



## **Open Field Capital LLC**

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**Form ADV Part 2A-Firm Brochure**

**Date of this Brochure: March 28, 2024**

This Brochure provides information about the qualifications and business practices of Open Field Capital LLC ("Adviser" or "Open Field"). If you have any questions about the contents of this brochure, please contact Marc Weiss at 646-380-6611 or [marc.weiss@ofcap.com](mailto:marc.weiss@ofcap.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.

Open Field is registered as an investment adviser with the SEC. Registration of an Investment Adviser does not imply any level of skill or training.

Additional information about Open Field also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Item 2 Material Changes**

Form ADV Part 2 requires registered investment advisers to amend their brochure when information becomes materially inaccurate. If there are any material changes to an adviser's disclosure brochure, the adviser is required to notify you and provide you with a description of the material changes.

Since the filing of our last annual updating amendment, dated March 30, 2023 we have no material changes to report.

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## **Item 4 Advisory Business**

### **The Adviser**

Open Field Capital LLC was established in August, 2003. Open Field is wholly owned by Open Field Capital (Cayman) L.P., a Cayman Island exempted limited partnership, and indirectly owned by Marc Weiss, James Stableford, Robert Griffin and Michael Sandifer. Messrs. Weiss and Stableford are all of the Managers of the Board of Managers of Open Field and manage the day-to-day operations as well as the portfolio management. Messrs. Weiss, Stableford and Sandifer are all of the members of the Investment Committee and responsible for Open Field's investment decisions except with respect to non-publicly traded securities ("Private Equity"). Mr. Weiss is the portfolio manager and solely responsible for all investment decisions for the private equity funds: Emerging Technologies Fund III LLC / Emerging Technologies Fund III LP ("ETF III") Emerging Technologies Fund II LLC / Emerging Technologies Fund II LP ("ETF II"), as well as for all investment decisions for the private equity fund: OFPP LLC ("OFPP"). Mr. Weiss is expected to have sole portfolio management authority for any other Private Equity mandate client portfolios. All references in this document to Private Equity mandate clients pertain to all Private Equity mandate clients unless specifically stated otherwise.

### **Investment Services**

Open Field is an investment manager focused on identifying "Megatrend" investments in emerging growth or disruptive technology companies predominantly, although not exclusively, domiciled in the US. Open Field's specialization is investing in securities or sectors that are undergoing wholesale and rapid change as a result of technologically driven disruption. Open Field primarily focuses on leading edge technology companies but it does not limit itself to such companies since technological evolution is impacting an ever increasing number of market sectors and business processes as technology spending grows as a share of the global economy. Such investments are generally made in equity (for example, common stock and preferred stock) or equity related securities (for example, convertible notes, SAFEs, warrants and options).

The companies in which Open Field invests its clients' assets are primarily "emerging growth companies," that is, investments in private equity as well as securities of companies that have relatively recently been listed on a stock exchange or NASDAQ. However, Open Field may invest in more mature and higher market capitalization businesses if Open Field identifies an attractive investment opportunity that meets its primary criteria: namely a security or sector experiencing disruptive change as a result of technological evolution or, more typically, revolution. Open Field's main focus is on long-term capital appreciation. Open Field's investment objective is to take advantage of the long-term secular growth of technology in the global economy by investing across a variety of markets in companies that we believe to be approaching the height of their growth rate. This distinct investment objective, together with Open Field's research and ability to invest in private equity as well as publicly traded securities, results in Open Field's managed portfolios and funds and investment processes being substantially different from those of a conventional technology fund manager.

Currently Open Field provides investment management services for clients in accordance with two mandates: long only Public Equity and Private Equity. Open Field also provides non-compensated investment management services for one Private Equity client. The long only Public Equity mandate does not invest in securities issued by private companies. Open Field's Private Equity mandate is generally available only to "qualified clients" as that term is defined from time to time in Rule 205-3 of the Investment Advisers Act of 1940 as amended ("Advisers Act"), except as regards OFPP, which private equity fund has no performance fees.

In making investment decisions for a client, Open Field does not consider the client's broader investment objectives, risk tolerance or overall financial condition, tax or liquidity needs. Investments in emerging growth companies involved in the technology industry can be volatile and are generally appropriate as a small part of a client's overall investment portfolio. Clients may place restrictions upon the types of investments or the amount or percentage of individual securities to be purchased, sold or held in such a client's account. These restrictions must be in writing.

Open Field offers separately managed discretionary accounts to institutional clients and high net worth individuals.

Open Field acts as the investment adviser of one non-compensated private equity fund. This private fund is only available for investing by friends, family and associates of Open Field.

Open Field also acts as the Investment Manager for ETF II and ETF III. Open Field expects that it will act as the Investment Manager for other private equity funds in the future.

Open Field acts as a Model Manager/Provider to an SEC registered investment advisor.

