



**COASTEDGE PARTNERS, LLC**  
**SEC File Number: 801-70877**

**FIRM BROCHURE**

**FORM ADV PART 2A**  
**MARCH 21, 2024**

**ITEM 1: COVER PAGE**

**FIRM NAME:** CoastEdge Partners, LLC

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This brochure provides information about the qualifications and business practices of CoastEdge Partners, LLC (“CoastEdge”). If you have any questions about the contents of this Firm Brochure, please contact us at 858-997-2777 or email [steve@coastedge.com](mailto:steve@coastedge.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

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

Please note that the use of the term “registered investment adviser” and description of CoastEdge Partners, LLC and/or our associates as “registered” does not imply a certain level of skill or training. You are encouraged to review this Firm Brochure for more information on the qualifications of our firm and its employees.

## **ITEM 2: MATERIAL CHANGES**

In this Item, CoastEdge is required to discuss any material changes that have been made to this Firm Brochure since the last annual amendment.

CoastEdge has made material changes to the following items in this Firm Brochure since its last update on March 31, 2023:

- Item 4 has been updated to reflect that as of December 31, 2023, CoastEdge has \$1,650,333,000 of regulatory assets under management.

*CoastEdge Partners, LLC is required to advise clients of any material changes to our Firm Brochure (“Firm Brochure” or “Brochure”) from our last update filed with the United States Securities and Exchange Commission, identify those changes on the cover page of our Brochure or on the page immediately following the cover page, or in a separate communication accompanying our Brochure. We must state clearly that we are discussing only material changes since the last annual update of our Brochure, and we must provide the date of the last annual update of our Brochure.*

### **ITEM 3: TABLE OF CONTENTS**

ITEM 2: MATERIAL CHANGES .....	2
ITEM 3: TABLE OF CONTENTS.....	3
ITEM 4: ADVISORY BUSINESS .....	4
ITEM 5: FEES AND COMPENSATION.....	7
ITEM 6: PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT.....	11
ITEM 7: TYPES OF CLIENTS AND ACCOUNT REQUIREMENTS.....	13
ITEM 8: METHODS OF ANALYSIS, INVESTMENT STRATEGIES & RISK OF LOSS.....	13
ITEM 9: DISCIPLINARY INFORMATION .....	17
ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS.....	17
ITEM 11: CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING .....	18
ITEM 12: BROKERAGE PRACTICES.....	20
ITEM 13: REVIEW OF ACCOUNTS .....	22
ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION .....	23
ITEM 15: CUSTODY.....	24
ITEM 16: INVESTMENT DISCRETION.....	24
ITEM 17: VOTING CLIENT SECURITIES.....	25
ITEM 18: FINANCIAL INFORMATION .....	25



#### **ITEM 4: ADVISORY BUSINESS**

A. Describe your advisory firm, including how long you have been in business. Identify your principal owner(s).

CoastEdge Partners (“CoastEdge”) is an independent advisory firm that builds, manages, and oversees multi-asset class portfolios for a select number of families, foundations, private funds and other clients (each, a “Client” and collectively, the “Clients”). The firm and its predecessor began in 2006, initially to manage the portfolios of a small number of families and their private foundations.

As of December 31, 2023, CoastEdge managed approximately \$1,650,333,000 of regulatory assets under management. The firm’s regulatory assets under management also include any uncalled capital commitments of private funds managed or supervised by CoastEdge.

CoastEdge is a privately-owned firm and is 100% owned by the firm’s partners, Richard J. Effress, Managing Partner and Chief Investment Officer, and Steven S. Simpson, Managing Partner and Chief Compliance Officer.

#### **Investment Management, Investment Advisory and Supervisory Services**

B. Describe the types of advisory services you offer. If you hold yourself out as specializing in a particular type of advisory service, such as financial planning, quantitative analysis, or market timing, explain the nature of that service in greater detail. If you provide investment advice only with respect to limited types of investments, explain the type of investment advice you offer, and disclose that your advice is limited to those types of investments.

CoastEdge’s core business approach is to work with each Client in order to understand that Client’s complete financial picture in a holistic manner and then mutually agree with the Client on a portfolio management plan.

CoastEdge’s investment philosophy aims to preserve capital, reduce volatility, and increase long-term purchasing power through conservative growth. CoastEdge’s approach includes the following:

- Asset allocation with broad asset class diversification
- Access to investment managers
- Due diligence
- Liquidity management
- Investment implementation advice and support



- Integration of legal, governance and other factors that impact financial results and address the broader needs of client families

An investment program is customized for each Client and will incorporate a selection of managers and passive strategies CoastEdge across a wide universe of managers of private funds, separate accounts, and certain mutual funds, encompassing all sectors of the market, all geographies and all liquidity spectrums for its clients. The firm offers two main services, each of them benefiting from the expertise of the firm's research group:

- Custom Multi-Asset Class portfolios, for which the firm builds diversified global portfolios covering multiple geographies and asset classes, customized for the clients' needs. At times, these portfolios may be highly concentrated in a limited number of asset classes if appropriate for the individual client. These portfolios are specific to clients that enter into an investment management agreement with CoastEdge ("Advisory Clients");
- CoastEdge Fund Vehicles ("CoastEdge Funds" or "Funds"), are available to CoastEdge Advisory clients as well as Non-Advisory clients and include: 1) unregistered funds that provide diversified commingled investment strategies for qualified investors ("Evergreen Funds"), as well as 2) special purpose vehicles ("Access Funds") that aggregate client assets and provide access to specific private investments. Through the Funds, CoastEdge seeks to achieve several important benefits for Clients, including: diversification, access to top-tier investment managers, streamlined operations, and consolidated performance, financial and tax reporting.

Based on the portfolio management plan designed by CoastEdge and each Advisory Client, CoastEdge may recommend that Advisory Clients invest in one or more CoastEdge Funds, each of which has a specific investment objective. As a result, an Advisory Client may be invested through the CoastEdge Funds across an array of asset classes with investment management teams that CoastEdge believes are top-tier in their sectors. All relevant information pertaining to CoastEdge Fund recommendations, including the compensation, other fees and expenses paid by the respective CoastEdge Fund, withdrawal rights, minimum investments, qualification requirements, suitability, risk factors and potential conflicts of interest is set forth in the respective CoastEdge Fund's disclosure documents, governing documents and other offering materials pertaining to such interest (the "Offering Materials"). Each investor in a CoastEdge Fund is required to receive, review and execute (as applicable) the Offering Materials prior to being accepted as an investor in any CoastEdge Fund.

