies may own may be subject to foreign withholding taxes, which would reduce the Strategies' profit.

**Currency Hedging** - Because a component of the Strategies' investment strategy may include investing in non-U.S. securities or securities traded in currencies other than U.S. dollars, the Strategies may seek to hedge their exposure to currency fluctuations. Hedging activities involve transaction costs that can reduce the Strategies' returns. Moreover, hedging may not always be effective. In addition to trading in futures contracts on currencies (subject to the conditions described above), the Strategies may enter into foreign currency forward contracts (agreements to exchange one currency for another at a future date). These contracts involve a risk of loss if the Strategies fail to predict accurately the direction of currency exchange rates. For example, the Strategies may experience a loss if they increase their exposure to a foreign currency and that currency's value in relation to the U.S. dollar subsequently falls. In addition, forward contracts are not guaranteed by an exchange or clearinghouse. Therefore, a default by the forward contract counterparty may result in a loss to the Strategies for the value of unrealized profits on the contract or for the difference between the value of its commitments, if any, for purchase or sale at the current currency exchange rate and the value of those commitments at the forward contract exchange rate.

**Use of Leverage** - The Strategies may leverage their investment positions by borrowing funds and securities from securities brokers or dealers, banks or other financial intermediaries, and it may also use derivatives to leverage their capital, as discussed below. Leverage increases both the possibilities for profit and the risk of loss. Borrowings (and in some cases guarantees of performance of the Strategies obligations) will usually be from (and, in the case of guarantees, to) securities brokers or dealers (primarily the Strategies' prime brokers—see "Brokerage Practices") and will typically be secured by the Strategies' securities and other assets. Under certain circumstances, a lending broker or dealer may demand an increase in the collateral that secures the Strategies' obligations, and if the Strategies are unable to provide additional collateral, the broker or dealer could liquidate assets held in the Strategies' account to satisfy the Strategies' obligations. Liquidation in that manner could have extremely adverse consequences to the Strategies, including sales at disadvantageous times and prices and the acceleration of tax consequences.

**Hedging** - Hedging strategies in general are usually intended to limit or reduce investment risk, but they can also be expected to involve transaction costs and may inherently limit or reduce the potential for profit.

**Short Selling** - The Strategies may sell securities short as a regular part of their investing activities or for hedging purposes. In a short sale, the Strategies sell securities they do not own, in the hope that the market price will decline and that the Strategies will be able to buy replacement securities later at a lower price. To accomplish this, the Strategies borrow the securities from a broker or other third party. They "close" the position by "returning" the security (buying a replacement security on behalf of the lender). The obligation to replace the borrowed securities does not typically have a specified "maturity" date and the lender generally may require replacement of the securities whenever it chooses. A short sale theoretically involves the risk of unlimited loss: the price at which the Strategies must buy "replacement" securities could increase without limit. As collateral for its replacement obligation, the Strategies are generally required to leave a certain amount of cash and/or securities with the broker that

effected the transactions and, if the amount of the Strategies' liability increases due to increases in the security's price or decreases in the value of the existing collateral, deliver an additional amount of cash or other collateral upon the lender's request. The lenders for the Strategies' short sales will ordinarily be the Strategies' prime brokers, and some of the Strategies' assets will ordinarily serve as collateral. Therefore, if the value of the collateral were to become inadequate to secure the Strategies' obligations under its short positions, it is unlikely that the Strategies would be able to provide additional collateral. If that were to occur, the prime broker would likely cause the Strategies to "buy in" or "close" some or all of its short positions, likely at a time and on terms that are adverse to the Strategies. There can be no assurance that the Strategies will not experience losses on short positions or that they will have long positions that appreciate in value enough to offset any of those losses.

***Risk of Derivatives, Generally*** - The Strategies may trade and invest in a variety of derivative instruments, including swaps. Derivatives are financial instruments or arrangements, the risk and return of which are related to changes in the reference rates, indices or the value of securities or other assets. They can provide a form of "leverage" in that they permit the Strategies to speculate on fluctuations in the reference rates, indices or prices of securities or other assets while investing only a small percentage of the value of those assets. Trading and investing in derivatives can be highly speculative and can entail risks that are greater than the risks of investing directly in securities or other assets. Prices of equity derivatives are generally more volatile than indices, rates or asset prices on which they are based. A change in the rates or indices or a change in the market price of the assets underlying a derivative will cause a much greater relative change in the price of the derivative. The Strategies' ability to profit or avoid risk through trading or investing in derivatives will depend largely on Algert's ability to assess the probability and magnitude of future changes in the underlying reference rates, indices or asset prices.