Open Field does not participate in or sponsor wrap-fee programs.

### **Assets under Management**

As of December 31, 2023, Open Field managed \$135,429,000 in client assets for 12 clients on a discretionary basis and \$0 in client assets on a non-discretionary basis.

## **Item 5 Fees and Compensation**

### **Separate Accounts**

As compensation for its investment advisory services, separate account clients are charged a management fee based on the client's assets under management. Management fees are individually negotiated with each client, but the "standard fee" charged by Open Field is 1% of per annum of the value of assets under management. Fees are generally calculated based on the average month-end values for the calendar quarter (e.g., for the quarter ended March, the average of the month-end values of December, January, February and March) and paid quarterly in arrears.

Separate Account clients who select a Private Equity mandate are also be charged a performance fee based on the appreciation in the value of the client's portfolio. Although Open Field does not have a standard fee schedule, and performance fees are individually negotiated with each client, performance fees generally would be expected to amount to 20% of net realized gains. Performance fees (also known as carried interest) may be calculated based on absolute performance or may include a high water mark or other benchmark that must be exceeded before performance fees are earned. Open Field may only charge performance fees to clients that are "qualified clients" under SEC Rule 205-3 under the Advisers Act.

The specific manner in which fees are charged by Open Field is established in a client's written investment management agreement with Open Field. An invoice will be sent directly to such client and will be due in full upon receipt. Management and advisory fees may be prorated for significant capital contributions or withdrawals made during the applicable calendar quarter. Open Field has no authority to deduct fees from any of its separate client accounts.

## **Pooled Investment Vehicles**

For advisory and management services provided to ETF II and ETF III, Open Field's advisory and management fees are 2.0% per annum of the total capital contributed during the fund's Investment Period, paid in advance quarterly. In addition to the foregoing fees, investors will bear indirectly other fees and expenses charged to the fund (as specifically detailed in the relevant PPM), as well as a 20% carried interest on net profits which will be paid to Open Field. Open Field's employees are not charged any management fee or carried interest on their investments in ETF II and ETF III. The specific manner in which fees are charged by Open Field is set forth in the Private Placement Memorandum for ETF II and ETF III.

Open Field receives no fees or compensation for providing advisory and management services to OFPP, a private equity pooled investment vehicle client.

## **Model Portfolios**

Open Field receives asset-based fees at a annual rate of 0.75% of the aggregate assets in all investor accounts for which . . .

## **Other Fees and Expenses**

Open Field's fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which will be the responsibility of the client. Clients will also incur additional charges directly imposed by custodians, brokers, third party investment and other third parties such as custodial fees, deferred sales charges, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions.

Such charges, fees and commissions are exclusive of, and in addition to, Open Field's management fee and any performance fee and Open Field shall not receive or bear any portion of these commissions, fees, and costs.

Item 12 further describes the factors that Open Field considers in selecting broker-dealers for client transactions and determining the reasonableness of their compensation (e.g., commissions). Open Field has complete discretion in selecting broker-dealers to execute client transactions.

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

The fact that Open Field could be compensated based on the trading profits could create an incentive for Open Field to make investments on behalf of such future clients that may be riskier or more speculative than would be the case in the absence of such compensation.

Open Field's private equity fund clients except for OFPP are charged performance based fees and asset-based fees. Any conflicts of interests associated with Open Field's side-by-side portfolio management are addressed in its trade allocation policies.

## **Item 7 Types of Clients**

Open Field offers to provide portfolio management services to high net worth individuals, family offices, corporate pension and profit-sharing plans, endowments, institutions, pooled investment vehicles, trusts, and other U.S. and international institutions. Open Field provides non-compensated investment

advisory services to one pooled investment vehicle, OFPP. Open Field also acts as the investment manager of ETF II and of ETF III. OFPP is only available to family, friends and associates of Open Field principals. Open Field provides model portfolios to SEC registered investment advisors.

The minimum account size for a separate account is \$10,000,000, which may be waived by Open Field in its sole discretion. Accounts of related parties may be aggregated to reach the minimum.

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

Investing in securities involves risk of loss that clients should be prepared to bear.

**Method of Analysis:** Open Field's security analysis methods include: fundamental, technical, and cyclical. Security selection is based on Open Field's original fundamental research that is corroborated by technical and cyclical factors, such as price momentum. Open Field's main sources of information are: financial newspapers and magazines (hard copy and electronic), data tracking, inspections of corporate activities, research materials prepared by others, timing services, annual reports and prospectuses and SEC filings, company press releases.

**Investment Strategies:** Open Field's investment methodology is to: (i) acquire sizable initial positions; and (ii) let the winners run to their fullest potential.