### **Reporting Services**

CoastEdge also provides comprehensive reporting services, including reporting for sophisticated investments and distinct pools of capital (e.g., trusts, family partnerships), which can incorporate all of the Advisory Client's investment assets and financial picture, and may include those



investments that we do not manage for the client. Fees for such services are negotiated with our clients depending on the nature of the investments held.

### **Financial Planning Services**

For clients who request our assistance, CoastEdge may provide a variety of financial planning related services. These services generally involve our clients' service providers such as accountants and estate attorneys, and may encompass developing strategies around Estate Planning, Charitable Planning, Education Planning, Real Estate Analysis, Mortgage/Debt Analysis, Insurance Analysis, and Lines of Credit Evaluation.

### **IRA Rollover Recommendations**

Effective December 20, 2021 (or such later date as the US Department of Labor ("DOL") Field Assistance Bulletin 2018-02 ceases to be in effect), for purposes of complying with the DOL's Prohibited Transaction Exemption 2020-02 ("PTE 2020-02") where applicable, we are providing the following acknowledgment to Clients and prospective clients.

When we provide investment advice regarding a Client's or prospect's retirement plan account or individual retirement account, we are fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. The way we make money creates some conflicts with a Client's interests, so we operate under a special rule that requires us to act in a Client's best interest and not put our interest ahead of our clients. Under this special rule's provisions, we must:

- Meet a professional standard of care when making investment recommendations (give prudent advice);
- Never put our financial interests ahead of yours when making recommendations (give loyal advice);
- Avoid misleading statements about conflicts of interest, fees, and investments;
- Follow policies and procedures designed to ensure that we give advice that is in your best interest;
- Charge no more than is reasonable for our services; and
- Give you basic information about conflicts of interest.

We benefit financially from the rollover of a Client's assets from a retirement account to an account that we manage or provide investment advice, because the assets increase our assets under management and, in turn, our advisory fees. As a fiduciary, we only recommend a rollover when we believe it is in a Client's best interest.

C. Explanation of whether (and, if so, how) we tailor our advisory services to the individual needs of clients and whether clients may impose restrictions on investing in certain securities or types of securities:

While CoastEdge is an investment advisor registered with the SEC, we may or may not exercise any investment discretion over Advisory Client assets depending upon the nature of the relationship with the client (for example, we will exercise investment discretion with certain accounts of related persons and certain CoastEdge Funds). We will not exercise investment discretion for those accounts where the Advisory Client has not specifically provided such authority to CoastEdge within the executed Investment Management Agreement. In those cases where investment discretion is not specifically provided within the Investment Management Agreement, we will direct, with clients' prior approval of each transaction, the investment and reinvestment of the assets in their accounts. Such Advisory Clients may choose to follow or disregard any recommendation, advice or suggestion made by CoastEdge, and may impose restrictions on the types of investments to be held in their portfolios.

D. Participation in wrap fee programs:

CoastEdge does not offer wrap fee programs.

E. Disclosure of the amount of client assets we manage on a discretionary basis and the amount of client assets we manage on a non-discretionary basis:

As of December 31, 2023, we had a total of \$1,650,333,000 regulatory assets under management. \$952,866,000 of assets were managed on a discretionary basis and \$697,467,000 were managed on a non- discretionary basis.

**ITEM 5: FEES AND COMPENSATION**

A. Describe how you are compensated for your advisory services. Provide your fee schedule. Disclose whether the fees are negotiable.

The fees that CoastEdge Clients pay are CoastEdge's only form of revenue. CoastEdge endeavors to be completely transparent in its pricing which is described below:

Advisory Client Fees

For Clients with Custom Multi-Asset Class portfolios, the advisory fee covers the cost of the broad engagement with CoastEdge. The CoastEdge advisory fee includes all services associated with providing guidance to the Clients. In general, the cost of the advisory fee covers services related to the development, implementation, monitoring and reporting of the investment plan and ongoing communication and education.



Depending upon the specific needs and account sizes of our clients, CoastEdge assesses an advisory fee ranging between 0.20% to 0.65% per year multiplied by the assets under management for clients, subject to a minimum fee ranging between \$65,000 and \$150,000 per year. For clients who do not meet these minimum fees, an advisory fee of 1.00% multiplied by the assets under management may be charged. CoastEdge reserves the right to waive minimums and reduce fee schedules on a case by case basis. CoastEdge also offers fixed fee arrangements for certain clients.

For Advisory Clients with investments in the CoastEdge Funds, the firm generally reduces management fees (described below) paid with respect to the CoastEdge Funds for those clients that pay fees based on assets under management.

The reduced share class only apply during the term of the advisory relationship with the firm. If the client terminates its advisory relationship with the firm, the client will no longer receive the reduced share class and may be transferred into a full fee-paying share class, as applicable.

Principals and employees of CoastEdge may pay lower fees than outlined above.

#### Management Fees

In addition to our Advisory services, CoastEdge also manages private commingled investment vehicles, the CoastEdge Funds, in order to provide certain important benefits to Clients including diversification, access to top-tier investment managers, streamlined operations and consolidated performance, financial and tax reporting.

- For Advisory clients who meet the fee minimums outlined in the section above, there is no additional layer of management fees for the CoastEdge Funds. As such, their respective advisory fee will be applied for the net asset value of their investments in the CoastEdge Fund(s).
- For Advisory clients who do not meet the fee minimums outlined in the section above, the management and administrative fees for the CoastEdge Funds will not exceed 1.25% of the greater of an investor's committed capital or net asset value.
- For Non-Advisory clients, the management and administrative fees for the CoastEdge Funds will not exceed 1.25% of the greater of an investor's committed capital or net asset value, and may include possible performance fees based on the individual fund.

Management fees for the CoastEdge Funds are assessed quarterly in advance. Such fees are calculated by the CoastEdge Fund's administrator (Apex Group) and remitted to CoastEdge. CoastEdge maintains the right to waive all or a portion of its management fees with respect to any investor, including affiliates of CoastEdge.

