

Item 1 – Cover Page



Form ADV Part 2A – Disclosure Brochure

Palogic Value Management, L.P.

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This Form ADV 2A (“Disclosure Brochure”) provides information about the qualifications and business practices of Palogic Value Management, L.P. (the “Firm,” “Palogic,” “General Partner,” “Adviser,” “us,” or “we”). If you have any questions about the content of this Disclosure Brochure, please contact us at (214) 871-2700. The information in this Disclosure Brochure has not been approved or verified by the U.S. Securities and Exchange Commission (“SEC”) or by any state securities authority. Palogic Value Management, L.P. is a registered investment adviser with the SEC. The registration of an investment adviser does not imply any particular level of skill or training. This Disclosure Brochure does not constitute an offer, solicitation, or recommendation to sell or an offer to buy any securities, investment products or investment advisory services. Such an offer may only be made to eligible persons by means of delivery of offering and/or governing documents and other similar materials that contain a description of the material terms relating to such investment, products, or services. Additional information about Palogic Value Management, L.P. is available on the SEC’s website at www.adviserinfo.sec.gov.

Item 2 – Material Changes

Palagic believes that communication and transparency are the foundation of its relationship with its clients and will continually strive to provide you with complete and accurate information at all times. The Firm encourages all current and prospective investors and clients to carefully read this Disclosure Brochure in its entirety and discuss any questions you may have with the Firm.

The information set forth in this Disclosure Brochure is qualified in its entirety by the applicable governing, offering and/or account documents. In the event of a conflict between the information set forth in this Disclosure Brochure and the information in the applicable governing, offering, and/or account documents, such documents shall control.

Material Changes

The date of the last annual updating amendment to this Disclosure Brochure was March 31, 2023.

A summary of certain of the material changes that have been made to this Disclosure Brochure since the date of our last annual updating amendment is set forth below:

- We updated our address on the cover page hereto.
- We made various revisions to the description of our Wrap Fee Program and updated our regulatory assets under management as of December 31, 2023. *See* Item 4 – Advisory Business;
- We updated the disclosures regarding our Wrap Fee Program to clarify that we do not direct investment of clients in the Program’s assets into the Fund or make recommendations to clients in the Program to invest in the Fund. However, we not prohibit clients in the Program from making an independent decision to invest in the Fund with the acknowledgment regarding the Fund’s fees that are also separate and distinct from the Program Fee. *See* Item 5 – Fees and Compensation;
- We made various additions, revisions and updates to the risk factor disclosures set forth in Item 8. *See* Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss, General Market and Economic Conditions, Disruption in the Financial Services Industry, New Private Fund Adviser Rules, Geopolitical Risks Terrorist Attacks, War and Natural Disasters, Inflation, and Short Selling; and
- We made various additions, revisions and updates to the description of our policies and procedures regarding personal trading, and revised our disclosures to provide that the Firm’s Principals or employees serve and/or may serve, but currently do not serve, on the management committees, boards of directors, or in other capacities of various organizations or companies in which the Adviser invests. *See* Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.

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Item 4 – Advisory Business

Palogic Value Management, L.P. is a registered investment adviser with the Securities and Exchange Commission. The Firm is organized as a limited partnership under the laws of the state of Delaware. Palogic was formed in 2006 and is owned by Ryan Vardeman, Robert Peters and Scott Williams (together, the “Principals”), and Palogic Capital Management, LLC, the general partner of the Firm owned and controlled by Ryan Vardeman.

Funds

Palogic provides investment management services with respect to two private pooled investment vehicles, the Palogic Value Fund, L.P. (the “Master Fund”) and Palogic Offshore Value Fund, Ltd. (“Offshore Fund”) and may in the future provide investment management services to other private pooled investment vehicles. References herein to a “Fund” or “Funds” refer to the Master Fund and the Offshore Fund collectively. The Offshore Fund invests substantially all of its assets in, and conducts its investment activities indirectly through, the Master Fund, pursuant to a mini-master structure.

We have full discretionary authority with respect to investment decisions, and our investment advisory services are provided in accordance with the investment objectives and guidelines set forth in the Fund’s offering and/or governing documents. The information set forth in this Disclosure Brochure is qualified in its entirety by the Fund’s offering and/or governing documents.

We serve as general partner (the “General Partner”) and investment manager of the Funds. We are responsible for investing and re-investing the assets of the Funds in securities, financial instruments and/or other assets in accordance with the investment objectives, policies and guidelines set forth in the Funds’ offering and/or governing documents. Investors in the Funds are not permitted to impose restrictions on investments in certain securities or types of securities. The Funds interests are offered strictly to sophisticated investors, including but not limited to high-net-worth individuals, pension plans, funds of funds, family offices, endowments and other institutions who meet the qualification standards of the Funds.

The Firm provides advisory services to the Funds with the goal to achieve significant long-term capital appreciation while limiting the risk of capital loss. The Firm seeks to assess the intrinsic value of its investments as compared to the value based on the prevailing market price. Where a disconnect between “intrinsic value” and “market value” exists, the Firm seeks to exploit the gap. The Firm may take long and short positions in a variety of asset classes: common and preferred equity, bonds, notes, options, index securities, hedging instruments such as futures derivatives and currency contracts, private equity and mezzanine securities and any other financial instrument that the General Partner believes offers the potential for attractive returns. It is expected that the Funds will also engage in short selling, margin trading, hedging, securities lending and other investment strategies.

Additional information regarding the Funds, including, but not limited to, their investments, the strategies used in managing the Funds, and conflicts of interest faced by the Firm in connection with the management of the Funds can be found in the Funds’ offering documents. Investment in the Funds does not, in and of itself, create an advisory relationship between an investor in such Funds and us. **See Item 8 below.**

Wrap Fee Program

We offer and sponsor a Wrap Fee Program (the “Program”) to individual high net worth investors, individual investors, trusts, foundations and charitable organizations and small entities with the ability to trade in certain investment products without incurring separate brokerage commissions or transaction charges. The Adviser provides investment advisory services to each client based on the particular investment objectives, guidelines, restrictions, and other information provided by the client and pursuant to an Investment Management Agreement (“IMA”) with the client. These are tailored services based on the needs of the clients. The clients may impose restrictions on investing in certain securities or types of securities. Palogic covers costs incurred in executing transactions for its clients and keep the remaining portion as compensation for providing the advisory services. The Firm provides the Form ADV Part 2A Appendix 1:

Wrap Fee Program brochure to each client before or at the time the client enters into an IMA for the Program. There are certain differences between how we manage accounts in the Program versus how we manage the Funds. **See Items 5, 8 and 12 below.**

For example, in the Program, Palogic generally is responsible for determining the client investment objectives based on the client's individual needs and circumstances. Factors that are expected to be considered include liquidity constraints, cash availability, account size, risk appetite, and investment horizon among others. The combination of these factors will generally determine the asset allocation for a Program client. Palogic will receive a portion of the wrap fee for its services. In the Funds, Palogic has broad investment discretion with a goal of capital appreciation.

Regulatory Assets Under Management

As of December 31, 2023, the Firm had \$323,186,188 in regulatory assets under management, all of which are managed on a discretionary basis.

Item 5 – Fees and Compensation

Funds

The fees and expenses associated with an investment in the Funds are as defined exclusively in the Fund's offering documents. Our advisory fees with respect to the Fund and each investor generally are not negotiable. However, we may enter into side letters or similar arrangements with certain investors that grant different terms (including the reduction or elimination of fees) to such investors than the terms generally applicable to other investors. The Firm, in its sole discretion, may manage other funds or accounts with higher or lower fees, different fee structures and different expense payment arrangements than the Funds.

Set forth below is a description of the fees and expenses:

Management Fees. Subject to the Firm's discretion to charge a different amount as applicable to a particular investor of the Funds, the Funds pay to the Firm, on the first business day of each calendar quarter in advance, a management fee (the "Management Fee") equal to 0.375% (1.5% per annum) of the aggregate capital account balance of each investor of the Funds as of the first day of the applicable calendar quarter, or the first day after each closing with respect to a new investor, as appropriate, which amount is debited against the capital account of such investor. In the event of a withdrawal by an investor of the Funds other than as of the last day of a calendar quarter, a pro rata portion of the Management Fee, based upon the actual number of days remaining in such quarter as of the date of such withdrawal, is repaid by the General Partner to the Funds for credit to such investor's capital account.

Performance Allocation. Subject to certain terms, limitations, and conditions, as of the close of each performance period, a performance-based allocation (the "Performance Allocation") is re-allocated from the capital account of each Fund investor to the capital account of Palagic Value Management II, LP, an affiliate of the Firm and special limited partner of the Fund. Subject to the Firm's discretion to charge a different amount as applicable to a particular investor of the Funds, the Performance Allocation is equal to either 20% or 15% of excess profits over preferred return/high-water mark threshold. Every investor in the Fund that is charged such a Performance Allocation is required to be a "qualified client", as defined in Section 205(a)(1)(d)(1) of the Investment Advisers Act of 1940, as amended (the "Advisers Act").

Organizational Expenses. The Fund generally bears its own expenses of the organization of the Fund and the offering of the Fund interests to investors, including legal and accounting fees, printing costs, travel, "blue sky" filing fees and expenses and out-of-pocket expenses. The organizational expenses borne by the Fund are described in full detail in the Fund offering documents.

Direct Expenses of the Fund. The Fund generally bears all costs and expenses directly related to its investments or prospective investments, including brokerage commissions and other transaction costs, expenses related to proxies, underwriting and private placements, interest and commitment fees on debit balances or borrowings, borrowing charges on securities sold short, custody fees and fees of professional advisers and consultants relating to investments or prospective investments and any withholding or transfer taxes imposed on the Fund or any of the partners. The Fund also generally bears all costs of the administration and operation of the Fund, including (i) accounting, audit and legal expenses, (ii) costs of any litigation or investigation instituted against the Fund or its investors, (iii) the costs, fees and expenses of any outside appraisers, accountants, attorneys or other experts or professionals engaged by the Firm, as well as other expenses directly related to the Fund's investments, (iv) costs associated with reporting and providing information to existing and prospective investors, (v) any governmental, regulatory, licensing, filing or registration fees incurred in compliance with the rules of any self-regulatory organization or any federal, state or local laws, (vi) costs

related to the preparation of the Fund's tax returns and keeping of its books and records, (vii) expenses incurred in obtaining systems, research or data providers and other information utilized for portfolio management purposes, including related hardware and software, (viii) costs of holding any meetings of investors, (ix) risk management and Fund compliance costs, and (x) the costs of any liability insurance obtained on behalf of the Fund or the Firm. The Firm may, in its sole discretion, choose to absorb any such expenses incurred on behalf of the Fund. The direct expenses borne by the Fund are described in full detail in the Fund offering documents and are deducted monthly. **See Item 12 below.**

Wrap Fee Program

The fee for the services provided to clients in the Program ("Program Fee") is a percentage of the market value of the client's assets under management pursuant to the IMA. The Program Fee, which can be negotiated, includes the fees for both advisory services and the execution of brokerage transactions. The Program Fee is charged quarterly in advance and is typically deducted directly from the custodial accounts. In the event that an IMA is terminated mid-quarter, the client will be entitled to a pro-rated refund of the pre-paid Program Fee for the applicable quarter based on the number of days remaining in the quarter after the IMA is terminated. In evaluating a Wrap Fee Program, a client should also consider that, depending upon the level of the wrap fee charged by the broker-dealer, the amount of portfolio activity in the client's account, and other factors, the wrap fee may or may not exceed the aggregate cost of such services if they were to be provided separately.

Client portfolios are sometimes invested in third-party, unaffiliated money market funds, mutual funds or Exchange Traded Funds ("ETFs") where these funds (and ultimately the client) pay a management fee and incur other fees. The Program Fee is separate and distinct from the fees and expenses charged by money market funds, mutual funds and/or ETFs to their shareholders. In most cases, cash balances are part of the total assets on which the Firm charges a management fee. The fund fees will generally include a management fee, other fund expenses and a possible distribution fee. Clients should refer to each fund prospectus for more details on all applicable fees and expenses. Clients should review both the fees charged by the funds and the Firm's fees to fully understand the total amount of fees to be paid by the client and to evaluate the advisory services being provided. Palogic does not direct investment of clients in the Program's assets into the Fund or make recommendations to clients in the Program to invest in the Fund. However, Palogic does not prohibit clients in the Program from making an independent decision to invest in the Fund with the acknowledgment regarding the Fund's fees that are also separate and distinct from the Program Fee.

Please refer to the Form ADV Part 2A Appendix 1: Wrap Fee Program brochure for more information on fees and expenses for the Program.

Item 6 – Performance-Based Fees and Side-By-Side Management

Performance-Based Fees

As noted under Item 5 above, the Firm generally receives a Performance Allocation from the Funds, as more fully described in the Funds' offering documents.

The Performance Allocation arrangements may give the Firm an incentive to engage in more speculative investment strategies in order to potentially receive greater compensation. In addition, because the Performance Allocation arrangement with respect to the Fund may be calculated on a basis that includes both realized and unrealized appreciation in portfolios based upon values assigned by us or administrators, we face a conflict of interest in valuing those portfolios. Certain of our individual employees and affiliates who are compensated to some extent based upon investment profits for which they are responsible face the same potential conflicts.

The clients in the Program are not subject to any performance-based fees.