The portfolios of clients who have selected the long only mandate are generally constructed by initially concentrating positions in securities across the various Megatrend technology and emerging growth sectors in which Open Field invests. Generally, a position will not exceed 4-7% of the portfolio at the time of purchase, unless otherwise agreed to in the investment management agreement. A new portfolio will normally take at least 12 to 36 months to begin to mature in the Open Field style. Owing to Open Field's policy of letting its winners run, long only mandate portfolios which are generally initially relatively evenly weighted at cost will, over time and as they mature, tend to become heavily weighted at market value in favor of a limited number of successful issues. Clients' portfolios in the long only mandate will generally be targeted to hold 25 to 35 (generally for separately managed accounts) positions at maturity.

Open Field's source of investment ideas is the result of a collective effort by Open Field's specialized internal professional investment management staff, which includes members who are educated in the technology and emerging growth sectors. Open Field actively participates in the venture capital and entrepreneur network extant in the emerging growth sectors of its investment universe, and Open Field's professional staff maintains a prominent presence in the industry and can thus rely upon industry contacts and the Wall Street community to assist with investment research. Open Field also frequently conducts on-site visits, and also regularly attends investment and trade conferences, all in addition to intensive study and review of current technical and scientific publications.

Open Field's long only mandate may utilize any of the following, if authorized in the specific portfolio guidelines: long or short term purchases, opportunistic trading, margin transactions, and option writing, with these types of investment instruments: exchange-listed securities, over-the-counter securities, foreign issuers, warrants, corporate debt securities, options contracts on securities. Additionally, Open Field, offers management services with respect to investments in "restricted" securities of both publicly traded and non publicly traded companies in Open Field's universe. Additionally, but to an even more limited extent and only where Open Field believes special circumstances warrant, Open Field may also agree to provide management services with respect to investments in publicly traded and "restricted" convertible debt or equity securities and in warrants or other rights of issuers in Open Field's universe.

Open Field may from time to time engage in short term trading in order to service the liquidity needs of its clients.

## **Allocation of Investment Opportunities in the Long Only Mandate**

**1. Overall Approach:** In general, Open Field seeks to allocate the purchases and sales of securities to clients in a fair and equitable manner. Open Field invests its clients' assets in emerging growth companies. These companies typically trade on the NASDAQ Stock Market and may be volatile as a result of having small share floats that may be impacted by venture distributions or rapid changes in technological innovation. Trade execution may be more volatile and thinner than conventional NYSE listed companies, allowing the skill and experience of Open Field's investment professionals to add value through their trade execution, not just their choice of securities.

**2. Asset Allocation Decision Making:** Open Field's Investment Committee meets regularly to review all of the securities held by Open Field's clients, as well as to review any securities Open Field is considering adding to or deleting from its Focus List. The Investment Committee adds, confirms, or deletes securities from Open Field's core Focus List. In addition, the Investment Committee agrees on the strategy for all securities held by clients.

**3. Purchases:** When the Investment Committee adds an issuer to the Focus List, the securities of such issuer may be purchased for the portfolios, when the portfolio manager determines that its price movement and availability are at attractive entry points. The classification of a security as a 'buy' on the Focus List does not necessarily mean that purchases will be made immediately, or in some cases at all, as price action may dictate otherwise.

**4. Allocation of Investments:** Open Field allocates securities to portfolios either on a "full position" basis, meaning that at the first opportunity Open Field seeks to acquire enough securities to fill a position or by building a position in increments across some of portfolios over time. Open Field's clients' portfolios are constructed with concentrated initial positions in a limited number of securities. Either trading patterns and availability or fundamentals may dictate that certain positions will be of a smaller initial size.

Securities are first allocated to clients' accounts meeting either of two specific conditions: (i) the account is a new account, or (ii) for existing accounts, if there is cash available in the account and the account is underweighted in the sector or security which Open Field is buying. If and when other attractive price entry points present themselves, additional securities will be purchased for some or all of the other portfolios that did not participate in the initial allocation.

**5. Allocation of Limited Investment Opportunities:** Not all investment opportunities are ample enough to enable every client's portfolio to invest 4 - 7% of its initial portfolio (at cost) at the first purchase opportunity. Where an investment opportunity is limited, Open Field may either allocate securities among its clients pro rata (i.e., proportionate to portfolio balances), or to a limited number of portfolios, or allocate all of the securities purchased to just one portfolio.

**6. Equal Treatment Policy:** When a sufficient amount of securities may be purchased and it is reasonably possible to fill or begin to fill more than one portfolio on a given day, Open Field allocate shares at the same average share price in that security.

**7. New Portfolios:** The portfolios of new clients may take up to six months before they are fully invested. Open Field makes investments in its clients' portfolios on the following basis. First, Open Field looks at the degree of equity exposure it believes will be sensible for each portfolio at the time.



Second, Open Field looks at a given security's appropriateness for the portfolio and then at the sub sector weightings within internally defined sub-sectors. Finally, as Open Field invests it makes a continuing assessment of the overall market vulnerability and tries to time its entry accordingly.