As noted above, CoastEdge may charge an additional 0.25% to Advisory clients who don't meet our minimum annual fees, and to Non-Advisory clients, resulting in a total fee of 1.25%. In these cases, there is a conflict of interest since CoastEdge may have a financial incentive to manage





and recommend private market investments through a CoastEdge Fund. It should also be



noted that certain members of CoastEdge may directly participate in any of the investment opportunities for which a CoastEdge Fund is established and/or may participate through the CoastEdge Fund itself for the purposes of investing. This right to participate and any corresponding economic interest therefrom will likely mean that certain members of CoastEdge will derive a direct or indirect benefit from their direct participation and may also receive management fees that a CoastEdge Fund charges to investors and clients for their participation in the respective investment opportunity. As such, a conflict of interest arises between the presentation of a private market investment opportunity to CoastEdge Advisory Clients and prospective clients, and those members of CoastEdge who will have an interest in the alternative investment opportunity and who, through a CoastEdge Fund, may also be charging clients and investors fees for an investment in the respective investment opportunity. Therefore, it should be understood that members of CoastEdge may have an incentive to recommend an alternative investment opportunity to clients through a CoastEdge Fund. Clients are strongly advised and encouraged to discuss this conflict of interest with their advisors and to assess the risks, merits, charges, suitability and appropriateness of the opportunity prior to making any investment decision.

A full description of all fees charged to investors in the CoastEdge Funds is set forth in each CoastEdge Funds' Offering Documents and/or other governing agreements. All investors should carefully read all Offering Documents and other governing agreements prior to investing.

Principals and employees of CoastEdge do not pay CoastEdge Funds management fees while working at the firm but are responsible for their share of expenses and underlying fees and expenses of each investment.

Our Advisory Clients are advised that client Investment Portfolios may be and generally are subject to additional advisory and other fees and expenses beyond those charged by CoastEdge, such as certain charges imposed by unaffiliated third parties including, but not limited to custodian(s) and third-party managers. The CoastEdge advisory fee may be prorated for capital contributions (and withdrawals for ongoing clients) made prior to the beginning of a calendar period. The advisory fees are in addition to the fees and expenses described in Item 5(C) below.

Advisory fees for Advisory Clients are payable quarterly or semi-annually (at the client's direction), in advance, are generally based on the market value or most recent available information of the Investment Portfolio as of the last day of each calendar quarter as valued by the custodian(s) and/or fund administrators and are subject to change. Because the quarter-end market value for certain investments (such as private funds), may not be available at the of invoicing, the firm may use estimated balances (such as the most current statement available). While the firm monitors the differences between estimated and final quarter-end market values, the firm does not adjust advisory fees invoiced.

If the client Investment Management Agreement starts or ends at a date other than the end of a calendar quarter, the advisory fee for that quarter may be prorated accordingly. If a client contributes additional capital to or makes a withdrawal from the Investment Portfolio on a date other than the first day of a calendar quarter, the Investment Portfolio may be charged or credited a prorated portion of the advisory fee for that calendar quarter with respect to such contribution or withdrawal, based on the number of days remaining in that calendar quarter and based on the net market value on the date of such contribution or withdrawal. Upon request by our Advisory Clients for purposes of administrative ease, and upon our mutual agreement, the advisory fee may be payable for six months in advance (i.e. two invoices delivered per year instead of four). CoastEdge does not require or solicit prepayment of advisory fees six months or more in advance.

A full description of all fees charged to investors in the CoastEdge Funds is set forth in each CoastEdge Funds' Offering Documents and/or other governing agreements. All investors should carefully read all Offering Documents and other governing agreements prior to investing.

When determining market value of an account for purposes of calculating advisory fees, CoastEdge's policy is as follows: for all publicly traded securities held in client accounts, CoastEdge relies on the daily prices received by clients' custodians. For investments in privately held securities (e.g., CoastEdge Funds and other private funds), CoastEdge relies upon the valuations provided by the operator/issuer of each holding. Depending on the type of private fund and underlying investments, valuations can be reflected at cost until such time as the operator/issuer provides an updated valuation. CoastEdge generally follows the pricing policies of the operator/issuer of the private funds. However, in the event that a valuation is not timely provided by the operator/ issuer or there is some market or other relevant event which CoastEdge believes impacts the valuation provided, then the private fund holding will be fair valued in accordance with CoastEdge's written valuation procedures. Please also refer to Item 13 for further information regarding reporting valuations on client account statements.

B. Description of whether we deduct fees from *client* assets or bill *clients* for fees incurred:

CoastEdge generally either invoices clients directly, or invoices third-party custodians and sends duplicate invoices to clients for advisory fees due. Both our standard Investment Management Agreement and the custodial/clearing agreement may authorize the custodian to debit the client's account for the amount of our advisory fees and to directly remit such fees to us in compliance with regulatory procedures. Please refer to Item 5(A) for information on how often fees are calculated and billed.

C. Description of any other types of fees or expenses *clients* may pay in connection with our advisory services, such as custodian fees or mutual fund expenses:

Advisory Clients will be responsible for all direct expenses including but not limited to (a) trading commissions and other payments and fees to custodians, brokers, and investment managers generated by a client's Investment Portfolio, (b) legal and accounting fees, (c) tax preparation fees,



and (d) margin interest and expenses related to short sales and clearing and settlement charges. CoastEdge does not receive any portion of these fees.

Fees to CoastEdge do not include any fees due by clients to third-party money managers that provide services to the client or the underlying fees and expenses associated with the mutual funds, index funds, exchange traded funds, or alternative investments in which client assets are invested.

All investors in the CoastEdge Funds, including CoastEdge principals and affiliates, are responsible for direct expenses including but not limited to administration and custody fees by independent service providers, audit and tax preparation fees, and other administrative and investment research related fees as more fully described in the CoastEdge Funds' governing documents.

In order to reduce such expense, CoastEdge may help clients seek and secure a new brokerage or investment manager relationship and may recommend specific brokers and investment managers for clients to consider. Clients have no obligation to work with any brokers or investment managers we may recommend. In any case, we will review and advise clients on ways to improve the execution of transactions for client investment portfolio account(s), considering trading commissions, fees, trade execution and other relevant aspects of the relationship. CoastEdge will not receive any portion of the commissions and/or transaction fees charged by brokers and investment managers. Please refer to Item 12 for further description of CoastEdge's brokerage practices.

D. If your clients either may or must pay your fees in advance, disclose this fact. Explain how a client may obtain a refund of a pre-paid fee if the advisory contract is terminated before the end of the billing period. Explain how you will determine the amount of the refund.

Please refer to Item 5.A for billing details.

E. Compensation from sale of securities or other investment products:

Neither CoastEdge nor any of its supervised persons receive any compensation from third party managers, brokers, custodians, or any other service providers. One hundred percent of our compensation comes directly from Advisory Clients and Non-Advisory Client investors in the CoastEdge Funds. We do not receive or accept any compensation or commissions through the purchase or sale of securities or other investment products.