Side-By-Side Management

Palogic advises different clients (e.g., the Funds, clients in the Program). Multiple clients in the Program typically have investment strategies, that are similar to, the same as, overlapping with, or different from, those of the Funds, and may invest alongside the Funds (directly or indirectly) in all or certain of such investments. Palogic is only entitled to performance-based fees from the Funds. As such, the Adviser may have actual or potential conflicts of interest between the Funds and the clients in the Program with respect to the allocation of investment opportunities, allocation of time management from one account over another, conflicts in allocation of trades, and conflicts based on fees. For example, given that the Funds are subject to performance-based compensation, there is an economic incentive for Palogic to allocate investments to the Funds.

The Adviser's approach to its investment process is collaborative and supportive to help ensure coverage for client accounts and help mitigate these conflicts. The Adviser's general policy is to attempt to allocate in its sole discretion in a manner which it believes to be fair and equitable after taking in factor and considerations such as investment guidelines, risk, size and nature of the investments among other factors. The Firm has implemented an Allocation of Investment Opportunities policy and follows procedures it believes are reasonably designed to help ensure clients are treated fairly over time, and to prevent conflicts from influencing the allocation of investment opportunities among clients. We address this conflict through full and fair disclosure in the applicable governing, offering and/or account documents and this Disclosure Brochure.

Please refer to the Form ADV Part 2A Appendix 1: Wrap Fee Program brochure for more information on side-by-side management among the clients in the Program.

Item 7 – Types of Clients

Funds

The Firm provides investment advisory services to the Funds, based on the particular investment objectives and strategies described in the particular Fund offering documents. The Firm, in its sole discretion, may manage other funds or accounts with different objectives, higher or lower fees and different fee structures than the Funds.

The Firm generally requires a minimum investment of \$750,000 in the Fund. Pursuant to the terms of the subscription document and as required by SEC regulations, the Firm requires that U.S. investors in the Funds qualify as both “Accredited Investors” and “Qualified Clients.” Each prospective investor generally is required to complete and return various subscription documents to the Fund, which are designed to provide the Fund, the administrator, the Firm and the Firm’s affiliates and agents with important information about the investor. Subscriptions may be accepted or rejected, in whole or in part, in our sole discretion.

Wrap Fee Program

The Adviser also provides investment advisory services to individual high net worth investors, individual investors, trusts, foundations and charitable organizations, and small entities through the Program. The Adviser does not require that each Program account exceed a minimum asset amount prior to accepting the account holder as a client.

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

The descriptions set forth in this Disclosure Brochure of specific advisory services we offer to clients, investment strategies and investments we make on behalf of clients should not be understood to limit in any way our investment activities. We may offer any advisory services, engage in any investment strategy and make any investment, including any not described in this Disclosure Brochure, that we consider appropriate, subject to each client's investment objectives and guidelines.

Funds

Investment Objective

The Funds' primary investment objective is to achieve significant long-term capital appreciation while limiting the risk of capital loss. The Fund seeks to assess the value of its investments as a function of the underlying business results, prospects and ability to accrete value to the owners of the business (intrinsic value) as compared to the value based on the prevailing market price (market value). Where a disconnect between "intrinsic value" and "market value" exists, the Funds seeks to exploit the gap. The Fund may take long and short positions in a variety of asset classes: common and preferred equity, bonds, notes, options, index securities, hedging instruments such as futures derivatives and currency contracts, private equity and mezzanine securities and any other financial instrument that the Firm believes offers attractive returns. Our overall investment philosophy is value-driven and predicated on fundamental analysis. We invest with a bottom-up approach, focusing on individual companies. We generally do not invest Fund assets with a macroeconomic focus or in industries about which we do not have conviction.

Notwithstanding the foregoing, there can be no assurance that the Fund will be able to achieve its investment objective or that an investment in the Funds will be profitable. The Funds' investment program involves a substantial degree of risk, including the risk of complete loss. In fact, the practice of short selling and the use of leverage, derivatives and other investment techniques employed or that may be employed or utilized by the Funds, in certain circumstances, increases the adverse impact to which the Funds' investment portfolio is subject. Nothing in this Disclosure Brochure is intended to imply, and no one is or will be authorized to represent, that the Funds' investment program is low risk or risk free.

Investment Philosophy

The Firm believes that the marketplace presents opportunities where the market price of a security does not reflect its intrinsic value.

Long Investing

The Funds' long investment portfolio seeks opportunities that provide an asymmetrical return on investment coupled with attractive risk/reward characteristics. The General Partner's bottom-up, fundamental value-approach to investing focuses on fully understanding the resources a business has at its disposal from both an operational and managerial standpoint, and the ability of those resources to generate value for the owners.

The General Partner's methodology often reveals companies that are trading below their net asset value, at a low multiple of visible free cash flow, with attractive standalone valuations in consolidating industries trading at severe discounts to comparable takeout valuations, embedded options in a business that can be bought "for free", and turnarounds not fully understood or appreciated by the market.

The Adviser focuses on investments in small and mid-capitalization equity securities but realizes the opportunity to find mispriced securities varies by asset class, market capitalization, and geography over time. As such, the Adviser does not plan to limit the universe in which investment opportunities are sought.

Short Selling

The General Partner uses short positions both as a hedge in conjunction with other investments as well as to profit from the decline in price of a company's securities. The General Partner believes that its hedging activities reduce exposure to overall market risk, industry risk, and other risks. The General Partner anticipates that outright short candidates are generally companies with negative free cash flow, questionable or aggressive accounting practices, high valuations relative to peers, over-zealous expectations, customer concentration issues, flawed business models, and those facing competitive pressures that the General Partner believes the market does not fully appreciate.

Short-term Trading

The General Partner generally takes a long-term view of businesses and their prospects. The General Partner realizes that from the time an opportunity is identified and capital deployed until the security is what the General Partner believes to be "fairly valued", there may be many price swings in the security. The General Partner actively trades the securities in the Fund's portfolio to take advantage of the short-term supply/demand imbalances while maintaining a long-term view of the company and its prospects.

The General Partner attempts to take advantage of over and under reactions to news flow and events that affect companies such as earnings releases, legal settlements, industry data, and technical sell-offs. The General Partner also attempt to position the Fund to profit from identifiable catalysts that could result in short-term price swings of securities.

Investment Process

The Fund's investment process consists of idea generation, research, portfolio construction, and the continuous monitoring of the risk/reward characteristics of each security in the portfolio.

Idea Generation

Ideas are generated internally through proprietary screens and active monitoring of a broad set of companies in the Fund's investment universe. The General Partner's internal efforts are enhanced by relationships with brokers, other money managers and industry experts. The screening methods employed by the Fund are systematic and quantitative. The General Partner leverages its contact base to get a qualitative barometer of the marketplace and to gain insight as to where additional investment opportunities may lie.

Research and Analysis

During the research process, the General Partner reviews and analyzes financial statements, participates in conference calls, speaks to management of companies, buyside contacts, sell side analysts, competitors, suppliers, industry experts, makes company visits and references a variety of industry publications.

Using data collected, the General Partner quantifies what it believes to be fair value of the investment prospect based on a variety of bottom-up, fundamental valuation methodologies including: discounted cash flow analysis, comparable company analysis, private market valuation, and liquidation value. The General Partner's analyses rely heavily on financial statements and take a balance sheet centric approach to company valuation. The risk/reward characteristics of each investment prospect are evaluated on a standalone basis.

Portfolio Construction

If an opportunity is actionable, the General Partner determines the appropriate position size and how best to deploy the capital. Such decisions generally are based on the risk/reward profile of the security, the opportunity cost of not being invested, and how the investment relates to the overall portfolio. As the portfolio is built, Palogic attempts to limit systemic and non-systemic risks using any one of a variety of financial instruments.

Monitor

The fundamentals and risk/reward characteristics of each position in the Fund's portfolios are continuously monitored. As new information becomes available the General Partner adjusts its financial models, reviews the valuation theses, and adjusts the composition of the portfolio to maximize expected returns.

Risk Management

The General Partner believes its fundamental, bottom-up investment style yields a built-in risk control mechanism. The risk/reward characteristics of all positions added to the portfolio are carefully assessed and continuously monitored. As the portfolio is constructed, a top-down assessment of the portfolio's risk is evaluated using a variety of metrics and methodologies including: gross and net market exposure, sector exposure, concentration in single securities, the liquidity profile of the portfolio in aggregate and a proprietary "Value at Risk" model. The profit and loss of the portfolio is monitored in real-time with alerts set to prompt the General Partner as individual positions move for or against the fund by preset amounts.

The General Partner does not expect to employ significant leverage for the portfolio, and generally only uses what is available under Regulation T.

The General Partner focuses its investment attention on the public marketplace. However, from time to time the Funds may find opportunities in private equity, private debt, restricted securities, and other illiquid assets in which there is not a readily available market. The Fund attempts to restrict its exposure to these illiquid investments to 10% of the portfolio.

Trading, Clearing and Financing Arrangements

The Fund implements its investment strategies primarily through trades in financial instruments on various exchanges and markets that facilitate the buying and selling of such instruments (collectively, the "Exchanges"). The Fund's trades on the various Exchanges are executed through arrangements with appropriately registered broker-dealers, future commission merchants or electronic trading systems. The Fund generally pays brokerage or trading commissions, clearing fees, placement fees and Exchange fees in connection with its trades. The Fund effects transactions on both a cash and margin basis.

With respect to Exchange-traded financial instruments, the Fund clears its trades and maintains substantially all of its positions in account(s) with one or more clearing firms that act as prime brokers or in other custodial accounts (including bank accounts) held with a variety of other custodians. The Fund may also enter into over-the-counter transactions, including derivatives and securities lending transactions, with other counterparties. Many of the Funds' arrangements with prime brokers, custodians and other counterparties permit the Funds to post relatively small margin or collateral and obtain substantial leverage. The Fund assumes the credit risk associated with placing its funds and securities with prime brokers and custodians and entering into contract-based transactions with other counterparties, and the failure or bankruptcy of any of its custodians or other counterparties could have a material adverse impact on the Fund. With respect to margin accounts, the Fund generally is required by each custodian to maintain a certain balance in such accounts, either in the form of cash, financial instruments or a combination of the two. With respect to contract-based transactions, the Funds generally are required to post collateral with the counterparty equal to or exceeding its contractual obligations based on then-current market prices. Such margin and collateral accounts and the property in such accounts are subject to liens to secure the Fund's obligations to the custodian or counterparty, and the custodian

or counterparty generally is able to loan, pledge, rehypothecate and otherwise use such property without notice to or consent from the Funds or the investors.

In addition to the financing available through custodial accounts, derivatives transactions and securities lending, the General Partner is authorized to obtain financing on behalf of the Funds through any other structures or arrangements it deems appropriate and to grant guaranties on behalf of the Funds and pledge or otherwise transfer any assets of the Fund, including without limitation specific assets, pools of assets or its interest in entities, to secure such financing. Any costs associated with such financing arrangements, including interest as well as rating agency fees, investment banking fees, placement agent fees, legal fees and other transaction costs, would constitute Fund expenses.

Wrap Fee Program

In addition to the Funds, Palogic offers investment management services to clients in the Program. The Program's clients pay a single, all-inclusive (or "wrap") fee charged by the Palogic based on the value of the client's account assets for asset management, trade execution, custody, and reporting. The wrap fee typically includes the advisory fees charged by the Firm. These Program accounts are custom tailored services based on the client needs.

All transactions for clients under the Program are executed through a broker-dealer approved for participation in the Program. Participation in the Program may cost clients more or less than purchasing advisory and brokerage services separately. Additionally, the Program Fee may be higher or lower than fees charged by other sponsors of comparable wrap fee programs. The relative cost of the Program versus paying on a per transaction basis is based upon the number of transactions made in a client's account and the commission rates and other transaction costs that would be charged outside of the Program.

Please refer to the Form ADV Part 2A Appendix 1: Wrap Fee Program Brochure for details of the Program.

Certain Risk Factors

General Economic and Regulatory Risks

General Market and Economic Conditions

The success of our activities will be affected by and subject to general economic and market conditions, such as changes in interest rates, availability of credit, inflation rates, commodity prices, economic uncertainty, changes in laws, trade barriers, sanctions, trade wars, tariffs, bank failures, disruptions in the financial industry, financial institution instability, protectionist regulatory policies, currency exchange controls, national and international political circumstances and developments and other circumstances and occurrences (including, without limitation, wars, epidemics, pandemics, outbreak of disease, terrorist acts, security operations, natural disasters, recessions and government operations), as well as changes in government or regulatory policy precipitated by the foregoing. For example, hostilities and disputes between Russia and Ukraine and Israel and Hamas, as well as the recent bank failures, could destabilize the worldwide economy and equity markets in various respects. These and other factors may affect the level and volatility of securities prices, the correlations and relationships between the prices of various securities and the liquidity of client investments in ways that impair client or investor profitability or result in losses. Unpredictable or unstable market conditions may also result in reduced opportunities to find suitable investments to deploy capital or make it more difficult to exit and realize value from client investments. Material changes and fluctuations in the economic environment, particularly of the type experienced in the years following 2008 that caused significant dislocations, illiquidity and volatility in the wider global economy, and the market changes that have resulted and may continue to result from the novel coronavirus ("COVID-19") global pandemic or other outbreaks of disease and the recent adverse developments affecting the U.S. and international financial services industries, may affect our ability to make investments and the value of investments held by our clients or our ability to dispose of investments. Specifically, in recent years bank failures in the United States resulted in market disruption and volatility, and significant government intervention. The short-term and the longer-

term impact of these events are uncertain, but they could continue to have a material effect on general economic conditions, consumer and business confidence and market liquidity. Any economic downturn resulting from a recurrence of such marketplace events and/or continued volatility in the financial markets could adversely affect the financial resources of entities owned by our clients, clients could experience a reduction in attractive investment opportunities and client investments could be materially impaired in many ways that cannot be predicted. Additionally, there has been discussion and dialogue regarding potential significant changes to U.S. trade policies, legislation, treaties, trade policies and tariffs affecting various countries. Tariffs and other trade restrictions imposed by the U.S. government and any further similar changes in U.S. trade policy have triggered some, and could trigger additional, retaliatory actions by affected countries, possibly resulting in “trade wars”. At this time, it is unknown whether and to what extent additional new legislation will be passed into law, pending or new regulatory proposals will be adopted (including with respect to bank reform), international trade agreements will be negotiated, or the effect that any such action would have, either positively or negatively, on clients or their investments. Investments can be expected to be sensitive to the performance of the overall economy. Moreover, a serious pandemic, recent bank failures, government shutdown, work stoppage, natural disaster, armed conflict, threats of terrorism or terrorist attacks and the impact of military or other action could severely disrupt global, national and/or regional economies. A resulting negative impact on economic fundamentals and consumer and business confidence may negatively impact market value, increase market volatility (including commodity price volatility) and reduce liquidity, all or any of which could have an adverse effect on the performance of clients’ investments, clients’ returns and clients’ ability to make and/or dispose of investments. Global economic and market conditions have been materially adversely affected by the ongoing conflicts between Russia and Ukraine and between Israel and Hamas, as well as recently by turmoil in the banking industry.