**8. Market Consideration for New Portfolios:** Inevitably, the initial cost of a new security in a new portfolio is strongly impacted by the immediate level and direction of the market when Open Field makes its initial purchases. Therefore, for portfolios invested after a strong up turn in Open Field's universe, it may take more than the expected two years for a new portfolio to mature and perform.

**9. Exit Strategy:** Open Field may sometimes be a large shareholder relative to the trading volume in the security. When Open Field is selling out of a very large position, Open Field's policy is to exit as the market accommodates, albeit gradually, and to sell wherever possible on an uptick to avoid pushing the price of the security down. Open Field is an opportunistic seller in that it sells aggressively into rallies in securities that Open Field is negative about. Open Field allocates sales among portfolios in the following sequence. First, any portfolio with a withdrawal request pending. Second, any portfolio where Open Field is adjusting the portfolio's holdings and needs to sell securities currently held in order to fund future purchases. Third, where re-balancing either the portfolio's concentration and / or its sub-sector weightings requires the sale of a security.

### **Allocation of Investment Opportunities in the Private Equity Mandate**

When private equity investment opportunities become available to Open Field, Marc Weiss will determine the appropriateness of the investment opportunity with respect to the accounts managed by Open Field that are able to make private equity investments. Marc Weiss will review the objectives and risks characteristics of the investment opportunity, and if he determines the investment is appropriate or suitable for one or more private equity accounts, the investment will be considered for these accounts. The investment opportunity will be allocated to compensated Open Field accounts based on the investment criteria for the accounts and total cash available for investments, having regard to sector and industry diversification issues, issuer risk, cash required for follow on offerings and other relevant factors. Marc Weiss will seek to allocate all private equity investment opportunities in a manner fair to all private equity clients to the fullest extent possible within the specific investment considerations for accounts. Investment opportunities that exceed the total cash available for investment by compensated accounts may be offered to the non-compensated client, OFPP, or other co-investors.

### **Risk of Loss for Long Only Mandate**

No assurance can be given that a client's investment portfolio will generate any income or will appreciate in value.

Open Field relies heavily on its own research talent. Open Field's investment selection is based on its own original fundamental research and analysis and on independent industry experts. Although Open Field intends to evaluate information and data and to seek independent corroboration when Open Field considers it appropriate and when it is reasonably available, Open Field will not be in a position to confirm the completeness, genuineness or accuracy of all such information and data.

Open Field's fundamental investment strategy places express emphasis on technology related companies. Open Field will invest its clients' assets in the securities of technology companies and companies that provide products and services to the technology industries. Security prices in the technology and emerging growth sectors have been and will likely continue to be, highly volatile. The market value of these companies may often be based upon speculation and expectations about future products and the outcome of complex research programs. The issuers of these securities will likely

include young companies with less actively traded securities. Although many of these securities will generally be traded in public markets, markets for such securities in general are subject to wider fluctuations than the market in general and the market value of any particular investment may be subject to substantial fluctuation and may often be based upon speculation and expectations about future products and the outcome of complex research programs. In addition to being relatively volatile and less liquid than certain other investment opportunities (such as, for instance, many exchange traded securities), the securities generally acquired by Open Field for its clients are likely to be issued by unseasoned companies and thus are also apt to be more speculative than those of more established companies.

Technology companies are characterized by competition and rapid technological developments that may make a company's products or services obsolete in a short period of time. A company's ability to compete effectively may depend on its ability to prevent others from using its technology. Patent and other intellectual property protections may involve legal uncertainties. Due to these and other factors, Open Field's clients' investments in the technology universe may be considered speculative and may drop sharply in response to adverse research and development, marketing, regulatory or securities market events which may result in a corresponding drop in the value of client's portfolios.

While Open Field intends that portfolios invested in the long only mandate will hold 25 to 35 (generally for separately managed accounts) positions at maturity, all portfolios investments will be in the emerging technology universe and will not be diversified, with the result that the issuers' failure to keep pace with, anticipate and respond adequately to changes in technology could have a material adverse impact on many or perhaps all positions in a client's portfolios.

### **Risk of Loss for Private Equity Mandate**

A Private Equity portfolio is expected to involve various risks, including the risk that the client could lose some or all capital invested. While Open Field would intend to strive to attain the investment objective of a Private Equity portfolio through its research and portfolio management skills, there could be no guarantee of successful performance, that the objective could be reached or that a positive return could be achieved. Some of the following discussion of Private Equity portfolios does not pertain to OFPP.