***Small Capitalization Securities*** - The Strategies may invest a substantial portion of their assets (either directly or through derivative securities) in securities of companies with relatively small market capitalizations. While Algert believes these securities can provide significant potential for appreciation, they can involve higher risks in some respects than investments in securities of larger companies. For example, prices of small-capitalization and even some medium-capitalization securities are often more volatile than prices of large-capitalization securities and the risk of bankruptcy or insolvency of many smaller companies (with the attendant losses to investors) is higher than for larger, "blue-chip" companies. In addition, due to thin trading in some small-capitalization securities, an investment in those securities may be considered illiquid. These factors may cause unexpected decreases in the value of the Strategies' portfolio.

***Counterparty and Settlement Risk*** - To the extent the Strategies enter into over-the-counter derivative contracts or transactions (*i.e.*, transactions in options, swaps or other derivatives that are not cleared through the facilities of an exchange or clearing organization such as the Options Clearing Corporation), they may be exposed to the risk of default by its counterparty or to settlement difficulties. This risk may be materially greater than default or settlement risks involved in standardized and exchange-traded transactions.

The latter are generally backed by clearing organizations' guarantees, are generally marked to market daily, and intermediaries are generally subject to settlement and segregation and minimum capital requirements. Transactions directly with a counterparty generally do not benefit from those protections and expose each party to a greater risk of the other's default. Although a broker or dealer or other counterparty may collateralize its obligations to the Strategies by segregating assets and identifying them on its records as assets of the Strategies, those or similar arrangements may not always be adequate to protect the Strategies if the counterparty were to become insolvent and, as a result, the Strategies could expect delays in receiving the benefit of the derivative or other contract.

***Financial Institution Risk; Distress Events*** - An investment in the Funds may be subject to the risk that one of the Fund's banks, brokers, hedging counterparties, lenders or other custodians of some or all of the Fund's assets (each, a "Financial Institution") fails to perform its obligations or experiences insolvency, closure, receivership or other financial distress or difficulty (each, a "Distress Event"). Distress Events can be caused by factors including eroding market sentiment, significant withdrawals, fraud, malfeasance, poor performance or accounting irregularities. In the event a Financial Institution experiences a Distress Event, the Funds may not be able to access deposits, borrowing facilities or other services for an extended period of time or ever. Although assets held by regulated Financial Institutions in the United States frequently are insured up to stated balance amounts by organizations such as the Federal Deposit Insurance Corporation ("FDIC") for banks and the Securities Investor Protection Corporation ("SIPC") for certain broker-dealers, amounts in excess of the relevant insurance are subject to risk of loss, and any non-U.S. Financial Institutions that are not subject to similar regimes pose increased risk of loss. Although in recent years governmental intervention has resulted in additional protections for depositors, there can be no assurance that governmental intervention will be successful or avoid the risk of loss, substantial delays or negative impact on banking or brokerage conditions or markets.

***Limited Liquidity of Some Investments*** - The Strategies may invest in securities that, while they are publicly traded, are relatively illiquid. That may be because a security is thinly traded or because the Strategies' position in a security is large in relation to the overall market for the security. The Strategies may own securities that are relatively liquid when acquired but that become illiquid thereafter. The Strategies may not be able to liquidate illiquid securities positions if the need were to arise; rapid sales of those securities could depress the market value of those securities, reducing the Strategies' profits, or increasing losses, in the positions. The value assigned to illiquid securities (including thinly traded securities) and large blocks of securities for purposes of determining profits and losses may differ from the value the Strategies are ultimately able to realize on those securities.

***New Issues*** - Although Algert does not currently intend to cause the Strategies to do so, the Strategies may in the future invest in "new issues"—initial public offerings of equity securities. Investors who are "restricted" under the rules of FINRA would be limited in the amount of profits (if any) that they could be allocated from new issues in which the Strategies may invest or prohibited entirely from participating in a new issue. To the extent an Investor were deemed "restricted," an investment in the Strategies could produce lower performance than that experienced by investors who were not deemed

restricted. Any investor who does not provide the Strategies with information sufficient to show that the investor is not restricted would be presumed to be restricted.

***Portfolio Turnover*** - The Strategies may have higher portfolio turnover than other investment strategies. If that occurs, the brokerage commissions incurred by the Strategies may be higher than those incurred by strategies with a lower portfolio turnover rate.