There can be no assurance that general market developments in the future will not have a material adverse effect on clients. Clients and investors could incur material losses even if we react quickly to difficult market conditions, and there can be no assurance that clients will not suffer material losses and other adverse effects from rapid changes in market conditions in the future. Investors and clients should realize that markets for the financial instruments in which we invest can correlate strongly with each other (or cease to correlate) at times or in ways that are difficult for us to predict. Even a well-analyzed approach may not protect clients from significant losses under certain market conditions.

The particular or general types of market conditions in which clients may incur losses or experience unexpected performance volatility cannot be predicted.

Disruption in the Financial Services Industry

Our ability to make investments, secure funding and engage in other transactions could be adversely affected by the actions and stability of other financial institutions. Financial services institutions are interrelated as a result of trading, clearing, counterparty and other relationships. As a result, defaults by, or even rumors or questions about, one of more financial service institutions, or the industry generally, have historically led to market-wide liquidity problems. Specifically, in March 2023, both Silicon Valley Bank (“SVB”) and Signature Bank were closed and swept into receivership with the Federal Deposit Insurance Corporation (the “FDIC”). In addition, First Republic Bank’s credit rating was downgraded after securing billions in funds from other financial institutions to avoid closure, and Credit Suisse was rescued with a buy-out from UBS. Such failures led to depositors withdrawing their funds from these and other financial institutions, leading to severe market disruption and extreme volatility in the prices of the securities issued by financial institutions. Losses of depositor, creditor and counterparty confidence could lead to losses or defaults by the Funds, clients or other institutions. In response to the bank failures at SVB and Signature Bank and the resulting market reaction, the Secretary of the Treasury, the Federal Reserve and the FDIC indicated that all depositors of SVB and Signature Bank would have access to all deposits by utilizing the Deposit Insurance Fund, including bridge banks to assume all of the deposit obligations of the failed banks, while leaving unsecured lenders and equity holders of such institutions exposed to such losses. The Federal Reserve also created the Bank Term Funding Program to ensure banks have the ability to meet the needs of their depositors. There is no guarantee that the Department of Treasury, FDIC and the Federal Reserve will provide access to uninsured funds in the future in the event of the closure of other financial

institutions (or do so in a timely fashion) and it is uncertain whether these steps by the government will be sufficient to calm the financial markets, reduce the risk of significant depositor withdrawals at other institutions and thereby reduce the risk of additional bank failures.

Public Health Risk

Our clients, affiliates and service providers could be adversely affected by the effects of a widespread outbreak of contagious disease, such as the COVID-19 pandemic. Public health crises can develop rapidly and unpredictably, which may prevent governments, asset managers, companies or from taking timely or effective steps to mitigate or reduce any adverse impacts to our clients and their investments. The extent and duration of any such impacts will depend on future developments, which are highly uncertain and cannot be predicted at this time.

Any outbreak of contagious diseases and other adverse public health developments, together with any resulting disruptions or restrictions on travel, quarantines or “stay-at-home” orders, social distancing policies and/or quarantines imposed or recommended by governments and private parties in the jurisdictions where our clients or their investments are based (together, the “Isolation Measures”), could have a material and adverse effect on our clients and their investments, including by disrupting or otherwise adversely affecting the human capital, business operations or financial resources of our clients, their investments, or their respective service providers (which could, in turn, adversely impact the ability of such service providers to fully support the administration and operations of our clients or their investments).

In addition, a significant outbreak of contagious diseases in the human population, and any containment or other remedial measures imposed (including Isolation Measures), may result in a widespread health crisis that could severely disrupt global, national and/or regional economies and financial markets and cause an economic downturn that could adversely affect the performance of our clients and/or their investments. Although the long-term economic fallout of the COVID-19 pandemic is difficult to predict, future pandemics would likely contribute to market volatility and lead to economic slowdowns given the disruption to supply chains across sectors and industries worldwide, which may reduce investment activity more generally and materially and adversely affect our clients and/or their investments. To the extent an epidemic or pandemic, including COVID-19, is present in jurisdictions in which we have offices or other operations or investments, it could affect the ability of us and our affiliates to operate effectively, including the ability of personnel to function, communicate and travel to the extent necessary to carry out the investment strategies and objectives of our clients.

The performance of our clients may also be affected by particular issues affecting companies, regions or sectors of their investments. The extent of any such impacts will depend on future developments, which are highly uncertain and cannot be predicted at this time. There are no comparable recent events in the United States or globally that provide guidance as to the effect of the spread of a pandemic such as COVID-19 on the economy as a whole and the specific sectors in which our clients may invest. Prospective investors in the Funds and clients should note that any information provided regarding the most recent valuations of an investment, including our historical investments and assets under management, was determined and relates to periods after the widespread outbreak of COVID-19. Given the levels of uncertainty, economic and financial market disruptions and volatility in connection with the outbreak, it is possible recent valuations and/or current or prior performance of our clients and their investments could be adversely impacted for current and future periods (at least in the short term).

Regulatory Developments

The financial services industry generally, and the activities of private funds and their managers in particular, have been subject to intense and increasing regulatory scrutiny. Such scrutiny may increase clients’ exposure to potential liabilities and to legal, compliance and other related costs. Increased regulatory oversight may also impose additional administrative burdens on Palagic, including, without limitation, responding to investigations and implementing new

policies and procedures. Such burdens may divert Palogic's and/or the Principals' time, attention and resources from portfolio management activities.

Securities and credit markets are subject to comprehensive statutes, regulations and other requirements. The SEC, other regulators and self-regulatory organizations and exchanges are authorized to take extraordinary actions in the event of market emergencies. Additionally, the regulation of the markets in which clients may participate is subject to modification by government and judicial actions. The effects of any changes in law or interpretations of existing laws of the Funds, the Program and Palogic could be substantial and adverse.

The legal, tax and regulatory environment worldwide for private investment funds is evolving, and changes in the regulation of and laws applicable to private investment funds, their managers and their trading and investing activities may have a material adverse effect on the ability of the Fund to pursue its investment program and the value of investments held by the Fund. There has been an increase in scrutiny of the alternative investment industry by governmental agencies and self-regulatory organizations. New laws and regulations or actions taken by regulators that restrict the ability of the Fund to pursue its investment program or conduct business with brokers and other counterparties could have a material adverse effect on the Fund.

The U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act") and the rules and regulations thereunder and other laws and regulations have added and may continue to add costs to the legal, operational and compliance obligations of Palogic and the Fund and increase the amount of time that Palogic spends on non-investment-related activities. The European Union ("EU") has approved the Alternative Investment Fund Managers Directive ("AIFMD"), which seeks a common EU approach to the regulation of hedge funds and other types of alternative investment funds. The Dodd-Frank Act, AIFMD and other regulations could cause certain investment strategies in which the Fund currently engages or may otherwise have engaged to become not viable, economically or practically. Additional laws, rules and regulations could have a material adverse impact on the potential of the Fund and its business. Among other possible effects, such laws, rules and regulations could change the functioning of capital markets in unpredictable ways, limit the scope of clients' investment activities, including through limitations on short selling imposed with little or no notice, limit access to financing, increase margin or collateral requirements, limit leverage, impose position limits, require disclosure of confidential information, change applicable accounting requirements, impose new taxes or impose significant administrative burdens, which divert resources, time and attention. Consequently, clients may not be capable of, or successful at, preserving the value of portfolios, generating positive investment returns or effectively managing risks.

New Private Fund Adviser Rules

On August 23, 2023, the SEC adopted new rules and rule amendments under the Advisers Act that will significantly impact and affect private fund advisers, including those registered with the SEC and those exempt from registration (the "Private Fund Adviser Rules"). The Private Fund Adviser Rules generally provide for (i) significantly increased disclosure and periodic reporting requirements, including with respect to financial performance, preferential treatment provided to investors, and fees and expenses, (ii) mandatory annual audits of private funds, (iii) certain disclosure and other requirements with respect to adviser-led secondary transactions, including requirements to obtain and distribute third-party fairness or valuation opinions in connection with such transactions, (iv) investor disclosure and/or consent requirements with respect to certain types of restricted activities, including, but not limited to, charging fees or expenses related to a portfolio investment on a non-pro rata basis, borrowing from a private fund, charging certain regulatory, compliance or regulatory investigation fees and expenses to a private fund, and (v) prohibitions on granting preferential redemption rights or providing preferential portfolio information rights or transparency to certain private fund investors. The dates by which private fund advisers will be required to comply with the Private Fund Adviser Rules vary with respect to the specific provisions of the rules and by the size of the private fund adviser (in general, the compliance date will be either September 14, 2024 or March 14, 2025). The Private Fund Adviser Rules will significantly increase the costs of compliance for private fund advisers and private funds, including us and the Funds, and may require significant amendments and revisions to the governing documents of the Funds and/or our practices

and/or disclosures with respect to the Funds, some of which may materially alter the terms and/or costs of an investment in the Funds. Potential for Fraud

In spite of Palagic's efforts to invest in reputable and trustworthy companies, there is a risk that clients may invest in issuers that engage in fraud. Instances of fraud can be particularly difficult to detect and prevent. To the extent that clients invest in a company that engages in fraud, clients could lose all or a substantial portion of their investments in such company and it could have a material adverse effect on the clients' financial condition.

Government Intervention

In 2008, the global financial markets underwent disruptions that led to certain governmental intervention. The COVID-19 global pandemic and volatility in the bank industry have previously led and will likely continue to lead to substantial governmental intervention (both in the United States and abroad). Such intervention, in certain cases, was implemented on an "emergency" basis, suddenly and substantially eliminating market participants' ability to continue to implement certain strategies or manage the risk of their outstanding positions. In addition, these interventions were or are typically unclear in scope and application, resulting in confusion and uncertainty which in itself can be materially detrimental to the efficient functioning of the markets as well as previously successful investment strategies. If governmental intervention programs are unwound, there could likewise be uncertainty and adverse effects on the markets. In the case of any future market disruptions, it is impossible to predict what interim or permanent governmental restrictions (or easing of restrictions) may be imposed on the markets or the effect of such restrictions on our or our clients' investment strategies.

Geopolitical Risks

An unstable geopolitical climate and continued threats of terrorism could have a material effect on general economic conditions, market conditions and market liquidity. In addition, the United States and governments globally have seen a rise in populist and nationalist tendencies, with political parties espousing such themes gaining strength in local and national elections. Geopolitical tensions, such as the Russia-Ukraine and the Israel-Hamas conflicts, have led to disruption, instability and volatility in global markets and industries that could negatively impact our clients and/or their investments. The U.S. and other governments have imposed meaningful sanctions and export controls against Russia and Russian interests and threatened additional sanctions and controls. Our clients' investments will be required to comply with such measures and the full impact of such measures (including supply chain disruptions), as well as potential responses to them by Russia, is currently unknown and may become significant. The continued threat of terrorism and the impact of military or other action have led to and will likely lead to increased volatility in prices for oil and gasoline and could affect certain investments financial results. Further, the United States government has issued public warnings indicating that energy assets might be specific targets of terrorist organizations. As a result of such a terrorist attack or of terrorist activities in general, such investments may not be able to obtain insurance coverage and other endorsements at commercially reasonable prices or at all. Additionally, a serious pandemic or a natural disaster could severely disrupt the global, national and/or regional economies. A resulting negative impact on economic fundamentals and consumer confidence may increase the risk of default with respect to particular investments of our clients, negatively impact market value, increase market volatility and cause credit spreads to widen and reduce liquidity, all of which could have an adverse effect on our clients' returns and ability to make new investments. No assurance can be given as to the effect of these events on the value of or markets for investments.

Terrorist Attacks, War and Natural Disasters

Terrorist activities, anti-terrorist efforts, armed conflicts involving the United States or its interests abroad and natural disasters may adversely affect the United States, its financial markets and global economies and markets and could prevent clients from meeting their respective investment objectives and other obligations. The potential for future terrorist attacks, the national and international response to terrorist attacks, other acts of war or hostility and recent natural disasters have created many economic and political uncertainties in the past and may do so in the future, which

may adversely affect the United States and world financial markets and clients for the short or long- term in ways that cannot presently be predicted.

In February 2022, an armed conflict escalated between Russia and Ukraine and Russia invaded Ukraine. In response to such invasion, the United States, the European Union and many other countries and organizations have announced various sanctions against Russia and various Russian persons and companies. The sanctions announced by the U.S. and other countries to date include restrictions on selling or importing goods, services, or technology in or from affected regions and travel bans and asset freezes impacting connected individuals and political, military, business and financial organizations in Russia. The U.S. and other countries could impose wider sanctions and take other actions should the conflict further escalate or deteriorate.