**1. Investment Risks.** A Private Equity portfolio would be expected to invest substantially all of its available capital in the securities of privately held companies, with express emphasis on the securities of companies in emerging technology. In addition to being less liquid than certain other investment opportunities (such as, for instance, investment in publicly traded companies), the securities that may be acquired for a Private Equity portfolio would generally be issued by unseasoned companies and thus would also be apt to be more speculative than those of more established companies. No assurance could be given that a Private Equity portfolio would generate any income or would appreciate in value. These unseasoned companies could also require substantial amounts of additional financing that may not be available or, if available, may not be on attractive terms. The inability or unwillingness of Open Field to use the assets of a Private Equity portfolio to make additional investments in a Private Equity portfolio company could have a substantial negative effect on such company or cause a Private Equity portfolio to lose future investment opportunities. In addition, unlike other types of investments, most of a Private Equity portfolio's investments would be privately negotiated by Open Field and, accordingly, may involve higher transaction costs (including legal and accounting fees and expenses) than comparably-sized investments in publicly traded securities purchased over-the-counter or through the facilities of a securities exchange. To the extent such costs are not paid by the issuer, they would be borne by the Private Equity portfolio.

**2. Competition for Investments.** There could be no assurance that a Private Equity portfolio would be able to fully invest its capital on attractive terms. This could result from several factors, including, without limitation, competition from other investors, demands from potential private placement issuers that were unacceptable to Open Field or other business, technical and economic factors.

**3. Timing.** The successful companies in a Private Equity portfolio may take longer to realize their potential than the unsuccessful ones would take to reveal their weaknesses.

**4. Illiquidity of Portfolio Investments.** A Private Equity portfolio's investments would generally not be readily marketable. Its investments would consist of securities that would be initially subject to restrictions on sale because they would have been acquired in private transactions either directly from the issuer or through an intermediary private placement vehicle. A Private Equity portfolio would not be able to sell these securities publicly unless their sale was registered under the Securities Act of 1933 (the "1933 Act") and applicable state securities laws, or unless an exemption from such registration requirements was available. So long as a Private Equity portfolio's investments were in the securities of non-public companies that were not subject to the informational requirements under the Federal securities laws, a Private Equity portfolio would not be able to publicly sell the securities of such companies under Rule 144 under the 1933 Act, which permits limited sales under specified conditions. In the event that securities were made available for sale to the public, a Private Equity portfolio may be deemed an "underwriter" or controlling person with respect thereto for the purposes of the 1933 Act and, as such, may be subject to liability under the 1933 Act.

In addition, contractual or practical limitations may restrict a Private Equity portfolio's ability to sell or distribute securities in a non-public company, where, for example, the Private Equity portfolio may own less than a controlling interest in such company or where a company's customers, other investors, lenders or the company's management are relying on the Private Equity portfolio's continued investment in such company. The lack of liquidity of a Private Equity portfolio's investment in a non-public company may preclude or delay any disposition of such investment, or reduce the proceeds that might otherwise be able to be realized from any such disposition. Also, to the extent that a Private Equity portfolio may distribute private securities to the client, the client may incur brokerage and other costs in connection with the disposition of such securities.

The public securities which a Private Equity portfolio may receive, as a result of an issuer going public or as the result of an acquisition of the issuer, may often be thinly traded and relatively illiquid or could conceivably even cease to be traded. Open Field's position in such securities could be considered substantial taking into consideration the positions held simultaneously by all Private Equity portfolios and other clients or Open Field's Access Persons or their dependents (collectively "Affiliated Accounts"). In such cases and in the event of extreme market activity, it is possible that a Private Equity portfolio might not be able to liquidate the securities involved promptly should the need to do so arise. In addition, a Private Equity portfolio's sales of thinly traded securities could depress the market value of such securities and thereby reduce a Private Equity portfolio's profitability or increase its losses. Such circumstances or events could affect materially and adversely the amount of gain a Private Equity portfolio may realize.

**5. The Emerging Technology Sector.** Companies in the rapidly changing Megatrend emerging or disruptive technology universe face special risks. For example, their products or services may not prove commercially successful or may become obsolete quickly. The value of a Private Equity portfolio's capital may be susceptible to factors affecting the technology area and to greater risk and market fluctuation than a portfolio that invests in a broader range of portfolio securities not concentrated in any particular industry. As such, a Private Equity portfolio would not be an appropriate investment for a client if the client was a short-term investor or if the client required safety of principal or stable income from its investments. The emerging technology areas may be subject to greater

governmental regulations than many other areas. Changes in governmental policies may have a material adverse effect on these areas. Additionally, companies in these areas may be subject to risks of developing technologies, competitive pressures and other factors and are dependent upon consumer and business acceptance as new technologies evolve.

**6. Reliance on Issuers.** Open Field is unlikely to seek, or accept any invitation to have, representation on the board of directors or any control over the management of any company in which a Private Equity portfolio may invest. In the unlikely event that a representative of Open Field served on the board of directors of a publicly held private placement issuer, a Private Equity portfolio would be restricted from trading in the securities of such company to the extent that such representative possessed material information regarding such company that was not publicly available.