***Insolvency of Brokers and Others*** - The Strategies are subject to the risk that a brokerage firm that executes its trades, the clearing firms that those brokers use, the clearing houses of which the clearing firms are members or other counterparties to transactions may fail. To the extent the Strategies buy securities from or sell securities to non-U.S. broker-dealers or other institutions, hold a portion of their assets through non-U.S. sub custodians, or places assets with non-U.S. entities as collateral in connection with transactions in derivatives or margin borrowings, the risks relating to potential insolvencies or failures of those entities may be greater than if the Strategies dealt only with U.S. institutions.

***Quantitative Investment Strategy Risks*** - Algert's portfolio management and trading decisions are based on quantitative models designed by Algert's professionals. The models are complex computer programs incorporating various signals and factors aimed at exploiting market trends, anomalies and pricing discrepancies with a view to selecting investments in pursuit of the Strategies' investment objectives.

***Complexity of Model Design and Implementation*** - Although Algert intends to use good faith efforts to design, maintain and implement the model correctly and to use it effectively, there can be no assurance that it will successfully do so. The process of designing and perfecting the model and its components, and the model's various versions used from time to time, are highly complex. The process involves financial, economic and statistical theories and research, the results of which must be translated into computer code. Algert cannot guarantee that the model will indeed function as intended or that it will produce profits on investments as implemented. The quantitative strategies utilized by Algert have inherent limitations, including the possibility of human error in the design, data input or implementation process, imperfections of a model to fully match the complexity of the financial markets or to keep up with changes in the markets and the behavior of market participants over time. The risk of errors, malfunctions and anomalies is inherent in each component of the programming process, how those components function together, and how the program absorbs market data interpreted by Algert. Errors have occurred and the risk of future errors may not entirely be eliminated from the design, writing, testing, monitoring, and/or implementation of the calculations and the code that comprise the model. Such "programming" or "coding" errors may be difficult to detect and correct. Regardless of how difficult their detection appears in retrospect, some of these errors may go undetected for long periods of time and some may never be detected. Algert cannot guarantee that it will successfully identify the source of "programming" or "coding" errors, or any fault in the code components, on time or at all, or that it will successfully correct them. The impact caused by errors may be compounded over time. Errors may cause a failure to properly gather and organize available data and/or the failure to take certain hedging or risk

reducing actions. As a result, a significant number of trades maybe adversely impacted, which could have a material adverse effect on performance. Algert does not expect to perform a materiality analysis on the vast majority of errors it discovers. For these reasons, Algert does not expect to disclose discovered “programming” or “coding” errors to its Clients or their investors, other than those that Algert determines in its discretion are caused by the Firm’s gross negligence.

Although Algert employs a quantitative approach, it may override model results at times. This is typically done in order to reduce active risk should there be new information (such as a merger) that has not been captured by the model, which would invalidate the investment thesis. Any override of model results is based on human skills and abilities similar to non-quantitative investing, with all the risks, potential errors or miscalculations that are inherent with non-quantitative investing.

***Impact of Other Market Participants*** - Algert’s business is also subject to vulnerability by the activities of other similar market participants. There are a significant and increasing number of managers that employ quantitative or algorithmic trading strategies. Those competitors may now or in the future use similar models to Algert’s, which could result in similar trading patterns in response to major market events or disruptions. If that were to occur, the impact of negative events such as reduction in liquidity or rapid pricing changes could be magnified. If multiple and/or large quantitative portfolios take the same action with respect to a position, the model may not effectively predict and process that occurrence, and its output may cause Algert’s Clients to experience material losses.

***Reliance on Technology*** - Algert’s investment and business activities are highly reliant on technology, including hardware, software, online services and telecommunications and other equipment systems. Every phase of investing, trading and operations, including data gathering, research, forecasting, order execution, trade allocation, risk management, operational, back office and accounting systems are all highly automated and computerized. Such automation and computerization rely on an extensive amount of both proprietary software and third-party hardware and software. Software errors may occur, and certain of these errors may impact Algert’s operations and the Clients’ portfolios. Algert seeks to reduce the incidence of software errors through a certain degree of internal testing and the impact of those errors through monitoring and the use of certain independent safeguards. Despite testing, monitoring and independent safeguards, these software errors may result in, among other things, the execution of unanticipated trades, the failure to execute anticipated trades, or the failure to properly allocate trades among Clients. Further, to the extent that an unforeseeable software or hardware malfunction or problem is caused by a defect, virus or other outside force, Clients may be materially adversely affected. Algert seeks, on an ongoing basis, to create adequate backups of software and hardware where possible but there is no guarantee that those efforts will be successful, and disruptions may occur in any aspect of the technology whether caused by internal errors or those beyond Algert’s control. Clients should therefore assume that software errors and their ensuing risks are an inherent part of investing.