#### **ITEM 6: PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

Beginning January 1, 2014, and as outlined in Item 5 above, new Non-Advisory Client investors in the CoastEdge Focus Fund, LP (the "Focus Fund"), may be charged an annual performance-based fee of 7.5% of the net capital appreciation, based on a certain "high water mark", as outlined in the Focus Fund's private offering memorandum. The performance-based fee is paid to CoastEdge in its role as General Partner and investment manager of the Focus Fund. However,



CoastEdge, in its sole discretion, may waive, reduce or modify the performance-based fee with respect to any investor. Additionally, CoastEdge will only charge performance-based fees to Non-Advisory Client investors that meet the qualification requirements defined under Rule 205-3 of the Investment Advisers Act 1940, as amended (“Advisers Act”).

Currently, the only CoastEdge Funds with a share class that provides for an investor being subject to a performance-based fee are CoastEdge Focus Fund, LP and CoastEdge Focus Fund Offshore, LLC (collectively the “CoastEdge Focus Funds”). As of December 31, 2023, no investors are subject to or paying such performance-based fees.

Investors should understand that certain conflicts of interest exist due to performance-based fee arrangements, which include:

- (i) creation of an incentive for CoastEdge to effect transactions in securities that are riskier or more speculative than would be the case in the absence of such an allocation;
- (ii) the result of CoastEdge receiving a management fee or allocation with respect to unrealized appreciation as well as realized gains by the CoastEdge Focus Funds; and
- (iii) creation of an incentive for CoastEdge to attempt to value positions at a higher amount in order to increase the net worth of the Focus Fund and thereby increase the amount of Management Fees and/or performance-based fees paid to CoastEdge.

To address these conflicts, CoastEdge has adopted certain procedures designed to mitigate the effects of these conflicts. Importantly, as part of its fiduciary duty to clients, CoastEdge and its employees will endeavor at all times to put the interests of its clients and investors first, and recommendations will only be made to the extent that they are reasonably believed to be in the best interests of its clients and investors.

CoastEdge provides Advisory Services to different types of clients, including affiliated private investment funds, institutional clients, and high net worth individuals. As we have outlined in this Brochure, we receive different types of fees, such as asset-based and performance-based fees. Providing Advisory Services to clients that are charged different types of fees creates conflicts of interest between CoastEdge and its clients, in addition to the conflicts listed above. For example, charging performance-based fees could provide an incentive for us to trade more frequently and/or allocate more favorable investments to the performance-based fee-paying fund(s). To address and help mitigate these conflicts of interest, we have adopted policies and procedures regarding portfolio management and trading and also have implemented the following:

- (i) our portfolio management process is designed to ensure the fair allocation of investment opportunities among clients;

- (ii) every effort is made to aggregate orders for all client types, with each participating account receiving an average share price for executed trades made at a given broker/counterparty (please see Item 12 for further information); and
- (iii) our Chief Compliance Officer conducts a periodic review of client accounts, the portfolio management process and the allocation of investment opportunities to help ensure that all are conducted in accordance with the firm's written policies and procedures and applicable federal securities regulations.

#### **ITEM 7: TYPES OF CLIENTS AND ACCOUNT REQUIREMENTS**

As outlined in Item 4 above, CoastEdge provides continuous and ongoing advisory and supervisory services to families, foundations and other clients. While we do not currently have a minimum account size requirement for Advisory Clients, we do require advisory clients pay the lower of a 1% advisory fee or \$65,000 per annum. However, as described in Item 5 above, there are times when we may waive the minimum fee or make exceptions to our standard fee schedule at our sole discretion.

With respect to the CoastEdge Funds, minimum investment amounts are fund specific, between \$100,000 and \$1 million, but we reserve the right to accept a smaller minimum investment at our sole discretion.

If a Client's account is a pension or other employee benefit plan governed by the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), CoastEdge may be a fiduciary to the plan. In providing our investment management services, the standard of care imposed upon us is to act with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent man acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims. CoastEdge will provide certain required disclosures to the "responsible plan fiduciary" (as such term is defined in ERISA) in accordance with Section 408(b) (2), regarding the services CoastEdge provides and the direct and indirect compensation received by such clients. Generally, these disclosures are contained in this Form ADV Part 2A, the client agreement and/or in separate ERISA disclosure documents and are designed to enable the ERISA plan's fiduciary to: (1) determine the reasonableness of all compensation received by CoastEdge; (2) identify any potential conflicts of interests; and (3) satisfy reporting and disclosure requirements to plan participants.

#### **ITEM 8: METHODS OF ANALYSIS, INVESTMENT STRATEGIES & RISK OF LOSS**

##### **A. Description of the methods of analysis and investment strategies used in formulating investment advice or managing assets:**

CoastEdge employs a range of methods to evaluate investment opportunities and associated risks. These methods include fundamental analysis, some aspects of technical analysis and study of price trends, and analysis of economic, market, and industry cycles and trends. Additionally, we invest



substantial time in the fundamental analysis of macro-economic factors and trends including but not limited to global equity markets, interest rates, yield curves, corporate and sovereign credits, commodities, and currencies.

Investment advice provided by CoastEdge to Advisory Clients is based on a number of factors that may include, but are not necessarily limited to, each client's investment objectives, risk tolerances, time horizons, liquidity needs, expected returns, and an assessment of current economic and market views expressed by economists, analysts, banks, securities firms, and other investment professionals. Investment strategies and allocations are developed for each client, with an attempt to achieve diversification by investing over time, across asset classes, within asset classes, across various investment styles, and by diversifying internationally and by currency.

The qualitative factors considered by CoastEdge to determine the suitability of independent third-party money managers may include, but are not limited to, investment strategy, market specialization, reputation, performance record, philosophy, continuity of management, service to clients, operational capabilities, evaluation of external custodians, administrators, and auditors (where applicable), financial controls, minimum dollar investment requirement, and fees.

CoastEdge generally advises clients to invest in a diversified portfolio across major asset classes with a long-term time horizon intended to meet each client's long-term financial objectives. Additionally, our advisory objectives are to realize preferable tax rates on long-term capital gains (where prudent to do so) and to manage trading expenses. We may recommend selling securities that meet our appreciation objectives or experience unfavorable fundamental or technical developments in shorter time spans. From time to time, and where suitable to client circumstances and preferences, we may recommend short sales, margin transactions, covered option writing, or option purchases.

CoastEdge does not represent, imply or guarantee that the services or methods of analysis it uses to make investment recommendations can or will produce successful results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or crashes. No guarantees can be offered that a client's goals or objectives will be achieved. Past performance is not an indication or guarantee of future results. Clients are advised that the recommendations offered by CoastEdge are not legal or tax advice. Clients are advised to promptly notify CoastEdge with respect to any changes in their financial situation and/or financial goals and objectives. Failure to do so could result in our recommendations not meeting the objectives and/or needs of the client.