**7. Lack of Diversification.** Consistent with Open Field's investment approach generally, it would be anticipated that a Private Equity portfolio would at some time hold a few relatively large investments, with the result that a loss in any one such position could have a material adverse impact on a Private Equity portfolio's capital.

**8. Operating Deficits.** The expenses of operating the ETF II and ETF III private equity funds (including the management fee and any performance fee payable to Open Field) may exceed its income, thereby requiring that the difference be paid from capital and thereby reducing the monies which would otherwise be available for investment.

None of ETF II ETF III or OFPP is registered as an investment company under the Investment Company Act of 1940, as amended (the "1940 Act") and, therefore, is not entitled to the various protections afforded by the 1940 Act with respect to its investments in underlying securities. Any person who subscribes, or proposes to subscribe, for an investment in ETF II, ETF III or OFPP must be able to bear the risks involved and must meet ETF II, ETF III or OFPP's suitability requirements. Some or all alternative investment programs may not be suitable for certain investors. No assurance can be given that ETF II, ETF III or OFPP's investment objectives will be achieved. ETF II, ETF III and OFPP's investments are typically speculative and involve a substantial degree of risk. ETF II, ETF III and OFPP may engage in other speculative investment practices that may increase the risk of investment loss. OFPP is only available for investing by friends, family and associates of Open Field.

## **Item 9 Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Open Field or the integrity of Open Field's management.

Open Field has no information applicable to this Item.

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

Neither Open Field nor any of its management persons has an application pending to register as a broker-dealer or as a registered representative of a broker-dealer.

Neither Open Field nor any of its management persons has an application pending to register as a futures commission merchant, commodity pool operator, commodity trading adviser or an associated person of any of those foregoing entities.

Open Field does not recommend or select other investment advisers for its clients nor does it have relationships with other investment advisers that are material to its advisory business or clients.

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

### **Code of Ethics**

Open Field has adopted a Code of Ethics ("Code"). The Code establishes the fundamental principle that all Open Field personnel have a fiduciary duty to place Open Field clients' interests ahead of their own. The Code clarifies that, in accordance with federal law, all Open Field personnel are prohibited from trading, either personally or on behalf of others (including clients), on any material nonpublic information or from communicating material nonpublic information to others, which insider trading activity would be in violation of the law. The Code sets forth standards of business conduct expected of Open Field personnel and establishes policies to address conflicts that may arise in personal trading transactions in accordance with, as applicable, the Advisers Act, and the 1940 Act.

Open Field will provide a copy of its Code to any client or prospective client upon request.

### **Personal Trading**

Open Field's Code is designed to address conflicts of interest and, among other things, imposes restrictions on the ability of its personnel to invest in securities that may be traded in client accounts.

Open Field permits Affiliated Accounts to hold securities that are similar to, or the same as, those of in client portfolios and to purchase, or sell such securities contemporaneously with the purchase, or sale of securities in client portfolios. An "Access Person" is each of Open Field's Members, Managers, officers, portfolio management personnel, and any individual whose regular functions or duties gives them access to material nonpublic information or access to current Open Field trading information.

In order to ensure that Open Field places the interests of its clients first, the Code requires all Affiliated Accounts to obtain Open Field's approval before purchasing or selling any personal investment (excepting only non-Reportable Securities, e.g. most open-end mutual funds, governmental obligations, and money market type instruments) and requires Affiliated Accounts to periodically report to Open Field's Chief Compliance Officer all their personal securities holdings (excepting only holdings in non-Reportable Securities, e.g. most open-end mutual funds, governmental obligations, and money market type instruments) and to report all personal securities transactions (excepting only transactions in non-Reportable Securities, e.g. most open-end mutual funds, governmental obligations, and money market type instruments).

### **Participation or Interest in Client Transactions**

Open Field, its Access Persons and employees perform investment management services for various clients. Open Field may give advice or take action with respect to the investments of a client's portfolio that may not be given or taken with respect to another client's portfolio with a similar investment program, objective, or strategy. Accordingly, client portfolios with the same mandate may not hold the same securities or instruments or achieve the same performance.

Open Field is not obligated to contemporaneously acquire or terminate a position in any security which Open Field or its Affiliated Accounts may acquire or terminate for its or their own account or for the account of any other client.

## **Private Equity**

Open Field's Private Equity mandate would generally be expected to authorize Open Field to purchase for such client portfolios non-publicly traded securities (sometimes including "PIPES") of issuers within Open Field's universe. Subject to any requirements imposed by the private placement, Affiliated Accounts may also have an opportunity to invest in the same private placements or privately held companies. Securities issued in a private placement may later, in subsequent private rounds or in connection with or following an initial public offering, be bought for such clients at potentially higher prices. Because these possible circumstances may give rise to actual or apparent conflicts of interest and in order to ensure that Open Field would act in the best interests of its clients, Open Field requires the preclearance of all Affiliated Accounts' investments other than such investments in non-Reportable Securities.