In October 2023, following a series of attacks by Hamas on Israeli civilian and military targets, Israel declared war on Hamas in Gaza. The Ukraine-Russia and Israel-Hamas conflicts have led to, and may continue to lead to, significant political, geopolitical, economic and market turmoil and volatility, including dramatic increases and/or instability in oil and gas prices and further supply chain disruptions. For example, recent Houthi attacks on commercial shipping vessels in the Red Sea and Suez Canal, which are related to the Israel-Hamas war, have disrupted global supply chains, resulting in increased shipping costs, freight surcharges, shipment delays, reduced shipping capacity and caused other significant supply chain impacts. It is not possible to predict the broader consequences of these conflicts, which could include further sanctions, embargoes, regional instability, geopolitical shifts and adverse effects on macroeconomic conditions, currency exchange rates and financial markets, all of which could impact any client's business, financial condition and results of operations.

Sanctions Compliance Considerations

Economic sanction laws in the United States and other jurisdictions may prohibit or otherwise restrict clients or us from engaging in transactions in or relating to certain countries and relating to certain individuals and entities. In the United States, the U.S. Department of the Treasury's Office of Foreign Asset Control ("OFAC") and U.S. Department of State administer and enforce laws, executive orders and regulations establishing U.S. economic and trade sanctions. Such sanctions prohibit, among other things, transactions with, and the provision of services to, certain foreign countries, territories, entities and individuals. These persons and entities include specially designated nationals and other persons and entities targeted by OFAC sanctions programs. The lists of OFAC restricted countries, territories, persons and entities, including the List of Specially Designated Nationals and Blocked Persons, as such list may be amended from time to time, can be found on the OFAC website at www.treas.gov/ofac. In addition, certain programs administered by OFAC prohibit dealing with individuals or entities in certain countries regardless of whether such individuals or entities appear on the lists maintained by OFAC. These types of sanctions and similar laws and regulations in non-U.S. jurisdictions may significantly restrict client direct or indirect investment activities in certain countries. The economic sanctions and related laws of different jurisdictions in which any client makes investments also may conflict with one another, such that compliance with all applicable laws may be difficult. Failure by us or clients to comply with OFAC or other relevant sanctions could have serious legal and reputational consequences, including civil and criminal penalties.

Inflation

The rate of inflation has been elevated in recent years and it is currently expected that it may remain high or elevated in the future, especially given the recent market turmoil as a result of the crises in the financial industry. Inflation and rapid fluctuations in inflation rates have in the past had and are currently having negative effects on economies and financial markets, particularly in emerging economies. For example, if an issuer is unable to increase its revenue in times of higher inflation, its profitability may be adversely affected. Issuers may have revenues linked to some extent to inflation, including, without limitation, by government regulations and contractual arrangement. As inflation rises, an issuer may earn more revenue but may incur higher expenses. As inflation declines, an issuer may not be able to reduce expenses commensurate with any resulting reduction in revenue. Furthermore, wages and prices of inputs increase during periods of inflation, which can negatively impact returns on investments. In an attempt to stabilize inflation, countries may

impose wage and price controls or otherwise intervene in the economy. Governmental efforts to curb inflation often have negative effects on the level of economic activity. If inflation were to continue at the current level or rise at rates higher than those anticipated in underwriting our clients' investments, the effective rate of return on such investments may be reduced. Past governmental efforts to curb inflation have also involved more drastic economic measures that have had a materially adverse effect on the level of economic activity in the countries where such measures were employed. There can be no assurance that inflation (*e.g.*, an unexpected rise in the rate of inflation or the continued elevation of inflation rates) will not have a material adverse impact on our clients and their investments.

Portfolio Risks

Cash and Cash Equivalents

The Fund may hold cash and cash equivalents at any given time during the term thereof. Available cash and cash equivalents generally are held in accounts at third party financial institutions (which may not bear interest or generate income). The Fund's access to its invested cash and cash equivalents may be impacted by adverse conditions in the financial markets, including those resulting from the recent bank failures. Cash balances in operating accounts could be impacted if the underlying financial institutions fail or other adverse conditions in the financial markets occur.

Investment and Trading Risks Generally

All investments risk the loss of capital. No guarantee or representation is or will be made that the Adviser will be successful or that an investment in the will be profitable. The investment program involves and/or may involve, without limitation, risks associated with limited diversification, short-selling, leverage, micro- and small-capitalization companies, equity risks, distressed issuers, interest rates, currencies, volatility, tracking risks in hedged positions, security borrowing risks in short sales, credit deterioration or default risks, systems risks and other risks inherent in the Adviser's activities. The performance of any particular investment is subject to numerous factors which are neither within the control of, nor predictable by, the Palogic. Such factors include a wide range of economic, political, competitive and other conditions that may affect investments in general or specific industries or companies. Certain investment techniques of the Adviser may, in certain circumstances, substantially increase the impact of adverse market movements to which the Adviser may be subject. In addition, the investments may be materially affected by conditions in the financial markets and overall economic conditions occurring globally and in particular countries or markets where the Fund invests its assets.

Palogic's methods of minimizing such risks may not accurately predict future risk exposures. Risk management techniques are based in part on the observation of historical market behavior, which may not predict market divergences that are larger than historical indicators. Also, information used to manage risks may not be accurate, complete or current, and such information may be misinterpreted.

Market Volatility

The profitability of clients substantially depends upon correctly assessing the future price movements of stocks, bonds, options on stocks, and other securities. The Adviser cannot guarantee that it will be successful in accurately predicting price and interest rate movements.

Investment Selection and Market Risk

"Investment selection risk" is defined herein as the risk that the Adviser may not select and size positions appropriately within the portfolio. An associated "market risk" arises from the influence of the movements of the overall market or the value of the individual investments in the portfolio. The profitability of a significant portion of the client's investment program depends to a great extent upon correctly predicting the future price movements and/or general value of securities and other investments. There can be no assurance that the Palogic will be able to accurately predict these price movements

or future valuation, nor can assurance be given that the investment portfolio will generate any returns or otherwise appreciate in value. With respect to the investment strategy utilized, there is also market risk. For these reasons, clients may also incur losses, and a prospective investor in the Funds or clients in the Program should not invest unless it is in a position to sustain a substantial loss with respect to its investments.

Discretion and Changes in Investment Strategy

Palogic has discretion in choosing the investments acquired by clients and has the right to modify the selection criteria or hedging techniques (if any) used without the consent of the investors in the Fund or clients (unless set forth in the IMA). Any of the investment strategies, analytical models, or trading techniques may have operational or theoretical shortcomings, which could result in unsuccessful trades and, ultimately, losses. In addition, any new investment strategy or hedging technique developed may be more speculative than earlier techniques and may increase the risk of an investments.

Equity Risks

The Fund and clients in the Program invest in equity and equity-derivative securities. The market price of securities owned by clients may go up or down, sometimes rapidly or unpredictably. A risk of investing is that the equity securities in its portfolio will decline in value due to factors affecting equity securities markets generally or the sectors invested in. Depending on whether a client has a long or short position in a particular equity security, the value of such equity security may decline due to general market conditions which are not specifically related to a particular company, such as real or perceived adverse economic conditions, changes in the general outlook for corporate earnings, changes in interest or currency rates or adverse investor sentiment generally. They may also decline due to factors which affect a particular industry or industries, such as labor shortages or increased production costs and competitive conditions within an industry. Other risks of investing globally in equity securities may include changes in currency exchange rates, exchange control regulations, expropriation of assets or nationalization, imposition of withholding taxes on dividend or interest payments, and difficulty in obtaining and enforcing judgments against non- U.S. entities. In addition, securities which the Adviser believes are fundamentally undervalued or incorrectly valued may not ultimately be valued in the capital markets at prices and/or within the time frame the Adviser anticipates. As a result, a client may lose all or substantially all of its investment in any particular instance.

Investments in Undervalued Equity and Equity-Related Securities

The clients may invest in what the Adviser believes to be undervalued equity and equity-related securities. The identification of investment opportunities in undervalued securities is a difficult task, and there are no assurances that such opportunities will be successfully recognized or acquired. While investments in undervalued securities offer the opportunities for above average capital appreciation, these investments involve a high degree of financial risk and can result in substantial losses. Returns generated from the client's investments may not adequately compensate for the business and financial risks assumed. Palogic may make certain speculative investments on behalf of its clients in securities which it believes to be undervalued; however, there are no assurances that the securities purchased will in fact be undervalued. In addition, a client may be required to hold such securities for a substantial period of time before realizing their anticipated value. During this period, a portion of a client's assets may be committed to the securities purchased, thus possibly preventing a client from investing in other opportunities. In addition, the Funds may finance such purchases with borrowed funds and thus will have to pay interest on such funds during such waiting period. If the Adviser takes long positions in stocks that decline and short positions in stocks that increase in value, then the losses of clients may exceed those of other portfolios that hold long positions only.

Fundamental Analysis

Fundamental analysis is premised on the assumption that markets are not perfectly efficient, that informational advantages and mispricings do occur and that econometric analysis can identify trading opportunities. Fundamental analysis may incur substantial losses if such economic factors are not correctly analyzed, not all relevant factors are identified and/or market forces cause mispricings to continue despite the traders having correctly identified such mispricings. Fundamental analysis may also be more subject to human error and emotional factors than technical analysis.

Investment in Small- and Medium-Capitalization Companies

Clients may invest worldwide and may invest a portion of capital in small- and mid-cap issuers. Investments in small and medium capitalization companies, particularly small capitalization companies, involve higher risks in some respects than do investments in securities of larger companies. For example, prices of small-capitalization and even medium-capitalization stocks are often more volatile than prices of large-capitalization stocks, and the risk of bankruptcy or insolvency of many smaller companies (with the attendant losses to investors) is higher than for larger, “blue-chip” companies. In addition, due to thin trading in securities of some small-capitalization companies, an investment in those securities may be highly illiquid. Some small companies have limited distribution channels and financial and managerial resources. Such companies may also be dependent on personnel (including key personnel) with limited experience.

Palogic has made and may in the future make investments that allow the Adviser to exercise influence over management and the strategic direction of a company. The exercise of control over an investment could expose the assets of our clients to claims by a company, its shareholders and its creditors. While Palogic intends to manage clients’ investments in a manner that will minimize the exposure to these risks, the possibility of successful claims cannot be precluded.

Limited Diversification and Risk Management Failures

Client investments are not required to be diversified to any material extent. At any given time, it is possible that the client investments or portfolio risks could be concentrated in only a few industries, companies, geographic regions, asset types, strategies or other areas of risk. Such concentration could increase losses suffered by clients and, as a result, clients could experience significant losses if general economic conditions, and, in particular, those relevant to the issuers whose securities are owned by clients, decline. In addition, clients’ portfolios could become significantly concentrated in a limited number of issuers, types of financial instruments, industries, strategies, countries or geographic regions, and any such concentration of risk may increase losses suffered by clients. This limited diversity could expose clients to losses disproportionate to market movements in general. Other investment managers pursue similar strategies, which creates the risk that many investors may be forced to liquidate positions at the same time, reducing liquidity, increasing volatility and exacerbating losses. Although Palogic attempts to identify, monitor and manage certain significant risks related to specific investments, these efforts do not take all risks into account, including systematic market risk, and there can be no assurance that these efforts will be effective. Many risk management techniques are based on observed historical market behavior, but future market behavior may be entirely different. Any inadequacy or failure in Palogic’s risk management efforts could result in material losses for clients.

Off-Balance Sheet Risk

In the normal course of business, clients may invest in financial instruments with off- balance sheet risk. These instruments include forward contracts, swaps and securities and options contracts sold short. An off-balance sheet risk is associated with a financial instrument if such instrument exposes the investor to an accounting and economic loss in excess of the investor’s recognized asset carrying value in such financial instrument, if any; or if the ultimate liability associated with the financial instrument has the potential to exceed the amount that the investor recognizes as a liability in the investor’s statement of assets and liabilities. Additionally, in the normal course of business, clients may purchase

long positions in option contracts that do not have off-balance sheet-risk. The risk that these financial instruments expose the investor to is not in excess of the investor's recognized asset carrying value in the statement of assets and liabilities.

Short Selling

In certain circumstances, Palologic will execute short sales on behalf of clients. In a short sale, the seller sells a security that it does not own, typically a security borrowed from a broker or other counterparty. Because the seller remains liable to return the underlying security that it borrowed from the broker or counterparty, the seller must purchase the security prior to the date on which delivery to the broker or dealer is required. The making of short sales exposes the Fund to the risk of liability for the market value of the security that is sold, which is an unlimited risk in theory due to the lack of an upper limit on the price to which a security may rise. In addition, there can be no assurance that securities necessary to cover a short position will be available for purchase or that securities will be available for the Fund to borrow at reasonable costs. If a request for a return of borrowed securities occurs at a time when other short sellers of the security are receiving similar requests, a "short squeeze" can occur, in which case clients may be compelled to replace borrowed securities previously sold short with purchases on the open market at the most disadvantageous time, possibly at prices significantly in excess of the proceeds received in originally selling the securities short. A significant "short squeeze" event occurred in January 2021 with respect to the securities of GameStop Corp (GME), where retail investors utilized Robinhood and other popular commission-free trading platforms and social media platforms to execute a "short squeeze" strategy aimed at destroying the short sale efforts of prominent hedge funds and other institutional investors who were attempting to profit from the demise of GameStop stock. The efforts of these retail investors pushed the price of GameStop stock to record levels in a very short period of time, and many hedge funds and other investors lost billions of dollars as they were forced to close out their short positions on GameStop stock in connection with the short squeeze. This situation is likely to reoccur in the future, as social media and popular commission free trading platforms have made it easier for a large number of retail investors to band together and cause disruptions in the trading strategies of hedge funds and other institutional investors. The recent controversy relating to GameStop may lead to SEC scrutiny and greater regulation of such strategies.