*Please note: Investing in securities involves risk of loss that clients should be prepared to bear.*

#### **B. Material risks of the methods of analysis and investment strategies:**

Material risks of investing in securities include loss of capital, loss of liquidity, correlation to other asset classes, major security or sector specific adverse events, and counterparty risks. Our goals are to advise clients on risk management and to help build each client a diversified investment



portfolio so as to limit the impact of these various material risks. Our recommended investment strategies may, but generally do not involve frequent trading of securities.

There are risks associated with allocating client investment assets to third-party managers. Clients could lose all or a substantial portion of their investment. Clients must have the financial ability, sophistication/experience and willingness to bear the risks of such investments, including principal loss and liquidity restraints. Third-party managers, without limitation, may make investments that are not consistent with their own stated risk/return profile(s), may not follow their own compliance procedures and/or may engage in dishonest acts.

Clients should not assume that future performance of any specific investment or investment strategy (including the investments and/or investment strategies we recommend or undertake) will be profitable or achieve any specific performance level(s).

Every investment strategy has its own inherent risks and limitations. For example, longer term investment strategies require a longer investment time period to allow for the strategy to potentially develop. Shorter term investment strategies require a shorter investment time period to potentially develop but, as a result of more frequent trading, may incur higher transactional costs when compared to a longer-term investment strategy.

CoastEdge may and often does recommend utilizing independent third-party managers who have full investment discretion and trading authority and have sole responsibility for the implementation of their portion of the client investment portfolio with respect to clients' accounts for which investment discretion has been delegated by the client and accepted by the third-party manager third-party. Such managers may include but are not limited to long-only managers of publicly traded securities such as equities, fixed income instruments and master limited partnerships. Risks associated with such third-party managers include risks inherent in the underlying strategies, and also may potentially include the use of leverage, as well as operational and custodial risks that may be associated with third-party management.

Additionally, CoastEdge may and often does recommend investing in private funds. Risks and fees associated with such private funds include risks inherent in the underlying strategies, and also may potentially include the use of leverage, as well as operational and custodial risks that may be associated with third-party management.

CoastEdge's business operations may be vulnerable to disruption in the case of catastrophic events such as fires, natural disaster, terrorist attacks or other circumstances resulting in property damage, network interruption and/or prolong power outages. Although the firm has implemented, or expects to implement, measures to manage risks relating to these types of events, there can be no assurances that all contingencies can be planned for. These risks of loss can be substantial and could have a material adverse effect on the firm and investments therein.





An epidemic outbreak or pandemic, and reactions thereto could cause uncertainty in markets and businesses, including CoastEdge's business, and may adversely affect the performance of the global economy, including causing market volatility, market and business uncertainty and closures, supply chain and travel interruptions, the need for employees and vendors to work at external locations, and extensive medical absences. CoastEdge has policies and procedures to address known situations, but because a large epidemic or pandemic may create significant market and business uncertainties and disruptions, not all events that could affect CoastEdge's business and/or the markets can be determined and addressed in advance.

The computer systems, networks and devices used by CoastEdge and service providers to us and our clients to carry out routine business operations employ a variety of protections designed to prevent damage or interruption from computer viruses, network failures, computer and telecommunication failures, human error, infiltration by unauthorized persons and security breaches. Despite the various protections utilized, systems, networks, or devices potentially can be breached. A client could be negatively impacted as a result of a cybersecurity breach. Cyber security breaches can include unauthorized access to systems, networks, or devices; infection from computer viruses or other malicious software code; and attacks that shut down, disable, slow, or otherwise disrupt operations, business processes, or website access or functionality. Cybersecurity breaches may cause disruptions and impact business operations, potentially resulting in financial losses to a client; impediments to trading; the inability by us and other service providers to transact business; violations of applicable privacy and other laws; regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, or additional compliance costs; as well as the inadvertent release of confidential information. Similar adverse consequences could result from cybersecurity breaches affecting issuers of securities in which a client invests; governmental and other regulatory authorities; exchange and other financial market operators, banks, brokers, dealers, and other financial institutions; and other parties. In addition, substantial costs may be incurred by these entities in order to prevent any cybersecurity breaches in the future.

#### C. Primary recommended security type and associated risks:

CoastEdge advocates diversification and risk management across major asset classes and security types. We neither maintain a security-type bias nor do we focus primarily on a particular security type.

Risks associated with the investment strategies that might be pursued by the third party managers we engage for our Advisory Clients and/or Non-Advisory Client investors, either directly or through the CoastEdge Funds, include but are not limited to the following: counterparty, possible lack of diversification, asset price volatility, illiquidity, credit, currency, derivatives, and potential other risk areas depending on the underlying asset class.



A more detailed discussion of the risks associated with the investment strategies in which the CoastEdge Funds may engage is contained in each such Funds' Offering Documents, which we provide to each Advisory Client and potential Non-Advisory Client Investor for their review and consideration prior to investing in the CoastEdge Funds. Unlike liquid investments that a client may maintain, private investment funds such as the CoastEdge Funds do not provide daily liquidity or pricing. Each prospective investor in the CoastEdge Funds will be required to complete a Subscription Agreement, pursuant to which he or she must represent that he or she is qualified for investment in the specific underlying CoastEdge Fund and acknowledge and accept the various risks that are associated with such an investment.

#### **ITEM 9: DISCIPLINARY INFORMATION**

CoastEdge and its personnel have no reportable disciplinary history.

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

CoastEdge does not have any direct or indirect affiliations with other financial firms, and we do not receive any compensation or commissions from other financial firms.

CoastEdge is the General Partner and investment manager for the CoastEdge Funds, each of which are composed of a limited number of investors who generally are "Accredited Investors" and "Qualified Purchasers" as defined under Regulation D of the Securities Act, and "Qualified Clients" as defined under the Advisers Act. There are potential and actual conflicts of interest due to this affiliation, which CoastEdge has addressed in a number of ways. Please refer to Items 4, 5, 6, 11, and 12 for further information. It is important that each potential qualified investor fully read the underlying Offering Documents prior to investing in any of the CoastEdge Funds.