Private placements may be followed by an offering of additional or associated securities, (e.g. warrants). Subject to the reporting and pre-clearance requirements of the Code, any Affiliated Accounts may participate in a follow-on offering and may exercise any rights with respect to such additional or associated securities (pre-IPO basis or otherwise) that may also be exercised for any Open Field Private Equity client's account.

## **Initial Public Offerings**

From time to time Open Field will be provided with the opportunity to purchase shares in initial public offerings ("IPO Shares"). In some instances, the opportunity to acquire IPO Shares may only be made available to a Private Equity client or an Affiliated Account as a result of their prior investment. Where such prior investment is not a precondition to the opportunity to purchase IPO Shares, Open Field will periodically determine which Private Equity clients or Affiliated Accounts are eligible to receive IPO Shares (each an "Eligible Client" or "Eligible Entity" respectively). Certain IPO Shares may be deemed to be an appropriate investment for an Eligible Client because of the suitability of the investment, the size of the available allocation or such other factors that Open Field deems appropriate.

An Eligible Entity will be eligible to receive IPO Shares only if such investment is consistent with its investment mandate, is not prohibited by its investment guidelines and if its portfolio is deemed to have sufficient uncommitted cash.

Some of the factors that may be considered when allocating IPO Shares to one or more Eligible Entities include, among others: cash limitations or excess cash in the clients' accounts; specific investment restrictions vis-à-vis the account mandate; existing portfolio composition and applicable industry, sector, or capitalization weightings; relative underperformance of an account (in comparison to peer accounts) for reasons not attributable to the client's actions or restrictions; partial fill or trade order; small account size (allocation may be adjusted to minimize custodial fees and transaction charges); undesirable position size (allocation may be adjusted to remove an undesirably small or undesirably large position); client sensitivity to turnover; client tax status; regulatory restrictions, and suitability restrictions, including, but not limited to the Eligible Entity being deemed a "Restricted Person" under the rules of the Financial Industry Regulatory Authority.

Contemporaneously with an initial public offering, Open Field may enter the open market to purchase securities of the same class as those issued in the initial public offering for allocation to the clients' portfolios and the pooled investment vehicles. Securities purchased in the open market may often only be available at prices higher than the "per share" price for shares obtained in the initial public offering

distribution. However, in all cases any open market purchases are transacted only if and to the extent that Open Field has first determined that the transaction is suitable for the client or pooled investment vehicle and consistent with the investment mandate of the portfolio.

Affiliated Accounts may purchase IPO Shares subject to the pre-clearance and reporting requirements of the Code and subject to any restrictions imposed by the Financial Industry Regulatory Authority.

## **Item 12 Brokerage Practices**

### **Research and Other Soft Dollar Benefits**

Open Field does not use soft dollars.

Certain brokers through whom Open Field executes trades may provide unsolicited proprietary research to Open Field. If this research is used, it may be used for all clients, even though certain clients may not have paid direct commissions to the brokers who provided the research. This research could include a wide variety of reports, charts, publications or proprietary data on economic and political strategy, credit analysis, or stock and bond market conditions and projections. In addition to unsolicited research, certain brokers may provide invitations to attend conferences and meetings with management representatives of issuers or with other analysts and specialists.

Where a broker provides research or other services on an unsolicited basis, it is understood that such broker is hopeful that that Open Field will place orders with such broker. Open Field may execute portfolio transactions through such a broker but only if Open Field has determined that such broker will provide best execution based on the factors below.

### **Broker Selection**

Portfolio transactions are generally effected directly with market makers. Where effected on an agency basis, Open Field's selection of brokers will depend upon the broker's ability to provide best execution, taking into account the best price available and other discretionary factors such as the desired time of the trade, confidentiality, best execution, and the financial condition and practices of the broker-dealer.

### **Aggregation of Orders**

Where Open Field is purchasing or selling the same securities for different Long Only clients' portfolios at the same time, Open Field will generally, but is not obligated to, aggregate orders in the interest of achieving the most favorable net results for all such clients. Open Field will engage in an aggregated transaction so long as the transaction is also consistent with Open Field's other duties to such client, including its duty of best execution. Where orders are not aggregated, Long Only clients may incur higher transactional costs, or higher costs relative to other orders placed on the same day.

In determining whether aggregation is appropriate, Open Field will review each Long Only portfolio's investment mandate, cash position, need for liquidity, sector concentration and other objective criteria. Open Field has developed the following aggregation procedures designed to achieve fair and equitable aggregation of orders and ensure that no client is favored over any other client participating in the same transaction.

When placing an aggregated trade Open Field first determines each Long Only account that is eligible to participate in such aggregated trade (each an "Eligible Account") as described above. Open Field's general practice and preference is for trades to be executed with a single broker.