***Cybersecurity*** - The technology systems of Algert (and of its service providers) may be



vulnerable to inadvertent or deliberate interruption and consequent damage from technical or human sources. In addition to natural catastrophes, service/power outages, and network or telecommunication failures, security breaches and intrusion by unauthorized persons could result in damage, disruption, and theft of data, including investor information. Algert has implemented cybersecurity procedures meant to address these risks. Nevertheless, given Algert's fundamental dependence on technology, a cyber-attack or similar technology disruption could have a material adverse impact on Clients.

It is critical that Clients, Fund investors and prospective investors/Clients refer to the relevant confidential private offering memorandum and/or other governing documents for a complete understanding of the material risks involved in relation to the Clients' investment strategies and methods of analysis. The information contained herein is a summary only and is qualified in its entirety by such documents.

## **ITEM 9 - DISCIPLINARY INFORMATION**

In October 2014, Algert notified the Swedish Financial Supervisory Authority (the "SFSA") of one net short position held within its global equity market neutral strategy which fell below a certain threshold. The notification occurred after the required date and was immediately reported to the SFSA upon discovery. In June 2015, Algert received notice from the SFSA that they would impose a fine relating to the late reporting of the short position. Algert paid the \$25,113.79 USD fine following the issuance of invoices by the SFSA.

Additionally, there was a fine paid in the amount of \$4,548.80 USD in May 2019 to Finanstilsynet (The Financial Supervisory Authority of Norway) as a result of a delayed implementation in new Norwegian short reporting regulations.

Algert has since implemented a process to ensure changes to specific countries short reporting requirements are captured and updated within Algert's short reporting notification system.

## **ITEM 10 - OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

Algert is an independent investment adviser, unaffiliated with any other financial institution or securities dealer or issuer.

## **ITEM 11 - CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

Algert's Code of Ethics (the "Code") is designed to meet the requirements of Rule 204A-1 under the Advisers Act. The Code sets forth a standard of business conduct that takes into account Algert's status as a fiduciary to the Clients and requires access persons to place the interests of the Clients above their own interests and the interests of Algert. It

is Algert's policy that no employee may buy or sell a security when he or she knows Algert is actively considering the security for purchase or sale (as applicable) in Client accounts. Algert prohibits trading on the basis of inside information and trading ahead of Client account orders.

The Code requires access persons, as that term is defined under the Advisers Act, to comply with applicable federal securities laws. Further, access persons are required to promptly bring violations of the Code to the attention of Algert's Chief Compliance Officer. All personnel, including principals and employees, are deemed access persons at Algert. Each person receives a copy of the Code upon hire (and whenever the Code is updated), which they are required to acknowledge at that time and at least on an annual basis thereafter.

Upon commencement of employment at Algert, access persons are not allowed to acquire new positions in publicly traded equities in their personal accounts. Access persons are allowed to sell out of equity positions which were acquired prior to beginning employment with Algert upon receiving written approval from the Chief Compliance Officer. Therefore, a Client and Algert or an associated person of Algert may own overlapping positions, or Algert may cause a Client to buy a security owned by Algert or an associated person, or Algert or an associated person of Algert may sell a security of the same class as securities held in a Client's account.

The Code sets forth certain reporting and pre-clearance requirements with respect to personal trading by access persons. Employees must provide Algert's Chief Compliance Officer with a list of their personal accounts and an initial holdings report listing the holdings of those personal accounts within 10 days of becoming an employee. In addition, Algert's personnel must provide annual holdings reports and quarterly transaction reports detailing, respectively, the holdings and quarterly transactions in their personal accounts in accordance with Advisers Act Rule 204A-1.

Algert will provide a copy of the Code to Clients and prospective clients upon request.

## **ITEM 12 - BROKERAGE PRACTICES AND BEST EXECUTION**

Algert is not obligated to obtain the best net price or lowest brokerage commission on any particular transaction. Rather, federal law requires investment managers to use their reasonable best efforts to obtain the most favorable execution for each transaction executed on behalf of Client accounts. In selecting executing broker-dealers, Algert's primary objective is to obtain best execution while minimizing overall trading costs. Trade decisions are generally based on expected holding periods of multiple months and therefore are released slowly to the market over several days.