Other than the CoastEdge Funds, we generally will not accept investments from any Advisory Client in an investment vehicle in which either CoastEdge or its related persons have a financial interest. Exclusive of the CoastEdge Funds, in the unusual case that CoastEdge does accept such an investment, CoastEdge will forsake any financial gain (commissions or fees) related to the client. Such financial gain will either accrue to other partners in the vehicle (none of which will be CoastEdge affiliates), or the client will not be charged for fees or sponsor incentives that would result in such a gain. Prior to entering into an Investment Management Agreement with CoastEdge, Advisory Clients may have previously invested in an investment vehicle in which CoastEdge or its related persons have a financial interest. In such event, the Advisory Client may maintain such an investment if that is in the client's best interest. In that case, and in the event of an investment decision or event impacting such investment that requires Advisory Services, CoastEdge will in good faith attempt to advise the client (if such advice is requested) and point out any conflicts of interest.

Mr. Effress and Mr. Simpson and their affiliates invest in both CoastEdge Funds and unaffiliated private funds that are recommended to CoastEdge clients and CoastEdge's other employees are

provided the same opportunity. There exists a potential conflict whereby Mr. Effress and/or Mr. Simpson and their affiliates desire to invest a given amount in a CoastEdge Fund or unaffiliated private fund, and the fund has limited capacity in terms of dollars available for investment and/or the number of investors/entities allowed. In such a scenario, Mr. Effress's and/or Mr. Simpson's desire to invest a given amount or to participate at any level could conflict with the ability of his clients and investors to do so.

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

### **A. Code of Ethics:**

CoastEdge has adopted a Code of Ethics pursuant to Rule 204A-1 of the Advisers Act that sets forth standards of conduct and federal securities law requirements applicable to all supervised persons. The Code of Ethics is predicated on the principle that CoastEdge owes a fiduciary duty to its clients. In addition to providing general guidelines overseeing client professional services, the code stresses the avoidance of actual or perceived conflicts of interest. Accordingly, CoastEdge expects all associated persons to act with honesty, integrity and professionalism and to adhere to federal securities laws. CoastEdge and its related persons are required to adhere to the Code of Ethics at all times. CoastEdge and its related persons must (i) place client interests ahead of CoastEdge's; (ii) engage in personal investing that is in full compliance with CoastEdge's Code of Ethics; and (iii) avoid taking advantage of their position. CoastEdge will provide a copy of its Code of Ethics to any client or prospective client upon request.

Clients or prospective clients of CoastEdge may request a copy of the firm's Code of Ethics by contacting Steve Simpson at 858-997-2777 or via email at [steve@coastedge.com](mailto:steve@coastedge.com).

**B. If you or a *related person* recommends to *clients*, or buys or sells for *client* accounts, securities in which you or a *related person* has a material financial interest, describe your practice and discuss the conflicts of interest it presents:**

CoastEdge serves as the general partner and/or manager of CoastEdge Funds which may be recommended to clients. Because CoastEdge Funds generally collects advisory fees (on Advisory Clients) or Management Fee and administrative fees (on Non-Advisory Clients) that is paid to CoastEdge, the recommendation that an Advisory Client or Non-Advisory Client become an investor in these funds presents us with a potential conflict of interest. In order to mitigate this conflict of interest, we disclose to each potential investor in the CoastEdge Funds the costs, benefits and implications of using these funds with respect to each client's investment objectives. Under no circumstances is any client obligated to invest in the CoastEdge Funds. We do not in any circumstances charge performance-based fees to CoastEdge Advisory Clients, but as outlined elsewhere in this document we may charge performance-based fees to Non-Advisory Client investors.



Other than the CoastEdge Funds, we do not have a financial interest in any securities, investment products or transactions that we may recommend to clients. We do not act as principals in securities transactions with clients and do not have any economic interest in recommending, buying, or selling securities for client accounts.

C. If you or a *related person* invests in the same securities that you or a *related person* recommends to *clients*, describe your practice and discuss the conflicts of interest this presents:

CoastEdge and its related persons may buy or sell the same securities that we recommend to Advisory Clients. We are not obligated to recommend or to refrain from recommending any security that CoastEdge and its related persons may buy or sell for their own accounts or for the accounts of any other client. CoastEdge and its related persons may purchase for themselves securities or other investments which one or more Advisory Clients own, previously owned, or will own in the future. This practice may create a situation where we or our related persons may be in a position to benefit from the sale or purchase of such securities. In order to mitigate the effects of these potential conflicts of interest, CoastEdge has adopted policies governing its related persons' personal securities transactions to ensure that personal investing activities by its related persons are consistent with its fiduciary duty to its clients.

CoastEdge intends to use its good faith in allocating investment opportunities, balancing the importance of having a meaningful investment on the part of its principals and affiliates to foster economic alignment with its duties to help clients and investors build a suitable risk-adjusted portfolio. There are times when some of our investment opportunities, because of size limitations, do not have the ability to accept subscriptions for all clients where we believe the investment is appropriate. CoastEdge intends in such a scenario to develop a target desired investment amount for its clients, investors and principals, and if an adjustment is needed due to capacity constraints to make such adjustment on a prorata basis.

If there is a limitation in the number of investors/entities that would not allow all clients and investors for which the investment is suitable to participate, CoastEdge intends to form and offer (and has in the past formed and offered) private investment entities that will in the collective allow for all interest parties to participate. Such investments are offered vis-à-vis their own private offering memorandum that outlines the additional costs and expenses of participating in such entity by an investor.

Our personal securities transactions policy requires that all personal securities transactions must be conducted consistent with the Code of Ethics, and in a manner that avoids any actual or potential conflict of interest. It also requires our related persons obtain written pre-approval by our Chief Compliance Officer (or designee) for personal securities transactions in specified securities, including IPOs and limited offerings.

The policy further requires that each of our related persons provide our Chief Compliance Officer (or designee) with a written report of their current securities holdings within ten (10) days of



becoming a related person of CoastEdge, and annually thereafter. In addition, each of our related persons must provide our Chief Compliance Officer with quarterly brokerage account statements and/or transaction reports in order for CoastEdge to monitor compliance with the requirements of Rule 206(4)-3 of the Advisers Act.

CoastEdge will address as appropriate with its Advisory Clients, and in the normal course of business, which securities and investments are appropriate for such given clients and why such an investment strategy may differ from that of CoastEdge or related persons.

D. If you or a *related person* recommends securities to *clients*, or buys or sells securities for *client* accounts, at or about the same time that you or a *related person* buys or sells the same securities for your own (or the *related person's* own) account, describe your practice and discuss the conflicts of interest it presents:

If it is appropriate to buy or sell a security at the same time for both an Advisory Client and a related person, combined orders may be placed and if any order is not filled at the same price, prices obtained may be allocated among accounts on an average basis. Placing combined orders is not required. There may be times when the sale or purchase of a security for a related person may precede, occur at the same time, or follow the sale or purchase of a security for an Advisory Client, subject to the overriding principle that the interests of Advisory Clients must come before the interests of CoastEdge and its related persons.