On October 13, 2023, the SEC adopted new rules requiring the reporting of all short positions above certain thresholds. These new rules and related requirements will require additional monitoring and reporting of short positions, thereby increasing the administrative, regulatory and compliance burdens and costs for Palologic and its clients. The SEC may adopt or enact additional rules requiring public disclosure of short positions in the future. In addition, other non-U.S. jurisdictions where our clients may trade have adopted or may adopt reporting requirements. If clients' short positions or Palologic's strategy become generally known, it could have a material or significant effect on Palologic's ability to implement or effect clients' investment strategies. In particular, it would make it more likely that other investors could cause or lead Palologic into a "short squeeze" in the securities held short by clients, forcing clients to cover positions at a loss. Such reporting requirements likely would also limit Palologic's ability to access management and other personnel at certain issuers where a client seeks to take or establish a short position. In addition, if other investors engage in copycat behavior by taking positions in the same issuers as Palologic's clients, the cost of borrowing securities to sell short could increase significantly and the availability of such securities to Palologic's clients could decrease significantly. The SEC has adopted various restrictions or limitations on the short sale of securities which fall more than 10% in a given day (referred to as the "circuit breaker" or "modified uptick rule"). The SEC and regulatory authorities in other jurisdictions could adopt (and in certain cases have adopted) bans or restrictions or limitations on short sales of certain securities or short sales with respect to certain issuers in response to significant market events. Restrictions, limits or bans on short selling would make it more difficult for Palologic to execute or effect certain investment strategies and may have a material adverse effect on a client's ability to achieve its investment objectives and generate returns.

Call Options

In certain circumstances, clients may transact in call options. There are significant risks associated with the sale and purchase of call options. A call option is a financial contract that gives the buyer of the contract the right, but not the

obligation, to buy a security or other financial instrument from the seller (or “writer”) at a specified price within a specified time period. The buyer pays a non-refundable premium to the seller for the right to exercise the call option. The seller (writer) of a call option which is covered (*e.g.*, the writer holds the underlying security) assumes the risk of a decline in the market price of the underlying security below the purchase price of the underlying security less the premium received and gives up the opportunity for gain on the underlying security above the exercise price of the option. The seller of an uncovered call option assumes the risk of a theoretically unlimited increase in the market price of the underlying security above the exercise price of the option. The securities necessary to satisfy the exercise of an uncovered call option may be unavailable for purchase, except at much higher prices, thereby reducing or eliminating the value of the premium. Purchasing securities to cover the exercise of an uncovered call option can cause the price of the securities to increase, thereby exacerbating the loss. The buyer of a call option assumes the risk of losing its entire premium investment in the call option.

Put Options

In certain circumstances, clients may transact in put options. There are risks associated with the sale and purchase of put options. A put option is a financial contract that gives the buyer of the contract the right, but not the obligation, to sell a security or other financial instrument to the seller of the put at a specified price within a specified time period. The buyer pays a non-refundable premium to the seller for the right to exercise the put option. The seller (writer) of a put option which is covered (*e.g.*, the writer has a short position in the underlying security) assumes the risk of an increase in the market price of the underlying security above the sales price (in establishing the short position) of the underlying security plus the premium received and gives up the opportunity for gain on the underlying security if the market price falls below the exercise price of the option. The seller of an uncovered put option assumes the risk of a decline in the market price of the underlying security below the exercise price of the option. The buyer of a put option assumes the risk of losing its entire investment in the put option.

Long/Short

The identification of investment opportunities in the implementation of a client’s long/short investment strategies is a difficult task, and there are no assurances that such opportunities will be successfully recognized or acquired. In the event that the perceived opportunities underlying the client’s positions were to fail to converge toward or were to diverge further from values expected by Palagic, the client may incur a loss. In the event of market disruptions, significant losses can be incurred which may force the client to close out one or more positions.

Investments in Distressed Issuers

Our clients might invest in equity securities of issuers in weak financial condition, experiencing poor operating results, having substantial capital needs or negative net worth, facing special competitive or product obsolescence problems and “below investment-grade” debt securities, including companies involved in covenant or payment default or in bankruptcy or other reorganization and liquidation proceedings. These securities are likely to be particularly risky investments although they also may offer the potential for high returns. Among the risks inherent in investments in troubled entities is the fact that it frequently may be difficult to obtain information as to the true condition of such issuers. Such investments may also be adversely affected by laws relating to, among other things, fraudulent transfers and other voidable transfers or payments, lender liability and the bankruptcy court’s power to disallow, reduce, subordinate or disenfranchise particular claims. Such companies’ securities may be considered speculative, and the ability of such companies to pay their debts on schedule and otherwise continue to operate could be affected by adverse interest rate movements, changes in the general economic climate, economic factors affecting a particular industry or specific developments within such companies. The level of analytical sophistication, both financial and legal, necessary for successful investment in companies experiencing significant business and financial difficulties is high, and there is no assurance that Palagic will analyze such investments correctly.

Highly Volatile Markets

The prices of financial instruments in which clients may invest can be highly volatile. Price movements of the financial instruments in which clients' assets may be invested are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments and national and international political and economic events and policies. Clients are subject to the risk of failure of any of the Exchanges on which its positions trade or of its clearinghouses. In addition, governments from time to time intervene in certain markets, directly, by regulation and otherwise, particularly in currencies, futures, and options. Such intervention is often intended to directly influence prices and may, together with other factors, cause some or all of these markets to move rapidly in the same direction. The effect of such intervention is often heightened by a group of governments acting in concert.

Stock Index Options

In certain circumstances, the Adviser may purchase and sell call and put options on stock indices listed on securities exchanges or traded in the over-the-counter market for the purpose of realizing the investment objectives of its clients or for the purpose of hedging clients' portfolios and managing net exposure. A stock index or index option fluctuates with changes in the market values of the stocks included in the index. The effectiveness of purchasing or writing stock index options for hedging purposes will depend upon the extent to which price movements in clients' portfolio correlates with price movements of the stock indices selected. Because the value of an index option depends upon movements in the level of the index rather than the price of a particular stock, whether a client realizes gains or losses from the purchase or writing of options on indices depends upon movements in the level of stock prices in the stock market generally or, in the case of certain indices, in an industry or market segment, rather than movements in the price of particular stocks. Accordingly, successful use of options on stock indices will be subject to the Adviser's ability to correctly predict movements in the direction of the stock market generally or of particular industries or market segments. This requires different skills and techniques than predicting changes in the price of individual stocks.

Fixed Income Securities

In addition to its investment in public equity securities, clients may invest in bonds or other fixed income securities of issuers including, without limitation, bonds, notes, and debentures issued by corporations; debt securities and commercial paper. Fixed income securities pay fixed, variable or floating rates of interest. The value of fixed income securities in which clients may invest will change in response to fluctuations in interest rates. In addition, the value of certain fixed income securities can fluctuate in response to perceptions of creditworthiness, political stability or soundness of economic policies. Fixed income securities are subject to the risk of the issuer's inability to meet principal and interest payments on its obligations (*i.e.*, credit risk) and are subject to price volatility due to such factors as interest rate sensitivity, market perception of the creditworthiness of the issuer and general market liquidity (*i.e.*, market risk).

Convertible Securities

The clients may invest in convertible securities. Convertible securities are bonds, debentures, notes, preferred stocks, or other securities that may be converted into or exchanged for a specified amount of common stock of the same or different issuer within a particular period of time at a specified price or formula.

The value of a convertible security is a function of its "investment value" (determined by its yield in comparison with the yields of other securities of comparable maturity and quality that do not have a conversion privilege) and its "conversion value" (the security's worth, at market value, if converted into the underlying common stock). The investment value of a convertible security is influenced by changes in interest rates, with investment value declining as interest rates increase and increasing as interest rates decline. The credit standing of the issuer and other factors may also have an effect on the convertible security's investment value. The conversion value of a convertible security is

determined by the market price of the underlying common stock. If the conversion value is low relative to the investment value, the price of the convertible security is governed principally by its investment value. To the extent the market price of the underlying common stock approaches or exceeds the conversion price, the price of the convertible security will be increasingly influenced by its conversion value. A convertible security generally will sell at a premium over its conversion value by the extent to which investors place value on the right to acquire the underlying common stock while holding a fixed-income security. Generally, the amount of the premium decreases as the convertible security approaches maturity.

A convertible security may be subject to redemption at the option of the issuer at a price established in the convertible security's governing instrument. If a convertible security held by the client is called for redemption, the client will be required to permit the issuer to redeem the security, convert it into the underlying common stock or sell it to a third party. Any of these actions could have an adverse effect on the client's ability to achieve its investment objective.

Derivative Instruments

We may take advantage of opportunities with respect to certain derivative instruments that are not presently contemplated for use or that are currently not available, but that may be developed, to the extent such opportunities are both consistent with the investment objective of a client and legally permissible. Special risks may apply to instruments that are invested in by the client in the future that cannot be determined at this time or until such instruments are developed or invested in by a client. Certain swaps, options and other derivative instruments may be subject to various types of risks, including market risk, liquidity risk, the risk of non-performance by the counterparty, including risks relating to the financial soundness and creditworthiness of the counterparty, legal risk, and operations risk.

Trading Decisions

Trading decisions made by Palagic will be based on fundamental and other analysis. Any factor that would lessen the prospect of major trends occurring in the future (such as increased governmental control of, or participation in, the financial markets or the basic materials sector) may reduce the prospect that a particular trading method or strategy will be profitable in the future. In the past, there have been periods without discernible trends and, presumably, such periods will continue to occur in the future. Moreover, any factor that would make it more difficult to execute trades at desired prices in accordance with the signals of the trading method or strategy (such as a significant lessening of liquidity in a particular market, such as the basic materials sector) would also be detrimental to profitability. Further, many advisors' trading methods utilize similar analyses in making trading decisions. Therefore, bunching of buy and sell orders can occur, which makes it more difficult for a position to be taken or liquidated. No assurance can be given that the Fund's strategies will be successful under all or any market conditions.

Loans of Portfolio Securities

The Fund may lend its portfolio securities. By doing so, the Fund attempts to increase income through the receipt of interest on the loan. While a securities loan is outstanding, the Fund will continue to receive the equivalent of the interest or dividends paid by the issuer on the securities, as well as interest on the investment of the collateral or a fee from the borrower. The risks in lending securities, as with other extensions of secured credit, if any, consist of possible delay in receiving additional collateral, if any, or in recovery of the securities or possible loss of rights in the collateral, if any, should the borrower fail financially. To the extent that the value of the securities the Fund lent increases, the Fund could experience a loss if such securities are not recovered. Furthermore, the valuation models used to determine whether a position presents an attractive opportunity consistent with Palagic's strategies with respect to the Fund may become outdated and inaccurate as market conditions change.

Relative Value and Directional Movements

Palogic's investment strategy on behalf of its clients depends upon its ability to accurately predict future price movements or the convergence of market prices toward the theoretical values expected by Palogic. Any such attempt to predict future price movements is inherently risky and inaccurate. Often, price movements are determined by factors that were not anticipated by Palogic and over which Palogic has no control, and the Palogic's analysis of known factors may prove to be incorrect, in each case potentially resulting in substantial losses for clients.

Non-U.S. Investments

Clients might periodically invest in financial instruments of non-U.S. corporations and governments. Investing in the financial instruments of companies (and, from time to time, governments) outside of the United States involves certain considerations not usually associated with investing in financial instruments of U.S. companies or the U.S. government, including political and economic considerations, such as greater risks of expropriation, nationalization, confiscatory taxation, imposition of withholding or other taxes on interest, dividends, capital gains or other income, limitations on the removal of assets and general social, political and economic instability; the relatively small size of the securities markets in such countries and the low volume of trading, resulting in potential lack of liquidity and in price volatility; the evolving and unsophisticated laws and regulations applicable to the securities and financial services industries of certain countries; fluctuations in the rate of exchange between currencies and costs associated with currency conversion; and certain government policies that may restrict the client's investment opportunities. In addition, accounting and financial reporting standards that prevail outside of the U.S. generally are not as high as U.S. standards and, consequently, less information is typically available concerning companies located outside of the U.S. than for those located in the U.S. As a result, the client may be unable to structure its transactions to achieve the intended results or to mitigate all risks associated with such markets. It may also be difficult to enforce the client's rights in such markets. For example, financial instruments traded on non-U.S. exchanges and the non-U.S. persons that trade these instruments are not subject to the jurisdiction of the SEC or the Commodity Futures Trading Commission or the securities and commodities laws and regulations of the U.S. Accordingly, the protections accorded to the client under such laws and regulations are unavailable for transactions on foreign exchanges and with foreign counterparties.

Less Liquid Instruments

Clients generally makes investments in publicly-traded equity securities that are believed to be relatively liquid under normal market conditions. However, clients may invest in the securities of companies with micro- and small-capitalizations, which may be thinly traded and otherwise illiquid. In addition, clients may from time to time hold large positions with respect to a specific type of instrument, which may reduce the clients' liquidity. Clients may also invest in other illiquid financial instruments. Clients may be unable to timely dispose of certain assets, which would adversely affect the clients' ability to rebalance its portfolio or to meet withdrawal requests. In addition, such circumstances may force clients to dispose of assets at reduced prices, thereby adversely affecting clients' performance. If there are other market participants seeking to dispose of similar assets at the same time, clients may be unable to sell such assets or prevent losses relating to such assets. Furthermore, if clients incur substantial trading losses, the need for liquidity could rise sharply while its access to liquidity could be impaired. In conjunction with a market downturn, clients' counterparties could incur losses of their own, thereby weakening their financial condition and increasing clients' credit risk to them.