Within each region, Algert measures broker performance using the implementation shortfall method. This method compares trade prices and commission to pre-trade strike prices, typically the prior night's close, and charges an opportunity cost for any unfilled shares. This is benchmarked against Algert's own measure of expected implementation shortfall and scores brokers based on their performance relative to the expected cost. Qualitative factors such as the reliability of the broker's systems and trading platform may also have an impact on Algert's desire to trade with a broker, though this is less important than realized implementation shortfall. Based upon this

evaluation, Algert may execute Client trades through broker-dealers that charge fees that are higher than the lowest available fees.

Algert maintains policies and procedures for the review of its overall quality of execution, including periodic reviews by the Firm's best execution committee.

#### **SOFT DOLLAR ARRANGEMENTS AND POTENTIAL CONFLICTS**

Algert is not a party to formal agreements whereby, in exchange for directing commissionable trades to a broker-dealer, it receives research or brokerage services, known as "soft dollar" services and research, from that broker or allows the broker to pay for that research or services on its behalf. Algert does not presently utilize any soft dollar arrangements; however, Algert reserves the right to enter into soft dollar arrangements in the future.

"Soft dollars" refers to the use of brokerage commissions on Client trades to pay for the soft dollar research or brokerage services received. Soft dollar research and services may include among others, economic and market information, portfolio strategy advice, proxy voting services, industry and company comments, technical data, recommendations, research conferences, general reports, periodical subscription fees, consultations, performance measurement data, on-line pricing, news wire charges, quotation services, computer hardware and software.

Although Algert does not formally participate in soft dollar arrangements, it may, on occasion, be the recipient of unsolicited research or discounts on software and other services. These discounts are generally offered to all firms who fit a common profile and Algert is not offered those discounts because of a particular event or request. Such discounts are accepted with the intent to benefit all Clients and the value of these discounts is not considered in the process of selecting securities to purchase for Client accounts. Algert routinely reviews the amount and nature of the research products and services provided by brokers.

#### **AGGREGATION OF TRADES AND OPPORTUNITIES – POTENTIAL CONFLICTS**

Algert may combine transaction orders on behalf of multiple Clients and allocate the securities or proceeds on an average price basis among the various participants in the transactions.

While Algert believes combining transaction orders should, over time, be advantageous to all participants, in particular cases the average price could be less advantageous to a particular Client than if that Client had been the only Client effecting the transaction or had completed its transaction before the other participants.

Whenever trades are allocated by a single broker to different accounts, the price paid by each account is the average price of the order. Transaction costs are allocated to each account on a pro rata basis, based upon the ratio of the amount of the particular issue of securities allocated to the account to the overall amount of the security purchased. It is Algert's policy that trades are not allocated in any manner that favors one group of Clients over another over time. Client transactions may be aggregated according to custodial relationship in consideration of "trade away" charges that may be imposed if

trades are directed to a non-custodial broker-dealer for execution.

Because Algert manages more than one Client account, there may be a potential conflict of interest related to the allocation of investment opportunities among all accounts managed by Algert. Algert may take action with respect to a Client that may differ from the action taken with respect to another Client, based upon individual Client's objectives and circumstances. It is Algert's policy, to the greatest extent practicable, to allocate investment opportunities over a period of time on a fair and equitable basis relative to all Clients.

In addition, Algert manages and mitigates potential conflicts among Client accounts by employing a mechanical trade execution process based on computer model output considering each Client's respective objectives, an automatic trade allocation module, and procedures to handle any deviation from those processes.

#### **TRADE ERRORS AND POTENTIAL CONFLICTS**

Algert has implemented a policy and associated procedures for addressing trade errors that its personnel may make in connection with Algert's investment activities. Pursuant to that policy, should Algert's personnel make a trade error, Algert will seek to address and resolve the error as quickly as possible. Trade errors are generally resolved according to the terms of each applicable Client's governing document. Algert will also seek to identify the cause of the error and, as it deems appropriate, change or implement procedures to reduce the occurrence of such an error in the future. Though Algert attempts to minimize trade errors, in the course of normal business, Algert may cause a Client account to incur one or more trade errors.