## **ITEM 12: BROKERAGE PRACTICES**

A. Description of the factors that we consider in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation:

While CoastEdge maintains relationships with several large broker-dealers, we do not require that Advisory Clients transact with these broker-dealers. Because CoastEdge has a concentration of Advisory Clients held in custody by a select group of broker dealers, CoastEdge may negotiate commission rates with such broker dealers that may be more favorable than Advisory Clients may otherwise achieve. For this reason and for operational efficiency, CoastEdge may give preference to such broker dealers in its processing of trades. In addition, certain broker dealers have provided operational tools and support to CoastEdge assuming a certain level of assets are maintained by CoastEdge's clients at such broker dealer. While CoastEdge believes it is in their best interest to do so, clients have no obligation to work with any brokers or investment managers we may recommend. If a client has preferred broker or investment manager relationships in place and wants to maintain those relationships, we will work with the client and such brokers and investment managers as the client directs. We may also help clients seek and secure new brokerage or investment manager relationships and may recommend specific brokers and investment managers for clients to consider. Recommendations will be made if appropriate for the client and are based on (a) the financial position of the broker, (b) the services and products offered by the broker, (c)



the fees, commissions and expenses charged by the broker, and (d) our experience working with a given broker. We maintain an open platform on which clients may transact with a number of different broker-dealers, thus minimizing potential conflicts of interest.

A (1). Research and soft dollar benefits:

CoastEdge does not direct client transactions or commissions in return for soft dollar benefits with brokers or investment managers, other than for research and participation on certain advisor platforms as noted herein. We do not receive benefits such as free financial software, data services, analytical packages, premium news services, or subscription services of any kind in connection with client securities transactions; with the exception that our participation on broker advisory platforms such as Schwab Advisory Services do facilitate trade execution and reporting and as such could be deemed to be a soft dollar benefit. In certain cases, we may receive proprietary research (within the meaning of Section 28(e) of the Securities and Exchange Act of 1934) at no additional cost, based, in part, on referrals to a particular broker or the prospect of referrals to a particular broker. This research generally will be used to service all of our Advisory Clients and Non-Advisory Client investors, but, brokerage commissions (or markups or markdowns) or other payments by a specific client or investor may help us secure access to research that is not used in advising that particular client's or investor's investment portfolio. While we strive to help clients obtain the best execution (taking into consideration execution capabilities, bid-offer spreads, commission rates, and nature of the security being traded), the fact that we receive research from broker-dealers may nevertheless pose a potential conflict of interest because we receive a benefit by not having to pay for such research. This may create an incentive for us to select or recommend a broker-dealer based on our interest in receiving such research.

A (2). Brokerage for Client Referrals:

Neither CoastEdge nor its related persons maintain any referral arrangements with any broker-dealers or third parties as a quid-pro-quo for recommending such broker-dealer or third party. Although, CoastEdge may make or receive informal referrals from broker-dealers or third-parties with which it or its clients conduct, may conduct, or have conducted business, CoastEdge does not consider such referrals, if any, in selecting or recommending such broker-dealers or third parties.

A (3). Directed Brokerage:

CoastEdge does not require that clients execute transactions through a specific broker-dealer. We do not have any financial or economic relationship with any broker-dealer. At the request of any Advisory Client we will accept direction as to specific broker-dealers to be used in executing client transactions. Clients who direct CoastEdge to use a specific broker-dealer to execute transactions should be aware that doing so may adversely affect CoastEdge's ability to achieve best execution





on such transactions. Transactions for Advisory Clients that direct brokerage may be unable to be combined (with orders for the same securities for other accounts managed by CoastEdge) for execution purposes. As such, transactions for clients who direct brokerage may be subject to less favorable prices or higher commissions, and therefore may not receive best execution.

As noted in Items 12(A) above, we do participate in broker advisory platforms such as Schwab Advisory Services which facilitate trade execution and reporting as such provide us with a benefit.

B. Discuss whether and under what conditions the firm aggregates the purchase or sale of securities for various client accounts:

CoastEdge performs Advisory Services for various clients on a discretionary and non-discretionary basis. For non-discretionary client relationships and/or non-discretionary portfolio action requested within discretionary client advisor mandates, CoastEdge may accept execution authority on behalf of clients once recommendations and/or client directed investments have been communicated between CoastEdge and the client, approved by the client and documented by CoastEdge. For discretionary client relationships and/or discretionary portfolio action requested within non-discretionary advisory mandates, CoastEdge maintains ongoing execution authority on behalf of clients in accordance with best practice and fiduciary responsibility. In both discretionary and non-discretionary cases where we are executing trades for multiple clients at a single broker or investment manager, we (and our external investment managers) may recommend the purchase or sale of the same securities for several clients at about the same time, and we may (but are not obligated to) combine client orders to allow us (or the external manager) to negotiate favorable prices, lower commission rates, other transaction charges or ensure the same or similar execution prices. Although such aggregation potentially could be either advantageous or disadvantageous to any one or more clients, it is effected only when we believe that to do so will be in the best interest of the affected accounts. In such instances, we will direct the relevant broker or investment manager to allocate securities so purchased or sold, as well as the expenses incurred in the transaction, in a manner that we consider equitable. In the event transactions for CoastEdge or its related persons are aggregated with client transactions, potential conflicts may arise (please see Item 11(D) for more details). In instances in which the same trade type and/or investment execution type is completed at multiple executing brokers on a single instance basis, CoastEdge will seek to execute trades in order of operational efficiency with respect to timeliness and ease of communication with executing brokers and/or executing brokers' systems for the sole benefit of each client individually and in aggregate. In instances in which the same trade type and/or investment execution type is reoccurring or an ongoing action, CoastEdge will seek to execute trades on a rotating basis each time a trade is executed (i.e. First Instance: Broker A, then B, then C. Second Instance: Broker B, then C, then A., etc.). Lastly, CoastEdge maintains discretionary and non-discretionary Delivery Versus Payment (DVP) execution relationships between various execution/custodial brokers. Trade/investment execution for these types of accounts will be aggregated and allocated no differently than the scenarios above.