Default and Credit Risks

Our clients may invest in debt obligations of both government and corporate issuers. These financial instruments involve the risk that the obligor either cannot or will not fulfill its obligations under the terms of the financial instrument. The client and Palogic assume credit risk to their brokers, custodians, and other counterparties in connection with brokerage arrangements, derivatives and other contractual relationships. In evaluating credit risk, the client and Palogic will often be dependent upon information provided by the obligor, which may be materially inaccurate or fraudulent. Any actual

default, or any circumstance that increases the possibility of such a default, could have a material adverse effect on our clients.

Interest Rate Risks

Interest rate risk refers to the risks associated with market changes in interest rates. Interest rate changes have recently affected and may continue to affect the value of debt investments indirectly (especially where there is a fixed interest rate) and directly (especially where there is an adjustable interest rate). Rising interest rates have recently negatively impacted, and to the extent of additional increases in such rates will continue to negatively impact, the price of fixed rate debt instruments. To the extent interest rates fall in the future, such falling interest rates are generally expected to have a positive effect on price. Adjustable-rate instruments also react to interest rate changes in a similar manner, typically to a lesser degree. Interest rate sensitivity is generally more pronounced and less predictable in instruments with uncertain payment or prepayment schedules. In addition, recent interest rate increases have, and any additional future interest rate increases generally will, result in financing for property purchases and improvements being more costly and difficult to obtain. Further, increases in interest rates after an investment has been acquired by a client may negatively impact the valuation of such investment.

Illiquid Investments

It is possible that some investments held by the Fund may not be able to be sold except pursuant to a registration statement filed under the Securities Act of 1933, as amended (the “Securities Act”) or in accordance with Rule 144 or another exemption under the Securities Act. Furthermore, because of the speculative and non- public nature of some investments, Palogic may, from time to time, sell or otherwise dispose of investments that later prove to be more valuable than anticipated at the time of such disposition. Any premature sales or dispositions may prevent the Fund from realizing as great an overall return on investment as may have been realized if such sales or dispositions had been made at a later date, which may adversely affect investment results of investors.

Certain securities may be difficult or impossible to sell at the time and price that the Fund desires. The Fund may have to lower the price, sell other securities instead or forego an investment opportunity, any of which could have a negative effect on the performance of the Fund. In addition, there may be severe limitations on the Fund’s ability to sell certain securities at any price during a period of reduced credit market liquidity.

Hedging Transactions

Palogic may utilize financial instruments, both for investment purposes and for risk management purposes, in order to: (i) protect against possible changes in the market value of the investment portfolio resulting from fluctuations in the securities markets and changes in interest rates; (ii) protect a client’s unrealized gains in the value of the client’s investment portfolio; (iii) facilitate the sale of any such investments; (iv) enhance or preserve returns, spreads or gains on any investment in a client’s portfolio; (v) hedge against a directional trade; (vi) hedge the interest rate or currency exchange rate on any of a client’s liabilities or assets; (vii) protect against any increase in the price of any securities the client anticipates purchasing at a later date; or (viii) for any reason that Palogic deems appropriate.

The success of a client’s hedging strategy depends, in part, upon Palogic’s ability to correctly assess the degree of correlation between the performance of the instruments used in the hedging strategy and the performance of the portfolio investments being hedged. Since the characteristics of many securities change as markets change or time passes, the success of the client’s hedging strategy is also subject to Palogic’s ability to continually recalculate, readjust and execute hedges in an efficient and timely manner. While a client may enter into hedging transactions to seek to reduce risk, such transactions may result in a poorer overall performance for the client than if it had not engaged in such hedging transactions. For a variety of reasons, Palogic may not seek to establish a perfect correlation between the hedging instruments utilized and the portfolio holdings being hedged. Such an imperfect correlation may prevent the client from achieving the intended hedge or expose the client to risk of loss. A client is not required to hedge any particular risk in

connection with a particular transaction or its portfolios generally. Moreover, it should be noted that the portfolio is always exposed to certain risks that may not be hedged. The successful utilization of hedging and risk management transactions requires skills complementary to those needed in the selection of the client's portfolio holdings.

Counterparty Risks.

We enter into many transactions with third parties (*i.e.*, borrowers, custodians, prime brokers, etc.) in which the failure or delay of the third party to perform its obligations under a contract with a client could have a material adverse effect on such client. Because of the large number of entities and jurisdictions involved and the range of possible factual scenarios involving the insolvency of a counterparty, it is impossible to generalize about the effect of a counterparty's insolvency on us, our clients' and their assets. Changing circumstances and market conditions, generally beyond our control, could impair our ability to access our existing cash, cash equivalents or investments. Investors and clients should assume that the insolvency of any of our financial institutions, prime brokers or other counterparties would result in the loss of all or a substantial portion of our clients' assets held by such financial institution, prime broker or counterparty. If any of our clients' financial institutions or counterparties were to be placed into receivership, there is no guarantee that the Department of the Treasury, the Federal Reserve or the FDIC will intercede to provide our clients or other depositors with access to balances in excess of the \$250,000 FDIC insurance limit, that our clients would be able to access their existing cash, cash equivalents or investments, or that our clients would be able to adequately fund investments, any of which could have a material adverse effect on our clients and/or the investors. Any losses would be borne by our clients and/or the investors. In addition, if any of our counterparties are unable to access funds pursuant to such instruments or lending arrangements with such a financial institution, such parties' ability to pay their obligations to us or to enter into new commercial arrangements requiring additional payments to us could be adversely affected. In this regard, counterparties to credit agreements and arrangements with banks in receivership, and third parties such as beneficiaries of letters of credit (among others), may experience direct impacts from the closure of such financial institutions and uncertainty remains over liquidity concerns in the broader financial services industry.

Trade Errors

The Adviser will place orders on behalf of clients to buy, sell and otherwise trade in financial instruments. Over time there is the potential for errors relating to such trading. Trade errors are not errors in judgment, strategy, market analysis, economic outlook, etc., but rather errors in the placement, execution or settlement of a trade (other than, for example, settlement delays that occur in the ordinary course of business), and may include purchasing securities not legally permitted for an account or fund, or not within an account's or fund's investment guidelines; purchasing or selling the wrong security, or an incorrect amount of a security, for an account or fund; purchasing or selling securities for the wrong account or fund; selling a security instead of buying a security or vice versa; or allocating securities to the wrong account or fund. Trade errors may result from keystroke errors that occur when entering trades into an electronic trading system or typographical or drafting errors related to derivatives contracts or similar agreements or similar human errors. Trade errors may result in losses but may also result in gains or avoided losses. To the extent an error is caused by a third party, such as a broker, the Adviser may (but is not obligated to) seek to recover losses associated with such error from such third party, taking into account such factors as it deems relevant (including but not limited to operational, contractual and relationship-driven considerations). Subject to the terms of any agreements, any losses associated with a trade error generally will be borne by (and any gains associated with a trade error will accrue to the benefit of) the client.

Index Contracts

The Funds also may invest in customized instruments to seek to hedge against the risk of changes in the level of prices of broad market averages or indices, as well as narrower indices or baskets of securities, foreign currencies or commodity prices. These hedging strategies may be executed by Palagic through the use of exchange-traded equity index options, standardized or individually negotiated over-the-counter contracts or other forms of derivative contracts (collectively, "index contracts") structured by investment banking institutions.

There are substantial risks associated with index contracts, including possible default by the counterparty to the transaction, illiquidity and, to the extent Palogic's view as to certain market movements is incorrect, the risk that the use of such index contracts could result in losses greater than if they had not been used. Moreover, any lack of correlation between price movements of index contracts and price movements in the position of the Fund may create the possibility that losses in the value of the Fund's position may be greater than the gain on the hedging instrument (or that a gain in the Fund's position may be less than the loss on the hedging instrument). In addition, options markets may not be liquid in all circumstances and certain over-the-counter index contracts may have no markets. As a result, in certain markets, the Fund might not be able to close a transaction without incurring substantial losses, if at all. Any such result may have a material adverse effect on the Funds.

Exchange Traded Funds and Other Similar Instruments

Shares of exchange traded funds ("ETFs") and other similar instruments may be purchased or sold short by the Adviser. An ETF is an investment company that is registered under the Investment Company Act of 1940, as amended (the "Company Act") that holds a portfolio of common stocks designed to track the performance of a particular index. ETFs sell and redeem their shares at net asset value in large blocks (typically 50,000 of its shares) called "creation units." Shares representing fractional interests in these creation units are listed for trading on national securities exchanges and can be purchased and sold in the secondary market in lots of any size at any time during the trading day. Instruments Palogic may purchase that are similar to ETFs represent beneficial ownership interests in specific "baskets" of stocks of companies within a particular industry sector or group. These securities may also be listed on national securities exchanges and purchased and sold in the secondary market, but unlike ETFs, these securities are not registered as investment companies under the Company Act.

Investments in ETFs and other instruments involve certain inherent risks generally associated with investments in a broadly-based portfolio of stocks including risks that the general level of stock prices may decline, thereby adversely affecting the value of each unit of the ETF or other instrument. In addition, an ETF may not fully replicate the performance of its benchmark index because of the temporary unavailability of certain index securities in the secondary market or discrepancies between the ETF and the index with respect to the weighting of securities or number of stocks held. Because ETFs and pools that issue similar instruments bear various fees and expenses, the client's investment in these instruments will involve certain indirect costs, as well as transaction costs, such as brokerage commissions. Palogic considers the expenses associated with an investment in determining whether the Fund should invest in an ETF or other instrument.

Costs Associated with ETF Investments

Investment managers of mutual funds and ETFs that may be selected by the Palogic will generally be entitled to a fee based on net assets under management. Any such fees charged by an investment manager of a mutual fund or ETF in which the Fund invests are in addition to the management fee and performance allocation and will reduce the client's assets accordingly.

Competition

The markets in which clients participate, as well as other markets and strategies in which clients may participate, are extremely competitive. There can be no assurance that Palogic will be able to identify or successfully pursue attractive investment opportunities in this environment. Investors should expect that clients' investments will involve substantially more company specific and market risk and associated volatility in the future than in the past. Palogic will compete with many firms, some of which may have substantially greater financial resources, more favorable financing arrangements, larger research staffs and more securities traders than are available to Palogic.

Operational and Regulatory Risks

General Operational Risks

The volume and complexity of transactions may place substantial burdens on the Palogic's operational systems and resources, including those related to trade entry and execution, position reconciliation, corporate actions, collateral, and margin maintenance, marking procedures, finance, accounting, profit and loss reporting, internal management and risk reporting and funds transfers. Human error (including, without limitation, trading errors), system failure or other problems with any of these processes could result in material losses or costs, which generally are borne by the client.

Execution Risks

Palogic's trading strategy depends on its ability to establish and maintain an overall market position in a combination of financial instruments selected. Should trading orders and investment decisions not be executed in a timely and efficient manner, the client might be able to acquire only some, but not all, of the components of such position, or if the overall position were to need adjustment, Palogic might not be able to make such adjustment. In such an event, the client would not be able to achieve the market position selected might incur a loss in liquidating its position.

Systems and Facilities Risks

Palogic relies extensively on computer programs and systems to trade, clear and settle securities transactions, to evaluate certain securities based on real-time trading information, to monitor its portfolio and net capital, and to generate risk management and other reports that are critical to oversight of investment activities. In addition, certain operations may interface with or depend on systems operated by third parties, including its brokers, custodians, and market counterparties. Although the Palogic attempts to develop appropriate contingency plans, there can be no assurance that such plans will be effective. For example, a natural catastrophe or terrorist incident could temporarily or permanently interfere with the availability or efficient functioning of such resources. Given the potential for extremely rapid price movements in the markets in which the Adviser invests, any defect or failure in the computer programs or systems or any interruption in the Adviser's or the administrator's access to its facilities, however brief, could have a material adverse effect on clients.

Internal Controls and Employee Misconduct

Palogic has adopted supervisory guidelines and other controls with the intention of detecting and preventing unauthorized trading, the misappropriation of clients' property and other misconduct and violations of law by employees. There can be no assurance, however, that such procedures and controls will be effective. Any violation of such procedures and controls, including acts of fraud and dishonesty by employees or even unsubstantiated allegations of such misconduct, could result in material losses or costs, which are generally borne by the client.

Restrictions on Trading and Position Limits

In connection with Palogic's activities or with the outside activities of the Principals or any employees of Palogic, Palogic may acquire confidential information or otherwise become restricted in its investment activities. For example, this occurs in connection with evaluating new investments, serving on the board of directors of issuers or serving on creditors' committees. In such event, Palogic may not be free to act upon such confidential information in the course of performing its duties for clients, and Palogic may not be able to initiate a transaction for the Fund that it otherwise might have initiated, with the result being that clients are unable to purchase or dispose of a position. Such restrictions would apply even if clients were not involved in, and could not have benefited from, the receipt of such information or the imposition of such other restriction.