For an aggregated trade order placed through a single broker, each Eligible Account will be allocated the lesser of: (i) their indicated amount (which is the amount the portfolio manager is requesting) or (ii) the pro rata amount (i.e., the amount in proportion to the portfolio balances of the Eligible Accounts for the aggregated trade). Each Eligible Account will purchase (or sell) at the same average unit price for that day's aggregated order. The specific Eligible Account trade allocations are reported to the clients' custodians using either the custodian's proprietary trading platform or via email to the client's designated representative. Each of these trade allocation and reporting methods creates a written record of each trade.

For aggregated trades made using two or more brokers, Open Field follows the same procedures described above, and in addition, prepares a written statement to document which Eligible Accounts were allocated what portion of the shares purchased in that trade.

All transaction costs and expenses will be shared by the Eligible Accounts pro rata (i.e., in proportion to the total purchased or sold share amount). Share amounts may be rounded to the nearest round lot.

When an aggregated order is only partially filled, the securities purchased will typically be allocated to each Eligible Account in proportion to the initial amount requested for the Eligible Account.

Where the number of shares received is deemed by the portfolio manager to be too small an amount (generally 1,000 or fewer shares) to fill a position or to build a position in a particular portfolio, the portfolio manager may reallocate the securities among the other Eligible Accounts in the aggregated order or, alternatively, allocate all shares to only one Eligible Account determined among the clients' accounts on a round robin basis.

### **Directed Brokerage / Broker Recommendations**

Open Field does not permit clients to direct trades to a particular broker-dealer. Open Field has complete discretion in selecting broker-dealers to execute clients' transactions.

## **Item 13 Review of Accounts**

All of the compensated clients' portfolios are reviewed on a continuous basis by one or more of Open Field's senior portfolio managers; these reviews are conducted to ensure compliance with each account's investment guidelines.

Portfolio reviews are provided orally to all separate account clients no less often than quarterly.

Portfolio reviews are generally provided quarterly in writing to the pooled investment vehicle investors, except for OFPP members, who receive annual equity statements, as well as the audited financial statements.

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

Open Field may from time to time engage outside firms, under non-exclusive arrangements, to solicit institutional and retirement plan clients on Open Field's behalf, such solicitation arrangements are subject to the limitations and requirements of the Solicitors Rule under the Advisers Act. Open Field may also enter into limited *ad hoc* solicitation or marketing arrangements with other parties, on a client-by-client basis. Open Field may also utilize in-house marketing staff that will be compensated, in part, for their client referrals.



## **Item 15 Custody**

Open Field does not maintain custody of any clients' separate account funds or securities. Custody of the assets of separate account clients' assets is maintained by the client's broker-dealer, bank or other qualified custodian. Separate account clients will receive statements directly from their custodian and should carefully review such statements. Due to differences in accounting procedures, reporting dates, and valuation methodologies of certain securities, the value of assets on their custodian's statements may vary from those found on statements provided by Open Field.

Open Field and its related persons have custody of the assets of ETF II, ETF III and OFPP by virtue of their control over those pooled investment vehicles. Open Field maintains physical custody of some OFPP investments which are evidenced by preferred and common stock certificates or convertible notes. All such stock certificates or notes contain restrictive legends and cannot be freely traded or transferred. All assets of ETF II, ETF III and all other assets of OFPP and some of the preferred and common stock certificates and convertible notes are held, as applicable, by qualified custodians.

## **Item 16 Investment Discretion**

In their investment management agreements, separate account clients grant Open Field discretionary authority to manage their assets. Open Field exercises such discretionary authority consistently with the stated investment objectives of the client's account(s) and subject to any restrictions or limitations specified by the client in the investment management agreement. As Investment Manager of the ETF II and ETF III pooled investment vehicles Open Field has discretionary authority as set out in the respective private placement memoranda. Open Field also has discretionary authority regarding OFPP as set out in the operating agreement.

## **Item 17 Voting Client Securities**

Where voting authority has been delegated to Open Field, Open Field's policy is to exercise voting rights, wherever it is practical to do so. Open Field's Board of Managers makes all decisions regarding how each proxy is to be voted. For matters involving securities held long, Open Field generally votes as recommended by management, except if there is a proxy fight. However, each proxy issue will be considered individually and the vote will be determined after careful review and consideration of the various issues involved. Open Field will vote in a manner that is intended to enhance the economic value of the assets of the clients' portfolios.

Open Field's clients may not direct Open Field's proxy voting decisions.

Clients may obtain a copy of Open Field's complete proxy voting policies and procedures upon request. Clients may also obtain information from Open Field about how Open Field voted any proxies on behalf of their accounts by contacting James Stableford at [james.stableford@ofcap.com](mailto:james.stableford@ofcap.com).

## **Item 18 Financial Information**

Open Field has no financial conditions that are reasonably likely to impair its ability to meet its contractual commitments to its clients. Open Field has not been the subject of a bankruptcy proceeding.