#### **ITEM 13 - REVIEW OF ACCOUNTS**

Algert's research and implementation personnel devote substantially all of their time to the management of Client accounts. Portfolio reviews focus on performance of a position compared to its industry and in light of general economic and market trends. The portfolios are monitored continuously as to individual security position and diversification levels, cash equivalent positions, other position limits, industry, country and sector weightings and adherence to investment guidelines. Algert's operations team conducts daily reconciliations of holdings to the prime brokers, custodians and fund administrators.

The administrator provides monthly account statements to the Funds' limited partners and investors. Algert provides Fund limited partners and investors with monthly performance reports. Additionally, all Fund limited partners and investors receive audited financial statements annually.

Account Clients and the Investment Company Client receive monthly performance reports and statements from their custodian. Such Clients may also receive additional information from Algert.

## **ITEM 14 - CLIENT REFERRALS AND OTHER COMPENSATION**

Algert does not, nor do any principals or employees of Algert, compensate any person for client or investor referrals to Algert.

## **ITEM 15 - CUSTODY OF CLIENT ASSETS**

Algert does not maintain physical possession or custody of any fund or investor assets or securities. Nevertheless, Algert is deemed to have custody of funds and securities of the Funds because it serves as general partner of the Funds and/or investment manager with full power of attorney, which gives Algert broad authority to obtain possession of Client funds or securities. Algert maintains the Funds' assets in the custody of unaffiliated broker-dealers (the Funds' prime brokers) or banks, so called "qualified custodians," in accordance with Rule 206(4)-2 under the Advisers Act ("Custody Rule").

In compliance with the "Audit Exception" available to pooled investment vehicles under the Custody Rule, Algert provides all Fund investors with audited financial statements for the relevant Fund prepared in accordance with U.S. Generally Accepted Accounting Principles by an independent accounting firm that is registered with and subject to review by the Public Company Accounting Oversight Board, within 120 days of the end of each Fund's fiscal year. Investors should carefully review these audited financial statements.

Algert does not have custody of non-Fund Clients' assets. Each Client has its own custodial relationship for its account.

## **ITEM 16 - INVESTMENT DISCRETION**

Algert has full trading and investment authority over Client assets under its management. Subject to a Client's investment objectives, strategy and investment guidelines and limitations, as applicable, Algert's portfolio managers are given full discretion based on the quantitative models designed by its portfolio managers to determine:

1. Types of investments;
2. Which securities to buy;
3. Which securities to sell;
4. The timing of any buys or sells;
5. The amount of securities to buy or sell; and
6. The broker-dealer to be used in the transaction.

Algert has complete discretion over the selection of brokers, dealers and other counterparties for the Funds. It also has discretion to select brokers to execute securities transaction for its other Clients (other than prime brokers or derivatives counterparties) and to negotiate compensation arrangements with those brokers.

## **ITEM 17 - VOTING CLIENT SECURITIES**

Algert's investment strategies emphasize (among other criteria) the creation of a diversified portfolio of equity securities. This investment style does not, for the most part, contemplate the holding of securities for long-term appreciation or influencing the development and maintenance of successful business strategies of corporate issuers. Rather, it contemplates selecting securities primarily on the basis of quantitative criteria and, in most cases, holding the securities for relatively short periods of less than a year. Algert has determined that it is in the best interest of the Funds and certain Client accounts to have a third party, Glass Lewis & Co., perform its proxy voting. In international markets where share blocking applies, Algert typically will not, but reserve the right to, vote proxies due to liquidity constraints. Share blocking is the "freezing" of shares for trading purposes at the custodian/sub-custodian bank level in order to vote proxies. Share blocking typically takes place between 1 and 20 days before an upcoming shareholder meeting, depending on the market. While shares are frozen, they may not be traded. Therefore, the potential exists for a pending trade to fail if the trade settlement falls on a date during the blocking period.

Policies and procedures of Glass Lewis can be found on their website at: <http://https://www.glasslewis.com/voting-policies-current/>. Clients may obtain a copy of Algert's proxy policy and its voting record upon request. Clients may also obtain information from Algert about how it voted any proxies on behalf of Client accounts.

#### **ITEM 18 - STATEMENT OF FINANCIAL INFORMATION**

Algert does not require or solicit prepayment of its management fees from Clients six months or more in advance. There are no adverse conditions related to Algert's finances that are likely to impair its ability to meet its contractual commitments to Algert's Clients. Algert has not been the subject of a bankruptcy filing in the last ten years.