Position limits and ownership thresholds imposed by various regulations may also limit the Funds, ability to effect desired trades. Position limits include maximum amounts of net long or net short positions that any one person or entity

may own or control in a particular financial instrument. Other ownership thresholds include reporting requirements, volume limitations, short-swing profit rules, mandatory tender offer requirements, poison pill provisions and other regulatory or contractual requirements that make it illegal or undesirable to exceed a certain threshold of ownership in a particular issuer. In general, all positions owned or controlled by the same person or entity, even if in different accounts, are aggregated for purposes of determining whether the applicable position limits or ownership thresholds have been exceeded. Thus, even if a client itself does not intend to exceed the applicable limits, it is possible that different accounts managed by Palogic may be aggregated. If at any time positions managed by Palogic were to exceed the applicable limits, Palogic could be required to liquidate positions, which might include positions of the Fund or other clients, to the extent necessary to come within those limits. Further, to avoid exceeding the applicable limits, the Fund or other clients may have to forego or modify certain of their contemplated trades.

Cybersecurity Risks

We, our clients and our respective affiliates and service providers depend on information technology systems and, notwithstanding the diligence that we or our affiliates may perform on its or our clients' service providers, it may not be in a position to verify the risks or reliability of such information technology systems. We, our clients and our respective affiliates and service providers are subject to risks associated with a breach in cybersecurity. "Cybersecurity" is a generic term used to describe the technology, processes and practices designed to protect networks, systems, computers, programs and data from both intentional cyber-attacks and hacking by other computer users as well as unintentional damage or interruption that, in either case, can result in damage and disruption to hardware and software systems, loss or corruption of data, and/or misappropriation of confidential information. We, our affiliates and our information and technology systems are vulnerable to damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors by their respective professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. Although we have implemented various measures to manage risks relating to these types of events, if these systems are compromised, become inoperable for extended periods of time or cease to function properly, we or an affiliate may have to make a significant investment to fix or replace them. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in our, our client's or any of our respective affiliates' operations and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to investors (and the beneficial owners of investors). Such a failure could harm our or our affiliates' reputation, subject any such entity and their respective affiliates to legal claims and otherwise affect its business and financial performance. Such damage or interruptions to information technology systems may cause losses to our clients or individual investors by interfering with the operations of us and our affiliates (or their service providers). Our clients may also incur substantial costs as the result of a cybersecurity breach, including those associated with forensic analysis of the origin and scope of the breach, increased and upgraded cybersecurity, identity theft, unauthorized use of proprietary information, litigation, adverse investor reaction, the dissemination of confidential and proprietary information and reputational damage. Any such breach could expose our clients, us and our respective affiliates to civil, legal or regulatory liability as well as regulatory inquiry and/or action, and our clients may be required to indemnify us and our affiliates against any losses incurred in connection therewith. Cybersecurity issues and risks are currently a major focus area of the SEC and other regulatory authorities.

Data Protection and Information Security Compliance Risk

Compliance with current and future (i) privacy, data protection and information security laws and (ii) league rules regarding the use and disclosure of confidential information could significantly impact current and planned privacy and information security related practices, the collection, use, sharing, retention and safeguarding of personal data and any client's current and planned business activities and as such could increase costs for such clients or funds or their or our ability to disclose certain investment information to its investors. A failure to comply with such laws, regulations and league rules could result in fines, sanctions or other penalties, which could materially and adversely affect the results of operations of our clients, as well as have an impact on a client's ability to make future investments.

Investments in which our clients invest are or may be subject to laws and regulations related to privacy, data protection and information security in the jurisdictions in which they operate or do business. As privacy, data protection and information security laws and regulations are implemented, interpreted and applied, compliance costs may increase, particularly in the context of ensuring that adequate data protection and data transfer mechanisms are in place.

California has passed the California Consumer Privacy Act of 2018 (as amended by the California Privacy Rights Act of 2020, the “CCPA”). The CCPA generally applies to businesses that collect personal information about California consumers, and either meet certain thresholds with respect to revenue or buying and/or selling consumers' personal information. The CCPA imposes stringent legal and operational obligations on such businesses as well as certain affiliated entities that share common branding. The CCPA is enforceable by the California Attorney General. Additionally, if unauthorized access, theft or disclosure of a consumer's personal information occurs, and the business did not maintain reasonable security practices, consumers could file a civil action (including a class action) without having to prove actual damages. Statutory damages range from \$100 to \$750 per consumer per incident, or actual damages, whichever is greater. The Attorney General also may impose civil penalties ranging from \$2,500 to \$7,500 per violation.

The European Union (the “EU”) data protection law currently in effect is in the form of the General Data Protection Regulation (EU 2016/679) (the “GDPR”), which took direct effect across the EU member states on May 25, 2018.

The GDPR seeks to harmonize national data protection laws across the EU, while at the same time, modernizing the law to address new technological developments. The GDPR notably has a greater extra-territorial reach than pre-existing legislation and has a significant impact on data controllers and data processors (i) with an establishment in the EU, (ii) which offer goods or services to EU data subjects or (iii) which monitor EU data subjects' behavior within the EU. The GDPR imposes more stringent operational requirements on both data controllers and data processors and introduces significant penalties for non-compliance, with fines of up to 4% of total annual worldwide revenue or €20 million (whichever is higher), depending on the type and severity of the breach.

Other jurisdictions, including other U.S. states, have passed or proposed or are considering similar privacy laws, which may impose similarly significant costs, potential liabilities and operational and legal obligations. Such privacy laws and regulations vary from jurisdiction to jurisdiction, which may increase costs and operational and legal burdens on regulated entities. Further, compliance with current and future privacy laws could significantly impact current and planned privacy and information security related practices, the collection, use, sharing, retention and safeguarding of personal data and some of our current and planned business activities. Any such privacy law could materially and adversely affect the results of operations and overall business of our clients and/or their investments, as well as have a negative impact on their respective performance.

Risks Relating to Client Terms and Structure

Operating and Performance History

The past performance of the Fund, other clients of Palogic, Palogic, the Principals and their respective affiliates is not necessarily indicative of the future performance or profitability of the Fund or an investment therein. Each client's investment program should be evaluated on the basis that there can be no assurance that Palogic's assessment of the short-term or long-term prospects of investments will prove accurate or that a client will achieve its investment objective. An investment in the Program or the Fund involves a substantial degree of risk, including the loss of all capital.

Transparency and Liquidity Rights of Other Clients

The transparency and liquidity terms applicable to our clients (or the transparency or liquidity rights or terms granted to certain investors in the Funds) are or may be more favorable in certain material respects than the transparency and

liquidity terms generally applicable to other clients or the investors in the Funds. As a result, these other clients (or certain investors in the Funds) may be able to request withdrawals or obtain liquidity from their accounts at a time when investors in the Funds cannot or generally may not be able to request redemptions or obtain liquidity with respect to the Funds. Where such other clients share an investment strategy with (or have investment strategies and objectives that materially overlap with) the Funds, such withdrawals or liquidity actions could affect the price and availability of the securities and instruments in which the Funds invest, if, for example, such other clients managed by the Adviser were able to liquidate certain of positions that are also held by the Funds in order to effect the withdrawals or provide liquidity.

Reliance on Palogic and Key Personnel

Pursuant to the terms of the governing documents of the Fund and the IMAs, Palogic has full discretionary authority to identify, structure, execute, administer, monitor, and liquidate trades made on behalf of clients. The success of the clients' investments is dependent upon the abilities and retention of Palogic and the Principals, and/or any other key personnel of Palogic. If any one of the Principals or key personnel of Palogic ceases to be involved, directly or indirectly, in Palogic and the management of the Program or the Fund or its portfolio, clients would likely be adversely affected. There is no prohibition preventing any one of the Principals or key personnel from terminating his relationship with Palogic.

While Palogic and its affiliates devote as much time to clients' affairs as they deem necessary and appropriate, they generally are not precluded from engaging in outside activities. Palogic and its affiliates generally may engage and hold interests in other business ventures and activities of every kind and description for their own account including, without limitation, other investment entities similar to the Fund and/or other investment advisory entities similar to Palogic.

THE FOREGOING RISK FACTORS DO NOT PURPORT TO BE A COMPLETE LIST OR EXPLANATION OF ALL THE RISKS ASSOCIATED WITH AN INVESTMENT IN THE FUND. INVESTORS ARE ENCOURAGED TO REVIEW THE FUND OFFERING AND GOVERNING DOCUMENTS. INVESTORS ARE ALSO URGED TO CONSULT WITH THEIR OWN LEGAL AND TAX ADVISORS BEFORE MAKING ANY INVESTMENT DECISIONS. IN ADDITION, AS THE FUND'S INVESTMENT PROGRAM DEVELOPS AND CHANGES OVER TIME, AN INVESTMENT IN THE FUND MAY BE SUBJECT TO ADDITIONAL AND DIFFERENT RISK FACTORS.

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 the adviser or the integrity of adviser's management.

There are no legal, regulatory, or disciplinary events involving the Firm or its Principals. Palogic values the trust clients/investors place in the Firm. The Firm encourages clients/investors to perform the requisite due diligence on any adviser or service provider that the client/investor engages.

The backgrounds of the Firm and its advisory persons are available on the Investment Adviser Public Disclosure website at www.adviserinfo.sec.gov.

Item 10 – Other Financial Industry Activities and Affiliations

The Firm is not registered, and does not have an application pending to register, as a broker-dealer or registered representative of a broker-dealer. Currently, no employees of the Firm are registered representatives of a broker-dealer.

Neither the Firm nor any of its Principals are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, commodity trading adviser, or an associated person of the foregoing entities.

The Firm has no relationships or arrangements with any related person listed in the instructions to Item 10.C. that are material to its advisory business or to its clients.

The Firm does not recommend or select other investment advisers for its clients.

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

Code of Ethics and Personal Trading Policy

The Firm has adopted a code of ethics and personal trading policy (“Code of Ethics”) in furtherance of its compliance with applicable laws. The Firm prohibits employees from using or attempting to use their position at the Firm to obtain improper benefits for themselves or any other person.

The Firm’s Code of Ethics permits employees to invest for their personal accounts (subject to certain guidelines and restrictions, discussed further below under “Personal Trading”) which may create a conflict of interest with the investors. In order to address these conflicts and prevent improper trading by personnel of the Firm, it has adopted various procedures, detailed in its Code of Ethics. Among other things, the Firm’s policies require that all personal securities transactions, subject to various exemptions (as detailed the Code of Ethics) and including IPOs and private security investments, made by employees be approved in advance by the Firm’s CCO or designee. The CCO or designee will review the employees’ personal trade request(s) and determine if at the time the personal trade conflicts with a current or pending Firm trade. If a conflict exists, the employee may not be permitted to execute the trade in their personal account. Additionally, employees must report certain personal securities holdings upon employment as well as complete quarterly certifications of their personal securities transactions.

The Firm has also adopted policies and procedures designed to prevent employees from being unduly influenced in their decisions by receipt of gifts, entertainment, or other inducements by third parties, such as trading counterparties, vendors or investors.

Palogic does not direct investment of clients in the Program’s assets into the Fund or make recommendations to clients in the Program to invest in the Fund. However, Palogic does not prohibit clients in the Program from making an independent decision to invest in the Fund with the acknowledgment regarding the Fund's fees that are also separate and distinct from the Program Fee.

Outside Activities

Some of the Firm’s Principals or employees serve and/or and may in the future serve, but currently do not serve, on the management committees, boards of directors, or in other capacities of various organizations or companies in which the Adviser invests. Any such employee could have a conflict of interest between discharging their obligation in such capacities and acting in the best interest of a Funds, and would typically receive compensation (whether in the form of incentive awards or otherwise) in their capacities as a director, officer or agent of such organizations or companies and are not required to share such compensation with the Fund. The Firm has adopted various policies and procedures to address potential conflicts of interest arising from outside business activities, including but not limited to pre-approval of such activities and periodic updated disclosures.

The Funds and the Program do not limit the Firm’s ability or any related person’s ability to form or manage other funds or accounts of any nature whatsoever. The Firm has adopted fee, expense and investment allocation policies and procedures to address any potential conflict among said funds and accounts with overlapping mandates or investment periods. Subject to the foregoing, there are no limitations on the Firm’s ability or any related person’s ability to engage in other business or investment activities, whether related or unrelated to the Fund or the Program.

Outside of quarterly disclosure requirements to the Firm’s CCO or designee, the Firm and its related persons are not subject to any specific obligations or requirements concerning the allocation of time, effort or investment opportunities to the Fund or clients in the Program, or any restrictions on the nature or timing of investments for the Fund or clients in the Program, the Firm’s proprietary accounts or the Firm’s related person’s proprietary accounts. The Firm’s owners and employees are not obligated to devote any specific amount of time to the affairs of the Firm, the Fund or the Program and they are not required to accord any exclusivity or priority to the Fund or any clients in the Program or account in the event of “limited availability” investment opportunities and, as a result, conflicts of interest may arise.

These potential conflicts of interest are addressed via policies and procedures related to Personal Trading and Outside Activities.

Insider Trading

During its investment activities or otherwise, the Firm or its personnel may acquire confidential or material non- public information or otherwise be restricted in their investment activities, and, in such event, the Firm and such related persons may not be free to act upon such information. Due to such information or restrictions, the Firm may not initiate a transaction for a Fund or account that the Firm may otherwise have initiated, and such Fund or account may, as a result, be required to maintain a position that it otherwise might have sold or be required to refrain from acquiring a position that it otherwise may have acquired.

The Firm maintains policies and procedures, including in its Code of Ethics, and trains all personnel on, the identification and proper handling of such information, including as to personal securities transactions. A copy of the Adviser's Code of Ethics is available to any Client or prospective investor upon request.