### **ITEM 13: REVIEW OF ACCOUNTS**

For our Advisory Clients, account reviews are conducted on an ongoing basis, but no less than quarterly, by our Advisory Team which consists of CoastEdge's investment professionals. All Advisory Clients should advise CoastEdge of any changes in their investment objectives and/or financial situations and are encouraged to comprehensively review their investment objectives and account performance with us. We may conduct account reviews other than on a periodic basis upon the occurrence of a triggering event, such as a change in client investment objectives and/or financial situations, a market shift, or a client request.

CoastEdge monitors Advisory Client accounts on an on-going basis and provides each client with a written quarterly asset allocation report ("Quarterly Report") reflecting the market value of the combined assets in their Investment Portfolios and performance for the quarter and year-to-date, in both cases subject to the availability and accuracy of information provided by clients, broker-dealers, and third-party managers. With respect to reporting to Advisory Clients and Non-Advisory Client investors in the CoastEdge Funds, such reports include regular monthly or quarterly account statements prepared and sent directly from the underlying administrator of the CoastEdge Funds.

For clients that own private funds, such holdings may not appear on your custodian statement (depending on the custodian) but they are included in account reports and statements provided by CoastEdge, the private fund manager or the fund manager's administrator. As outlined in Item 5 above, the firm's policy for valuing these types of securities is to rely upon the valuations provided by the operator/issuer of the holding. However, there can be times when CoastEdge does not receive an updated valuation prior to CoastEdge sending account statements to clients. When this happens, CoastEdge will report the last known valuation received by the issuer, or depending on circumstances, will provide a fair valuation estimate based on a good faith valuation determined by either CoastEdge, the applicable issuer, or a third party firm. These fair valuations are unaudited and actual values may be higher or lower than the amount reported.

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

We are compensated solely by advisory fees from our Advisory Clients and Management Fees





from the CoastEdge Funds. CoastEdge and its related persons do not receive any direct or indirect compensation, rebates, or economic benefit for client referrals.

Beginning January 1, 2017, CoastEdge no longer entered into any new solicitation agreement and effective January 1, 2023, any existing solicitation agreements were terminated. If, in the future, CoastEdge enters into a solicitation arrangement, it will be in writing and comply with the requirements of Rule 206(4)-3 of the Advisers Act.

CoastEdge has entered into agreements with other third-party registered investment advisors (both in the United States and elsewhere), where fees from our Advisory Clients and Management Fees from the CoastEdge Funds are either:

- Billed to such advisory clients but paid by the third-party investment firm. In such cases, CoastEdge has entered into a sub advisory relationship with the third-party investment advisor in addition to entering into an Investment Management Agreement with the client.
- Billed to such advisory clients, a portion of which is remitted to such third-party investment firm. In such an event, any such compensation will be fully disclosed to the client prior to and/or as part of entering into an Investment Management Agreement.

#### **ITEM 15: CUSTODY**

Our clients are provided with transaction confirmation notices and regular summary account statements directly from the broker-dealer/custodian for their accounts. Clients are strongly urged to carefully review those confirmations and statements. We also provide each Advisory Client with a statement report no less frequently than quarterly, unless mutually agreed upon by CoastEdge and such Advisory Client. Such statement reports summarize the client's account holdings and



activity. To the extent that we provide clients with periodic account statements or reports, the client is strongly encouraged to compare any statement or report provided by us with the account statements received from account custodians.

CoastEdge may also be deemed to have custody of CoastEdge Funds as it serves as General Partner or Manager of such funds and is therefore subject to the SEC “safe keeping requirements”. In order to meet such requirements, CoastEdge has ensured:

- The CoastEdge Funds hold their assets at qualified custodians.
- The CoastEdge Funds have their books and records audited annually by an independent public accountant that is registered with, and subject to regular inspection by the Public Company Accounting Oversight Board.
- Audited financial statements are delivered to investors within 180 days of the CoastEdge Funds’ fiscal year end.

In addition, CoastEdge may also be deemed to have custody and “safe keeping requirements” of certain client brokerage accounts where it arranges transfers to certain CoastEdge Funds out of convenience for the client. In order to meet such requirements, CoastEdge has ensured:

- Such brokerage accounts are held by qualified custodians.
- Such brokerage accounts are opened directly by the client, not by CoastEdge.
- Account statements are sent to the client’s address on file directly by the qualified custodian.
- Client funds and securities are examined annually by an independent public accountant, at a time chosen by the independent public accountant (i.e., “surprise examination”).

#### **ITEM 16: INVESTMENT DISCRETION**

CoastEdge provides Advisory Services on a discretionary and non-discretionary basis. While CoastEdge is an investment advisor registered with the SEC, we may or may not exercise any investment discretion over client assets depending upon the nature of the relationship with the Advisory Client. We will not exercise investment discretion for those accounts where the client



has not specifically provided such authority to CoastEdge in the form of an executed Discretionary Investment Management Agreement. In those cases where investment discretion is not specifically provided within the Investment Management Agreement, we will direct, with clients' prior approval of each transaction, the investment and reinvestment of the assets in their accounts. Clients may choose to follow or disregard any recommendation, advice or suggestion made by CoastEdge, and may impose restrictions on the types of investments to be held in their portfolios. In addition, CoastEdge categorizes assets managed by other parties, such as third-party subadvisors and/or private funds not directly managed by CoastEdge (including Access Funds), as non-discretionary assets under management.

CoastEdge may recommend various securities, third-party money managers or categories of mutual funds, exchange traded funds, and other investment products (e.g. hedge funds, commodities, REITs, and private equity, among others) that we believe are suitable for the client and consistent with the client's overall investment strategy, risk tolerance, and long-term financial objectives. In connection with a client's asset allocation plan, we will recommend investment products that we believe are compatible with the client's unique circumstances and will assist the client in implementing appropriate changes to the client's investment portfolio.

#### **ITEM 17: VOTING CLIENT SECURITIES**

As a matter of firm policy, CoastEdge does not vote proxies on behalf of its Advisory Clients. Therefore, although the firm may provide investment Advisory Services relative to Advisory Client investment assets, the Advisory Client and/or its brokers or custodians maintain the responsibility for (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the Advisory Client shall be voted; and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings, or other type events pertaining to the Advisory Client's investment assets. Advisory Clients are responsible for instructing each prime broker, broker, or custodian of the assets to forward to the client copies of all proxies and shareholder communications relating to the Advisory Client's investment assets.

#### **ITEM 18: FINANCIAL INFORMATION**

As a registered investment adviser, CoastEdge is required in this Item 18 to provide you with certain financial information or disclosures about CoastEdge's financial condition.

CoastEdge has no financial commitments that impair our ability to meet contractual and/or fiduciary commitments to clients.

CoastEdge has not been the subject of a bankruptcy petition at any time.