Personal Trading

Neither we nor our related persons recommend to clients, or buys or sells for client accounts, securities in which we or our related persons have a material financial interest. Our employees, excluding Portfolio Managers (as defined below), are permitted to engage in personal investment activities that involve or may involve a conflict of interest with the investment activities of clients. From time to time, employees may purchase or dispose of securities of the same class or issuer as those owned by clients, and clients may purchase or dispose of securities of the same class or issuer as those owned by employees. We have adopted policies and procedures to address and mitigate these potential conflicts, including the requirement to seek prior approval from the Firm's chief compliance officer proposed trades that may conflict with client trades and the adoption of restrictive trading window for employee trades that may coincide with client trades. Portfolio Managers (the "Portfolio Managers"), as defined by the Firm, are prohibited from owning an outside personal trading account, except that of a product offered by the Firm, such as participation in the Fund or the Program, a third-party managed separately managed account, or such brokerage account that transacts exclusively in ETFs or mutual funds.

Item 12 – Brokerage Practices

Brokerage for the Funds

The Firm generally has discretion to determine, subject to the Funds' disclosed investment objectives, policies and strategies, the securities to be purchased or sold and in what amounts, the broker-dealers and other financial intermediaries used in effecting the transactions for the Fund, and the commission rates to be paid for such transactions. The Firm does not permit the Fund to direct brokerage to a specified broker-dealer. All brokerage transactions will be executed through the broker-dealers selected by the Firm.

The Firm selects the broker-dealers and other financial intermediaries used to effect transactions on behalf of the Fund. The Firm seeks to obtain "best execution" from these broker-dealers based on a variety of factors. In selecting broker-dealers to effect portfolio transactions, the Firm may cause the Funds to enter into arrangements pursuant to which the client pays transaction costs in an amount greater than would be incurred if another broker-dealer were used. The Firm is not required to solicit competitive bids or seek the lowest available commission or transaction costs. The transactions executed may be cleared through, and the Fund's investment instruments may be held by, a number of financial institutions the Firm selects on terms negotiated with each such financial institution individually. Subject to the Firm's agreement with the Fund, the Firm generally will use a variety of financial institutions both to take advantage of differing expertise and capabilities and to avoid, due to credit concerns, having all investment instruments concentrated at one firm. In selecting or recommending brokers, we generally do not consider whether we or our related persons receive client or investor referrals from such brokers.

Brokerage for the Wrap Fee Program

The Firm does not permit clients in the Program to direct brokerage to a specified broker-dealer, as the Firm has entered into a service agreement with Raymond James & Associates, Inc. ("Raymond James") as carrying broker and custodian for the Program. Raymond James provides custody services for clients in the Program and executes, clears, and settles orders with respect to client accounts in the Program, makes valuation and other information with respect to publicly traded securities credited to client accounts in the Program available upon request and certain other services from time to time. Raymond James may receive compensation related to client accounts in a variety of ways, including but not limited to margin accounts and security-based lending, credit balance spreads, investment funds, insurance structured products, alternative investments and other products. The Program Fee includes the costs incurred in executing transactions for its clients, including the fees for execution of brokerage transactions. Pursuant to a Client Benefit Confirmation Agreement with Raymond James, Palologic may receive a client cash benefit (the "Client Benefit Program") from Raymond James based on total regulatory assets under management in the Program, which presents a conflict of interest between clients in the Program and the Firm. For additional information regarding the Client Benefit Program, clients can contact the Adviser. In addition, Palologic may receive reimbursement of expenses from Raymond James as well as other benefits to help offset costs associated with establishing the Program. Please refer to the Form ADV Part 2A Appendix 1: Wrap Fee Program brochure for more information.

Soft Dollars

The Firm or its affiliates may receive products and services from brokers dealers in addition to brokerage services. A portion of the commissions generated on brokerage transactions may generate "soft dollar" credits that the Firm is authorized to use to pay for research and other non-research related services and products used by the Firm or its affiliates. The Firm may enter into "soft dollar" arrangements with one or more broker-dealers whereby the Firm will direct securities transactions to the broker-dealer in return for research products and services from the broker-dealer.

Although the Firm will use the research and services in making investment decisions for the Funds and clients in the Program, the Firm's use of such research or services for other accounts means clients will generally pay more than the lowest available commissions for execution of these transactions. The Firm may also enter into "soft dollar" arrangements to cover expenses or costs of the Funds and/or the Program and expenses of the Firm to the extent such arrangements are permitted by law.

The Firm has authority to use "soft dollar" credits generated by the clients' securities transactions to pay for expenses that might otherwise have been borne by the Firm. This may give the Firm an incentive to select brokers or dealers for client transactions, or to negotiate commission rates or other execution terms, in a manner that takes into account the soft dollar benefits received by the Firm rather than giving exclusive consideration to the interests of clients.

In the event that the Firm elects to use soft dollars, it intends to limit such use to services that fall within the safe harbor afforded by Section 28(e) of the Exchange Act or such services that are otherwise reasonably related to the investment decision-making process. The term "soft dollars" refers to the receipt by an investment adviser of products and services provided by brokers, without any cash payment by the investment adviser, based on the volume of revenues generated from brokerage commissions for transactions executed for clients of the investment adviser. The products and services available from brokers include both internally generated items (such as research reports prepared by employees of the broker) as well as items acquired by the broker from third parties (such as quotation equipment).

The use of brokerage commissions to obtain investment research services and to pay for the administrative costs and expenses of the Firm creates a conflict of interest between the Firm and the Fund, because the Fund pays for such products and services that are not exclusively for the benefit of the Fund and that may be primarily or exclusively for the benefit of the Firm or clients in the Program. This conflict of interest with respect to soft dollars is not present to the same extent with respect to clients in the Program since the cost of brokerage commissions is included in the Program Fee. To the extent that the Firm is able to acquire these products and services without expending its own resources (including management fees paid by the Fund), the Firm's use of "soft-dollars" would tend to increase the Firm's profitability. In addition, the availability of these non-monetary benefits may influence the Firm to select one broker rather than another to perform services for the Fund. The Fund's offering documents and the IMA for the Program specifically authorize these practices to the fullest extent permitted by law.

During the last fiscal year, we did not acquire any soft dollars.

Order Aggregation

In general (and when applicable), the Firm attempts to aggregate multiple orders for the purchase or sale of the same instrument into block transactions, subject to the overall obligation to achieve best price and execution for the Firm's clients. The Adviser is afforded significant discretion to determine the timing, extent, and nature of investment decisions on behalf of clients. Palologic may not conduct transactions on behalf of all clients in which they are responsible for at the same time, to the same degree, or in the same manner regardless of whether any or all clients have similar account sizes, diversification requirements, investment objectives, risk tolerance, cash availability, and tax preferences.

In an effort to help ensure allocations do not intentionally favor one client over another, the Adviser utilizes different investment strategies based on market capitalization. Typically, the market capitalization of securities for the pooled investment vehicles are smaller while the wrap program is generally larger in size. The difference in market capitalization of these securities help mitigate potential conflicts as there is not a significant overlap. Generally, prior to executing a transaction for client accounts in the Program, a pre-trade allocation is determined by the Firm and client accounts are typically allocated pro-rata. Although there is generally little overlap between clients in the Program and Fund clients, allocations between Program and Fund clients are generally done on a pro-rata basis. The Adviser is afforded significant discretion to determine the timing, extent, and nature of investment decisions and may not conduct transactions to the same degree, at the same time, or in the same manner. In circumstance where overlap

may exist however, the Adviser maintains policies and procedures including an allocation policy to treat clients in a fair and equitable manner.

Item 13 – Review of Accounts

The Principals are responsible for reviewing the Funds and clients in the Program's investment portfolios. The Principals commonly perform daily reviews of positions as they deem appropriate. Among other items, we consider the valuation of holdings, expected rates of return, investment diversification and risk factors based upon the stated investment goals and objectives for the client during said reviews. Accounts are reviewed in the context of each client's stated investment objectives and guidelines. The Firm conducts reviews of accounts on a periodic basis.

With respect to accounting matters, we have engaged KPMG LLP to conduct an annual audit of the financial statements each of the Funds.

We, our administrator and/or our auditor generally provide investors in the Funds annual audited financial statements, quarterly portfolio performance reports and annual U.S. income tax information. All such reports are written. The Firm and/or the Funds also provide custom reporting to certain investors upon their request that is not distributed or otherwise made available to other investors. This custom reporting may provide the recipients more fulsome and/or more timely insights into the performance and securities composition of the Funds. The Funds has also entered side letter agreements with certain investors that provide, among other things, the ability to redeem their interests from the Fund with shorter notice or otherwise more rapidly than other investors. The Firm may in its sole discretion waive redemption restrictions and/or notice requirements. While the Firm has the discretion to offer such custom reporting and special redemption rights pursuant to the Fund offering documents, this may create a conflict of interest in terms of advantaging the recipient investors over other investors. Especially during periods of market volatility, they may, for example, be able to see trends in the Funds earlier and act on them earlier while maximizing their value potentially at the expense of other investors without such custom reporting or special redemption rights. The Firm has established policies and procedures to mitigate this potential conflict of interest to balance its fiduciary and other duties against the foregoing special rights by preventing those special rights from materially negatively impacting the Funds.

Wrap Fee Program

Client accounts are reviewed on an ongoing basis, but no less than annually. Clients are advised that it remains their responsibility to make the Adviser aware of any changes in their investment objectives or financial situation. Clients are also provided, at least quarterly, with written transaction confirmation notices and regular unaudited summary account statements directly from Raymond James. Clients in the Program, through Raymond James, will have online account access to their account and may receive reports at their discretion by logging into their account. All clients (in person or via telephone) are encouraged to review financial planning issues, as applicable, investment objectives and account performance with the Adviser on an annual basis.

Item 14 – Client Referrals and Other Compensation

Except as described in Item 12 above, including with respect to the Client Benefit Program, the Firm does not receive any economic benefit, including sales awards or prizes, from any third party for providing advisory services to the Fund.

On or about March 21, 2022, the Adviser entered into an Asset Purchase Agreement with Peters Wealth Management (“PWM”), formerly an SEC-registered investment adviser, for the purchase of substantially all of PWM’s business in consideration for a promissory note issued by the Adviser payable to PWM with fixed principal and interest payments over a 10-year period.

The Firm does not have any agreement with a third-party placement agent to direct investors to the Fund or clients to the Program and does not otherwise compensate anyone for referring clients to the Firm.

Item 15 – Custody

We have, or may be deemed to have, custody of the Funds' and clients in the Program's assets and securities for purposes of Rule 206(4)-2 under the Advisers Act. To the extent required by Rule 206(4)-2 under the Advisers Act, each client's cash and securities (except for privately offered securities) are held with one or more qualified custodians selected by us or an affiliate. We may change the custodians at any time and from time to time without the consent of, or notice to, investors.

As noted in Item 13 above, Fund investors receive annual financial statements audited by an independent public accounting firm. Fund investors are urged to carefully review such statements. Qualified custodians do not provide statements directly to investors in the Funds.

Wrap Fee Program

Raymond James is the carrying broker and custodian for the Program's clients. As noted in Item 13 above, the custodian sends quarterly statements to Program clients and regular unaudited summary account reports. Clients have online access to their accounts and may receive additional reports at their discretion by logging into their account. Clients should carefully review these statements and reports.

Item 16 – Investment Discretion

Discretionary Authority

The Firm exercises discretion in managing the investments of the Funds and clients in the Program, based on its particular investment objectives, policies and strategies disclosed in such Fund offering documents pursuant the Fund governing and operating documents and IMAs. The Firm generally has the authority to determine the broker-dealer, futures commission merchant or other counterparty to be used for client transactions and the negotiation of commission rates and other consideration to be paid by the client.

Limited Power of Attorney

Each investor in the Funds generally grants us or our affiliate a limited power of attorney to enable us or our affiliate to execute the applicable partnership agreement and various other related matters on their behalf. We also have the authority to conduct authorized trading and investment activities on behalf of each of our clients.

Item 17 – Voting Client Securities Funds

The Firm has the authority to vote proxies with respect to securities owned by the Funds and the Firm follows a proxy voting policy to ensure that proxies the firm votes, on behalf of the Funds, are voted to further the best interest of that Fund. The policy establishes a mechanism to address any conflicts of interests between the Firm and the Fund. Further, the policy establishes how Fund investors may obtain information on how the proxies have been voted.

The Firm determines how to vote after studying the proxy materials and any other materials that may be necessary or beneficial to voting. The Firm votes proxies in a manner that it believes reasonably furthers the best interests of the Fund and its investors and is consistent with the investment philosophy as set forth in the relevant Fund offering documents. Investors generally may not direct or otherwise influence our vote with respect to any particular proxy solicitation.

If a proxy vote creates a material conflict between the interests of the Firm and a Funds, the Firm will resolve the conflict before voting the proxies. The Firm will take steps designed to ensure that a decision to vote the proxy was based on the Firm's determination of the Fund's best interest and was not the product of the conflict.

The Firm maintains records of (i) all proxy votes that are made on behalf of the Funds; (ii) all written requests from Fund investors regarding voting history; and (iii) all responses (written and oral) to investors' requests. Such records and a copy of the Firm's proxy voting policy are available to the Fund investors upon request.

Wrap Fee Program

Unless agreed otherwise in writing, we are precluded from and the Program client will be responsible for: (a) directing the manner in which proxies solicited by issuers of securities beneficially owned will be voted, and (b) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the securities in the account. The Program authorizes and direct Palogic to instruct the Custodian to forward copies of all proxies and shareholder communications.

Item 18 – Financial Information

Neither the Firm, nor its Principals, have any adverse financial situation that would reasonably impair the ability of the Firm to meet all obligations to its Client(s).

Neither the Firm, nor any of its Principals, have been subject to a bankruptcy or financial compromise.

The Firm does not collect advance fees of \$1,200 or more for services to be performed six (6) months or more in the future.